



**Gigante
Salmon**

R E P O R T F O R

THE SECOND QUARTER OF

2023

TABLE OF CONTENTS

3	Highlights	14	Report for the second quarter of 2023 <i>Gigante Salmon - Group</i>
6	Project implementation	18	Notes
8	Operational review	22	Report for the second quarter of 2023 <i>Gigante Salmon AS</i>
10	Financial review	26	Report for the second quarter of 2023 <i>Gigante Salmon Rødøy AS</i>
13	Statement by the board and CEO		

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: Gigante Salmon

Highlights

THE SECOND QUARTER OF 2023

- Rockfill that forms foundation for risers completed
- Concrete walls in production basin 3 close to completion. Columns in basin finished, and PE liners for installation on walls and floors delivered.
- Electrical and automation: First of four containers containing power-distribution panels fabricated and ready for delivery.
- In the technical area, pipelaying of intake pipes ongoing and work on electrical conduit has begun.
- Oxygen system for start of production completed and delivered.

EVENTS AFTER BALANCE SHEET DATE:

- Housing and work ships delivered during the first week of July.
- First container with power-distribution panel delivered.
- Walkways for production pool 3 delivered in first half of July; installed in stages.
- Planning and start of casting of floors for production basin 3.
- PE risers delivered, ready for installation of pump seat and to be connected to pumps.



Helge E. W. Albertsen
CEO

Project implementation

As of the balance sheet date, there were three months remaining until smolt are to be released in the first part of the facility. The fish are being raised by Grytåga Settefisk AS.

There are a number of activities related to the project that must be completed before start-up, and, in the coming period, good planning and management and prioritisation of outstanding work will be crucial. Some activities must be completed sequentially, while others can be worked on concurrently.

Most critical materials and equipment have been delivered and are either being assembled or installed at Lille Indre Rosøy, or are being pre-fabricated and assembled at another location before delivery to Lille Indre Rosøy.

A detailed and complete installation plan has been drawn up that takes care of the activities, but we are prepared for unforeseen events that affect progress.

The situation regarding cost increases and challenging delivery times for the power-related elements of the project remains as described in the Q1 report. This continues to be an area of attention, and we continue to work with relevant suppliers to identify cost-reducing measures that do not affect the health and well-being of the fish to be raised in the facility.

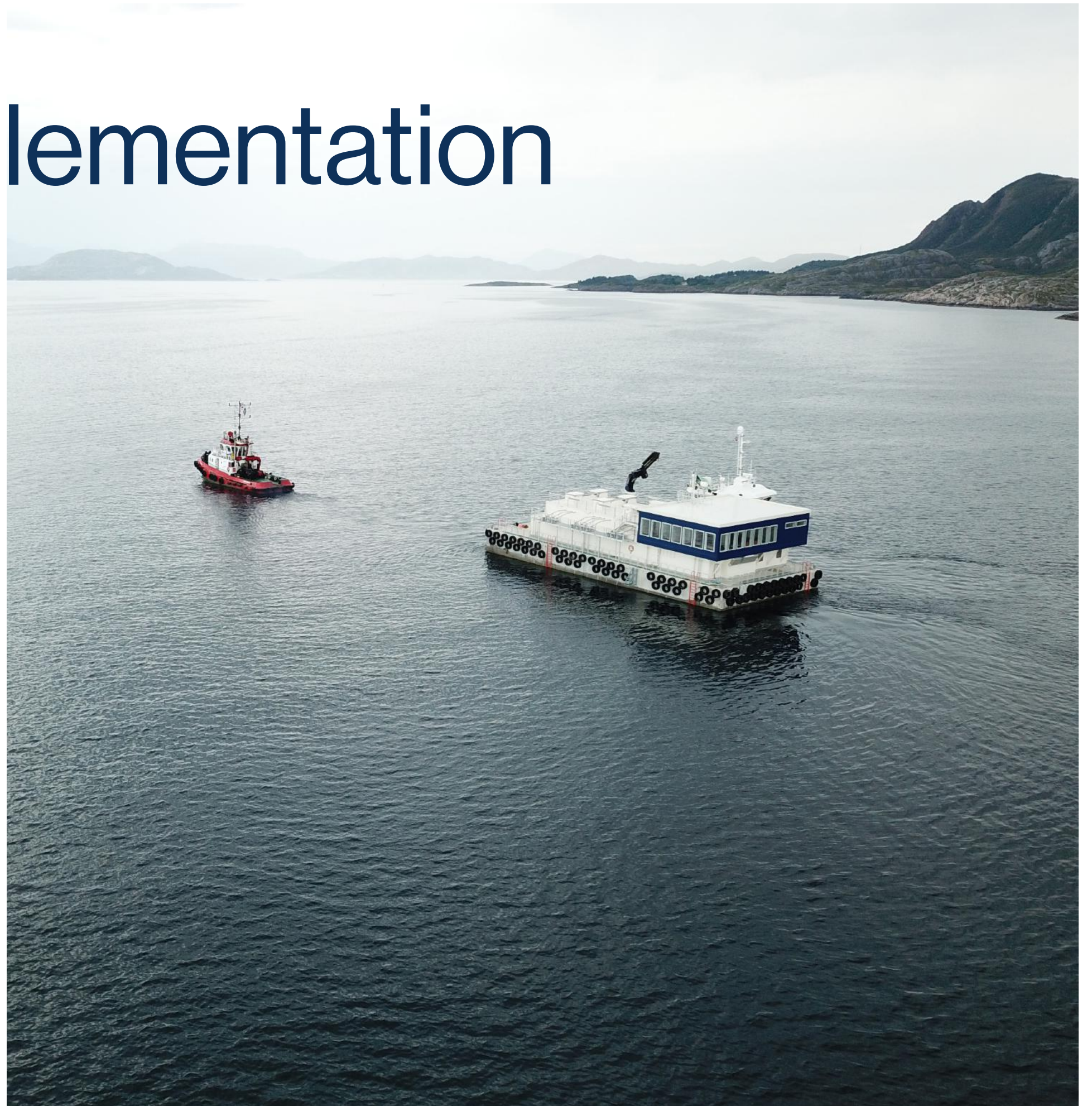
The detailed engineering work is winding down; the remaining acti-

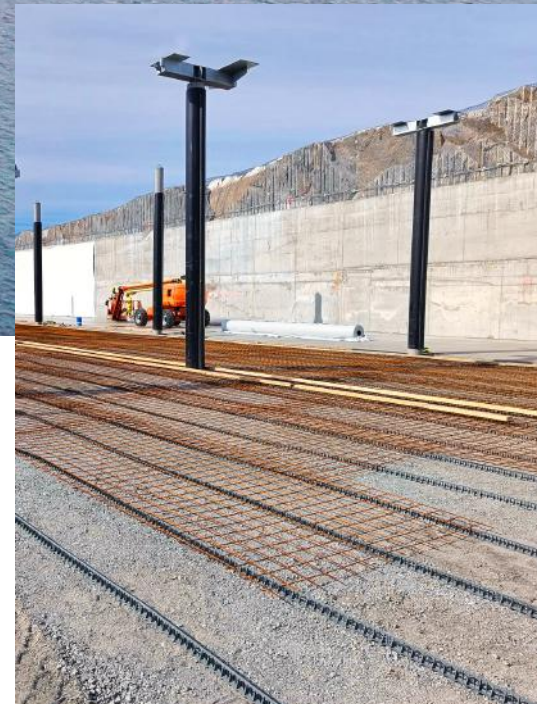
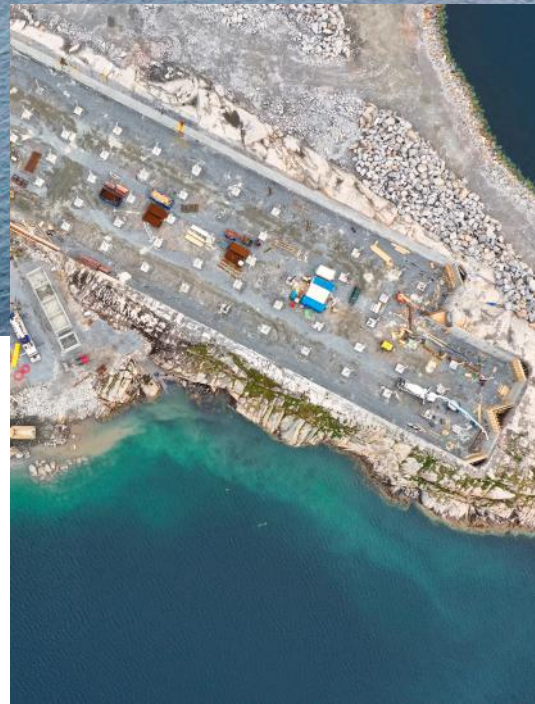
vities relate to the final clarifications of planned operational activities and do not affect the planned production start.

The Q1 report stated that a few minor construction contracts remained unagreed. These included prefabrication, installation and delivery of risers, delivery and installation of PE liners / fabrics to separate the circular-flow raceways and partitions, as well as the establishment of a temporary land / sea power cable. These contracts have now been signed and work has begun.

Installation work in production basin 3 is nearing completion and is expected to meet the contractual milestones and the installation-plan milestones on time. As previously stated, a conscious design choice was made here, and the work to date has convinced us that this decision was right and will allow the company to live up to its ambitions for fish biology, health and well-being in the best possible manner.

The recruitment process is on-going, with just a few positions in the operating organisation remaining to be filled. A few details about the final positions remain open, but the intention is for them to be staffed by 1 September.





Operational review

Establishment of production basin 3 is proceeding according to plan.

Infrakon AS is responsible for all concrete work, and concrete for walls, foundations and floors is being produced onsite by Lovund Bedrifts Service AS. All the production basin's single walls have been cast; preparations are being made to cast the remaining double walls at the ends of the basin's individual raceways (north end) and to complete casting of the floor and the drainage channel. The columns that separate the raceways and form their inner, central walls have been cast. Work to cover the columns with PE pipes in preparation for the installation of PE liners has begun. The installation plan calls for a number of activities in the production basin to be completed concurrently, starting at the southern end. This means that several contractors can work at the same time.

Installation of rock-stabilisation measures around production basin 3 is complete.

Considerable work is being done in the technical area in order to allow the automation and electrical contractors, Nordkontakt AS and Elektro Bodø AS, to be able continue to make progress. Foundations, ring walls and pits are cast for the installation of containers with power-distribution panels, oxygen, cable trays and OPI channel systems.

All critical material and equipment for automation is delivered to Nordkontakt in Bodø for prefabrication. As of the balance sheet date, the first of a total of four containers with power-distribution panels had been completed, tested and prepared for delivery to Lille Indre Rosøy.

Prefabricated automation equipment is delivered to Lille Indre Rosøy for installation as it completed.

Electrical work began with installation of conduits connecting the technical area with equipment throughout the facility.

The rockfill that will serve as the foundation for the risers and pumps has been completed. Measurements of the rockfill show that there is very little settlement – estimated at less than 1cm / month. The fill is also erosion-proof. Preparations for the installation of risers have started.

Groundwork in preparation for the installation of shore power has started on Rødøy and is expected to be completed in mid-August.



Financial review

RESULT FOR THE SECOND QUARTER OF 2023

As the group is still in a development phase, Q2 sales revenue was again this year 28 kNOK. Operating costs in the second quarter were 870 kNOK, up from 798 kNOK during the year-ago period. The operating profit for the period was -842 kNOK.

Total cash flow for the group in the second quarter was 25.576 kNOK. The discrepancy with the operating result is mainly due to changes in other accrued income and expenditure. The investments are connected to the group's development project in Rødøy.

The group's liquid assets were 155.331 kNOK as of 30 June. Gigante Salmon Rødøy has 50.000 kNOK on hand, which has been set aside for working capital. In addition, an overdraft of 90.000 kNOK has been granted as working capital.

Total investments in the group in the second quarter rose to 260.074 kNOK, compared with 165.567 kNOK in Q1

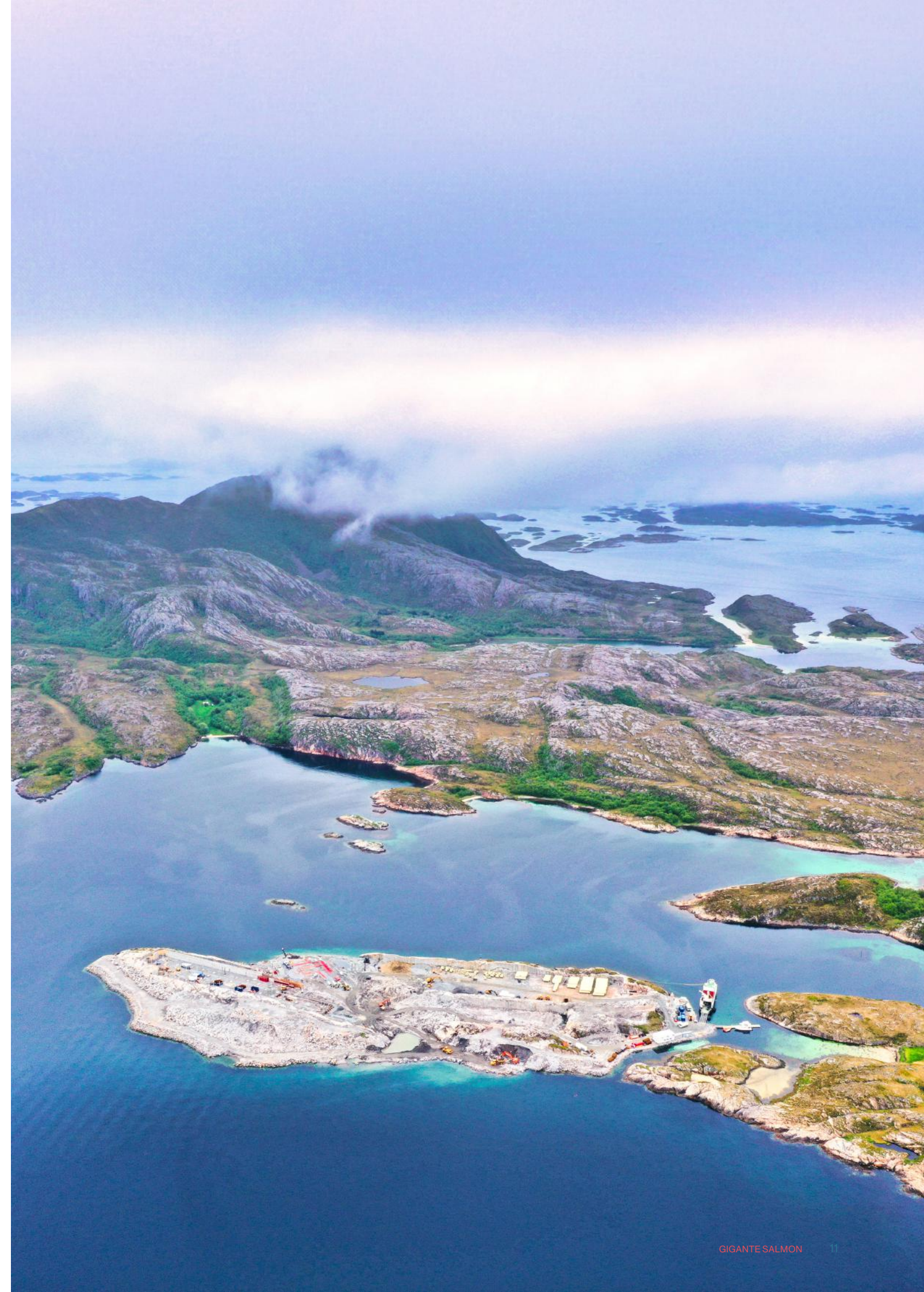
As of 30 June, long-term debt amounted to 20% of total capital. This is expected to increase as the establishment phase progresses.

Long-term bank financing for Gigante Salmon Rødøy's development in the amount of 204.000 kNOK has been granted by Sparebank1 Nord-Norge. Eksfin has issued a guarantee covering 50% of the loan amount. As of 30 June, the loan had been drawn down by 147.644 kNOK. After completion, the construction loan is convertible into a repayment loan.

The group's financial position is good, and, as of 30 June, the group is able to repay short-term debt using its most liquid funds.

Total capital at the end of Q2 was 454.783 kNOK, compared with 277.191 kNOK at the end of Q2 2022. Equity as of 30 June was 279.653 kNOK (61%), compared with 273.389 kNOK (98%) as of 30 June 2022.

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



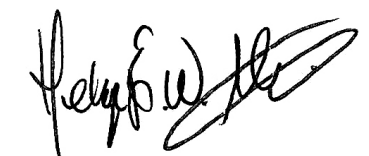


Statement by the board and CEO

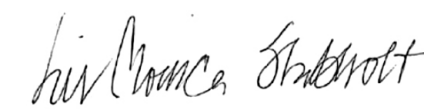
The board of directors and the CEO hereby declare that the consolidated accounts for the period 1 April - 30 June 2023 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway, and provide a correct picture of the company's assets, liabilities, 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
8th august 2023


Eirik Sørgård
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 second quarter of 2023

GIGANTE SALMON AS - GROUP

Income statement

(Amount in kNOK)

		Group				
Income statement	Note	Q2 2023	YTD 2023	Q2 2022	YTD 2022	2022
Other income		28	168	-	-	151
Total income		28	168	-	-	151
Employee benefits expense		155	582	-	454	359
Depreciation and amortisation expenses	1	25	50	24	48	96
Other operating expenses		690	1581	774	1635	3 408
Total operating expenses		870	2 213	798	2 137	3 864
Net income		-842	-2 045	-798	-2 137	-3 712
Interest income		1332	2 620	952	1537	4 662
Other finance income		3	3	-	-	-
Interest expenses		46	46	-	29	29
Other financial expense		12	12	1	1	4
Stock exchange fees		388	388	-	-	-
Net finances		889	2 177	951	1 507	4 629
Profit before income tax		47	132	152	-631	917
Income tax expense		24	54	264	100	-4 667
Net profit or loss for the period	2	23	78	-111	-730	5 584
To minority interests		-	-	-	-	-
To majority interests		23	78	-111	-730	5 584
Disposal			-		-	
Transferred from/to equity		23	78	-111	-730	5 584

Cash flow statement

(Amount in kNOK)

		Group				
Cash flow from operations		Q2 2023	YTD 2023	Q2 2022	YTD 2022	2022
Profit before income taxes		47	133	152	-631	917
Taxes paid		-	-	-	-	2 429
Depreciation		25	50	24	48	96
Change in trade creditors		54	-229	-	-	-350
Change in trade creditors		-4	460	-277	-6 788	-1 636
Change in other provisions		-7 133	9 076	-134	4 228	-12 349
Net cash flow from operations		-7 011	9 489	-234	-3 143	-10 893
Cash flow from investments						
Purchase of fixed assets		-101 859	-170 178	-17 278	-40 366	-65 714
Proceeds from short term loans		-	-	701	701	-
Repayment of short term loans		-12 556	-13 622	-	-	-
Purchase of shares and investments in other companies		-100	-100	-	-	-
Netto kontantstrøm fra investeringsaktiviteter		-114 515	-183 900	-16 577	-39 665	-65 714
Cash flow from financing						
Proceeds from long term loans		147 102	147 644	-	-	-
Net cash flow from financing		147 102	147 644	-	-	-
Net change in cash and cash equivalents		25 576	-26 767	-16 811	-42 809	-76 607
Cash and cash equivalents at the beginning of the period		129 755	182 097	232 707	258 704	258 704
Cash and cash equivalents at the end of the period		155 331	155 331	215 895	215 895	182 097
Which exists of:						
Cash and bank deposits		155 331	155 331	215 895	215 895	182 097

Balance sheet

(Amount in kNOK)

Group				
Assets	Note	Q2 2023	Q2 2022	2022
Deferred tax asset		6 024	3 741	6 078
Total intangible assets		6 024	3 741	6 078
Land, buildings and other property		259 325	45 358	108 981
Ships		731	820	776
"Fixtures/fittings, tools, office machinery and equipment"		18	13	24
Total tangible assets	1	260 074	46 191	109 781
Investments in shares		100	-	-
Total fixed assets		266 198	49 933	115 859
Trade receivables		121	-	350
Other receivables		33 133	11 363	19 285
Total receivables		33 254	11 363	19 635
Cash and bank deposits		155 331	215 895	182 097
Total current assets		188 585	227 258	201 733
Total assets		454 783	277 191	317 592

Balance sheet

(Amount in kNOK)

Group				
Equity and liabilities	Note	Q2 2023	Q2 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		8 363	1 985	8 299
Total retained earnings	2	8 363	1 985	8 299
Minority interests		-	-	-
Total equity	2	279 653	273 389	279 704
Building loan		147 644	-	-
Total other non-current liabilities		147 644	-	-
Trade creditors		17 523	1 127	37 069
Public duties payable		433	455	189
Other short-term liabilities		9 530	2 219	630
Total current liabilities		27 486	3 801	37 888
Total liabilities		175 130	3 801	37 888
Total equity and liabilities		454 783	277 191	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. 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. 31.03.23	165 567	895	33	166 495
Accumulated depreciation 31.03.23	-	141	12	153
Net book value 31.03.23	165 567	753	21	166 341
Additions*	93 758	-	-	93 758
Purchase cost 30.06.23	259 325	895	33	260 253
Accumulated depreciation 30.06.23	-	163	15	178
Net book value 30.06.23	259 325	731	18	260 074
Depreciation in Q2 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 thousand NOK 1 013.

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	-	-	-	55	55
Equity 31.03.23	105 556	165 734	114	8 354	279 759
Prior period error	-	-	-	-128	-128
Profit for Q2	-	-	-	23	23
Equity 30.06.23	105 556	165 734	114	8 249	279 653

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.

LIST OF 20 MAJOR SHAREHOLDERS AT 30.06.23:

Shareholder	Number of shares	Ownership
Gigante Havbruk AS	54 238 000	51,38 %
Kapnord AS	17 272 728	16,36 %
Helgeland Invest AS	2 727 272	2,58 %
Torghatten Aqua AS	2 727 272	2,58 %
Yannick AS	2 040 000	1,93 %
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 %
Ravi Investering AS	970 125	0,92 %
Limt AS	910 000	0,86 %
Nyhamn AS	909 091	0,86 %
Dnor AS	908 132	0,86 %
Joe Invest AS	860 584	0,82 %
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 %
Other owners	11 136 061	10,55 %
Total	105 556 037	100,0 %

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 54 238 000 shares (ownership 51,38%), and through Kapnord AS who owns 17 272 728 shares (16,36%), in total 67,75% ownership.

NOTE 4 - OVERVIEW OF AND TRANSACTIONS WITH RELATED PARTIES

	Related party	Ownership
a)	Gigante Havbruk AS	Owns Gigante Salmon 61%
b)	KapNord AS	Gigante Havbruk owns 51%
c)	Polarplast AS	Gigante Havbruk owns 40%
d)	Gildeskål Forskningsstasjon AS	Gigante Havbruk owns 100%
e)	Salten Aqua AS	Gigante Havbruk owns 35%
f)	Salmon Center AS	Gigante Havbruk owns 100%
g)	Fish Farm international AS	Gigante Havbruk owns 100%
h)	Gigante Havbruk AS	Owns Gigante Salmon 51,4%

TRANSACTIONS WITH RELATED PARTIES

	Amount	Detail of transaction
a)	192	Hire of interim CFO. Purchase of hours in connection with the design and production of The Groups land-based fish farm
b)	105	Purchase of hours in connection with the design and production of The Groups land-based fish farm
c)	16 199	Purchase of parts for water/drainage lines/cloths for raceways. Design and production, and certification (NS9416)
d)	604	Purchase of hours in connection with the design and production of The Groups land-based fish farm and rental of boat
e)	202	Purchase of admin fees
f)	17	Office rental
g)	737	Rent of ferry
h)	168	Communications services provided to the Group Gigante Havbruk

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



Report for the second quarter of 2023

GIGANTE SALMON AS

Income statement

(Amount in kNOK)

Income statement	Note	Q2 2023	YTD 2023	Q2 2022	YTD 2022	2022
Other income		519	1277	1583	2 277	3 535
Total income		519	1277	1583	2 277	3 535
Employee benefits expense		597	1736	551	1 699	3 592
Depreciation and amortisation expenses		3	6	2	4	7
Other operating expenses		636	1 371	669	1 494	2 767
Total operating expenses		1 236	3 113	1 221	3 197	6 366
Net income		-717	-1 836	362	-919	-2 831
Interest income		772	1 432	425	487	1 835
Interest expenses		23	23	-	29	29
Other financial expense		1	1	1	1	2
Stock exchange fees		388	388	-	-	-
Net finances		361	1 020	424	457	1 804
Profit before income tax		-356	-816	786	-461	-1 027
Income tax expense		-77	-178	176	-90	-5 131
Net profit or loss for the period		-279	-638	610	-371	4 104
To minority interests		-	-	-	-	-
To majority interests		-279	-638	610	-371	4 104
Disposal			-		-	
Transferred from/to equity		-279	-638	610	-371	4 104

Balance sheet

(Amount in kNOK)

Assets	Note	Q2 2023	Q2 2022	2022
Deferred tax asset		6 855	4 066	6 677
Total intangible assets		6 855	4 066	6 677
Land, buildings and other property		1 437	1 291	1 343
Movables		18	13	24
Total tangible assets		1 455	1 304	1 367
Investments in subsidiaries		192 100	192 100	192 100
Investments in shares		100	-	-
Total fixed assets		200 510	197 470	200 144
Trade receivables		121	1 451	-
Other receivables		275	208	112
Total receivables		396	1 659	112
Cash and bank deposits		77 083	75 059	78 494
Total current assets		77 479	76 718	78 606
Total assets		277 989	274 188	278 750

Balance sheet

(Amount in kNOK)

Equity and liabilities	Note	Q2 2023	Q2 2022	2022
Share capital		105 556	105 556	105 556
Share premium		165 734	165 734	165 734
Other paid-in equity		-	114	114
Total paid-in equity		271 290	271 404	271 404
Other equity		6 388	1 913	6 388
Uncovered loss		-651	-	-
Total retained earnings		5 737	1 913	6 388
Minority interests		-	-	-
Total equity		277 027	273 317	277 793
Trade creditors		538	348	355
Public duties payable		163	352	131
Other short-term liabilities		260	171	472
Total current liabilities		961	871	958
Total liabilities		961	871	958
Total equity and liabilities		277 989	274 188	278 750



Report for the second quarter of 2023

GIGANTE SALMON RØDØY AS

Income statement

(Amount in kNOK)

Income statement	Note	Q2 2023	YTD 2023	Q2 2022	YTD 2022	2 022
Other income		-	140	-	-	11
Total income		-	140	-	-	11
Depreciation and amortisation expenses	1	22	44	22	44	90
Other operating expenses		54	210	105	141	641
Total operating expenses		76	254	127	185	730
Net income		-76	-114	-127	-185	-720
Interest income		560	1188	526	1049	2 827
Other financial income		3	3		-	-
Interest expenses		23	23	-	-	0
Other financial expense		11	11	-	-	2
Net finances		529	1157	526	1 049	2 825
Profit before income tax		453	1 042	399	863	2 105
Income tax expense		101	232	88	190	464
Net profit or loss for the period		352	810	311	673	1 641
To minority interests		-	-	-	-	-
To majority interests		352	810	311	673	1 641
Disposal			-		-	
Transferred from/to equity		352	810	311	673	1 641

NOTE 1 - FIXED ASSETS	Buildings and land	Ships	Total fixed assets
Purchase cost pr. 31.03.23	164 335	895	165 230
Accumulated depreciation 31.03.23	-	141	141
Net book value 31.03.23	164 335	754	165 089
Additions*	93 810	-	93 810
Purchase cost 30.06.23	258 145	895	259 040
Accumulated depreciation 30.06.23	-	163	163
Net book value 30.06.23	258 145	731	258 876
Depreciation in Q2 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 1013.

CHANGE IN PLAN OF DEPRECIATION

There has not been a change in plan of depreciation.

Balance sheet

(Amount in kNOK)

Assets	Note	Q2 2023	Q2 2022	2022
Land, buildings and other property		258 145	45 099	107 800
Ships		731	820	776
Total tangible assets	1	258 876	45 920	108 576
Total fixed assets		258 876	45 920	108 576
Trade receivables		-	-	350
Other receivables		32 859	11 155	19 236
Total receivables		32 859	11 155	19 586
Cash and bank deposits		78 248	140 836	103 603
Total current assets		111 107	151 991	123 189
Total assets		369 983	197 911	231 765

Equity and liabilities	Note	Q2 2023	Q2 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		2 883	1 105	2 072
Total retained earnings		2 883	1 105	2 072
Total equity		194 983	193 205	194 172
Deferred tax		831	325	599
Other non-current liabilities		147 644	-	-
Total other non-current liabilities		147 644	-	-
Trade creditors		16 985	779	36 507
Public duties payable		270	103	153
Other short-term liabilities		9 270	3 499	332
Total current liabilities		26 525	4 381	36 993
Total liabilities		175 000	4 706	37 592
Total equity and liabilities		369 983	197 911	231 765



**Gigante
Salmon**