



**Gigante  
Salmon**

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ANNUAL REPORT  
**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: Gigante Salmon

A WORD FROM THE CEO

Dear shareholder

Gigante Salmon had a very eventful year in 2023. Construction has been underway since 2021, and, after a hectic phase of design development and engineering, we began to mobilise resources in preparation for the start of concrete work for production basin 3. At the same time, we entered into an insurance agreement with Gjensidige Forsikring that applies to project implementation, construction and, once the operational phase begins, the facility's biomass.

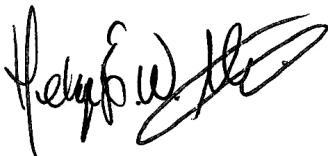
The year saw us reach our milestones on schedule, among them establishing a rockfill that serves as the foundation for the risers that feed water into the facility, receipt of the housing and working fleet, establishment of onshore power and hiring operational staff.

In the autumn, we carried out a plan revision and published an updated forecast. This resulted in a private placement of shares that was fully subscribed and earned gross proceeds of NOK 200 million, as well as a NOK 100 million leasing agreement with SpareBank 1 Finans Nord-Norge. The progress plan was revised and is now divided into two phases: phase I covers completion of production basin 3 and its associated facilities, as well as the start of production; phase II covers production basin 1 and 2 and is due to be completed at the end of the year.

We reached an important milestone on 15 December when production basin 3 became operational, and we began filling it with seawater. Testing of the technical installations began on 15 December and continued until the end of January, when the first smolt were released into production basin 3.

Financial conditions remain challenging, and the market is hesitant and awaiting, which continues to impact the project, in particular in relation to logistics and infrastructure, costs and delivery times for materials and equipment.

We are working on a forecast update to ensure that we have an overview of the work that remains to be completed in 2024. The update will be completed by the end of Q1. The current financial overview and supporting details can be found in the statement of annual accounts.

  
Helge E. W. Albertsen  
CEO





# Gigante Salmon AS

Gigante Salmon builds and operates land-based salmon-farming facilities. The head office is in Bodø, and, through its wholly owned subsidiary, Gigante Salmon Rødøy, it is currently building its first facility, in Rødøy council.

The facility became operational in January and will be fully completed this year.

Gigante Salmon also owns the island of Feøy in Gildeskål council. This project is being studied and reviewed to determine whether it would meet land-use regulations.

Our market strategy calls for us to sell our product globally. There is an enormous, established market for Norwegian salmon, and the existing sales and distribution channels function well.

Our motivation for our investments in land-based aquaculture is the better control and monitoring that it offers. This, in turn, makes it possible to identify aspects of production that can be improved and to improve the well-being of the fish.

Our system is based on conventional flow-through technology that provides an abundant supply of fresh seawater throughout the entire growth cycle.

Gigante Salmon's focus areas are the well-being of the fish we raise, energy efficiency and responsible use of resources. We believe that land-based aquaculture can help to eliminate the problem of escaped fish, reduce wastewater emissions and provide better living conditions for farmed fish.

Salmon is the foundation for many good jobs in coastal communities. This is especially true if the salmon are healthy; we believe that if our fish are thriving our communities will too.





# Flow-through facility

The facility is made up of 10 circular flow raceways measuring between 110m and 214m.

Each raceway has a partition running its entire length that causes the water to flow in a circular current.

Sludge is removed from the circular flow raceways via drainage outlets in the end wall.

Water that has been used in production is filtered and released via the approved sea-side discharge points.

The water is pumped into individual raceways via an inlet in the end wall.

Flow distributors are used to ensure optimal current.

Water is drawn in through 10 intake pipes from a depth of 20 metres. Each pipe is outfitted with a pump.

In the event one or more pumps need to be taken off-line, the remaining pumps provide adequate capacity to maintain operations.



## ENVIRONMENTAL, SOCIAL, GOVERNANCE

# Climate & Environment

Our operational activities consist primarily of development of the Rødøy facility.

Our reporting principles are rooted in a value-based business philosophy that makes sustainability a prerequisite for all our operations.

A forthcoming materiality assessment will serve as the foundation for the principles that will undergird our ESG policy. This will determine which operational goals we set.

Gigante Salmon plans for production to be certified according to the GLOBALG.A.P. standard. We will begin the certification process once the facility is operational.

The board will consider which other certifications and standards are relevant for documenting and ensuring high-quality production that is in line with the public's expectations.

The plant is designed and built to meet NS9416, which sets out the regulations and technical standards required for land-based aquaculture facilities. Polarplast AS takes care of the documentation. Aquastructures AS is the third-party inspector.

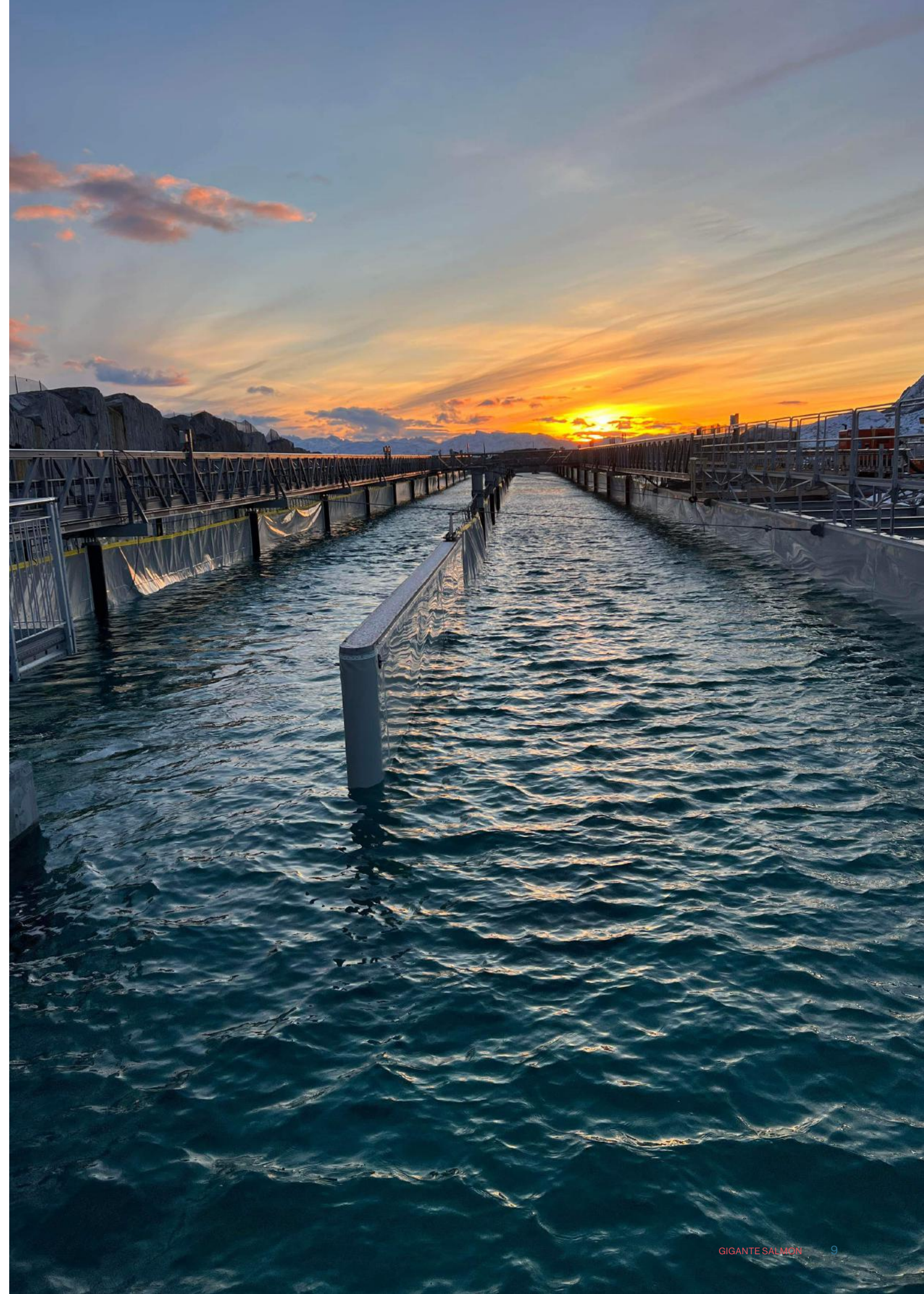
At the end of the period, Gigante Salmon was not subject to non-financial reporting requirements, but we are still committed to an open dialogue with interested parties and is of the opinion that reporting on non-financial information is necessary for a trust-based dialogue.

Our aquaculture permit requires us to filter at least half of our wastewater and to document that we have done so. Before production started, environmental assessments were carried out to obtain a baseline reading of the discharge area.

Once we begin production, environmental monitoring will be carried out on a regular basis, as stipulated and described in the wastewater permit granted by the Nordland County governor. The monitoring will be conducted by an accredited firm.

*One of the advantages of producing salmon on land is that it allows for better control of waste. Additionally, waste produced in land-based facilities can be collected and utilised.*

We must be able to compete with conventional at-sea aquaculture. The design of our facility seeks to reduce energy use by keeping the height of the raceways as close to the water level as possible. The waters off the Helgeland coast are the optimal temperature for salmon farming. Since it is this water we will be using in our facility, no heating or cooling will be necessary. Both of these factors allow us to produce salmon using relatively little energy per kilogram. Our calculations show that, at full production of some 20,000 tonnes per year, the facility will use 2kWh per kilogram of salmon produced. Because we will only be operating at a third of the facility's capacity during the first two production cycles, energy use will be somewhat higher.





# People & society



All necessary permits for establishment and operation have been obtained.

The detailed zoning plan for Lille Indre Rosøy was adopted by the Rødøy local council on 13 June 2019.

Gigante Salmon Rødøy AS is licensed to produce up to 13,731 tonnes of biomass (our “maximum allowable biomass”, or MAB). The Norwegian Food Safety Authority has limited MAB to 3,600 tonnes (a third of our full capacity) during the first 24 months of operation. During this time, we must document that the fish raised in the facility are healthy.

The county governor of Nordland has granted a wastewater permit in accordance with the Pollution Control Act for a biomass of 13,731 tonnes of MAB, based on an annual production of 19,088 tonnes of salmon and feed consumption of 20,283 tonnes.

The aquaculture permit was granted by the Nordland County authority on 12 January 2021.

Our controlling authorities are the Norwegian Food Safety Authority, the Norwegian Directorate of Fisheries, the Norwegian Labour Inspection Authority and the Nordland County Governor.

Norwegian aquaculture is a product of the natural resources that our coastal location provides us with and the knowledge of the people who live here. Nature’s resources make it possible for our company to contribute to our community and our region through our presence and commitment.

We work with local authorities, other companies and stakeholders to develop our community and make it a more attractive place to live and grow up. We hold regular

community meetings, and we have an on-going dialogue with representatives from various stakeholder groups.

We care about the people we work with, our partners and the communities where we do business. We are a responsible member of the community and work to ensure that others find us a predictable and accountable contributor to a viable community. We comply with the regulations that govern our activities.

We are guided by our commitment to doing business locally or regionally whenever possible. We want to be an asset and for other businesses to benefit from our presence. Meeting the UN Sustainable Development Goals or own goals of building good local communities will not be possible unless we work with local stakeholders.

*The safety and security of our employees is always our primary concern, regardless of the situation.*

We are proud to be working with Rødøy council, and we would like as many of our employees as possible to choose to live in and contribute to the community where their workplace is located. Good co-operation with Rødøy council and its residents is crucial for our business in both the short and long term.

Our employees can safely express themselves on the job, and we have routines for reporting work-related incidents. We are an open organisation that does not discriminate based on religion, ethnicity, sexuality or gender. We have entered into a collective agreement with the Felles-

forbundet union. We pay equal pay for equal work. Our employees are encouraged to organise.

In 2024, Gigante Salmon AS will begin the process of being approved to offer apprenticeships, with the aim of taking on at least one apprentice starting in 2025. If it becomes relevant, we would like to facilitate on-the-job training for our employees who do not have formal competencies. We also intend to employ people who may have gaps in their employment histories and help them obtain formal competencies in a relevant field.

Our facility will be powered by renewable energy with electricity supplied from the mainland via a submarine cable. In 2023, working with regional grid operator Arva, we laid a submarine cable connecting Lille Indre Rosøy with Rødøy.

The cable ensures the facility has sufficient power during the initial operational phase. In 2024, a submarine cable connecting the island to the mainland will be laid. This cable will provide the facility with a predictable and safe energy supply and increase capacity for Rødøy. It also means that Rødøy will be connected to two submarine cables, instead of one, as is the case at present. This increases supply security for Gigante Salmon and the people and businesses of Rødøy.



## ENVIRONMENTAL, SOCIAL, GOVERNANCE

# Corporate Governance

Gigante Salmon AS maintains a high standard of corporate governance. The board has the overall responsibility for this and, together with the management, carries out an annual evaluation. Gigante Salmon follows the 17 October 2018 recommendations of NUES (the Norwegian Corporate Governance Board, [www.nues.no](http://www.nues.no)). Instances in which we do not follow the recommendations will be identified, and we will provide justification and an explanation for why we do not.

Gigante Salmon conducts land-based salmon farming. Our articles of association are published at [www.gigantesalmon.no](http://www.gigantesalmon.no).

Our strategy is to achieve a high level of profitability through a low level of investments and by focusing closely on fish health. During the establishment and expansion phases, the driving consideration is the health of the fish. We are developing a new concept for the production of salmon in circular flow raceways on land. The low level of investment required to raise a kilogram of fish in these raceways reduces the financial risk. A high flow-through rate and a high current velocity in the raceways are central to our efforts to ensure fish health.

Our work is based on a value set that places great emphasis on our community. We are proud to come from northern Norway. We are profit-seeking, but we find it motivating to see businesses being created and coastal communities becoming more viable.

### WE WANT OTHERS TO FIND US:

**Industrious:** We seek new ways to develop our business and create solutions that can lead to a better tomorrow. We find it motivating to see new businesses and good jobs being created. Our community should feel that we have done more than create a business for our own benefit. We dare to go down new paths, and we are confident that we are capable of driving development.

**Responsible:** Our employees deserve good, safe jobs. The fish we raise should thrive and be healthy. We will minimise the impact of our operations on the environment. Our suppliers and customers must find us credible and fair.

**Competent:** We have been farming salmon for many years, and we continuously seek to learn more by keeping up to date and by working with professionals in other fields. We behave, and we make well-informed decisions.

The board of directors conducts an annual evaluation of the company's objectives, its strategies for achieving them and the associated risks. The board prepares an annual environmental and social-responsibility report.

### SHARE CAPITAL AND DIVIDENDS

We have prepared an investment and operating budget for our planned activities. The capital raised in the autumn of 2023 and the established loan agreements have given us sufficient financing for the construction and operating phases. Routines have been established for cost control and risk management during the construction phase.

We will start production in Q1 with the first fish ready for processing expected in Q2 2025. We will not pay dividends during the build-up phase that concludes in 2025. The board has no authority to distribute dividends or acquire stock.

The 31 October 2023 EGM authorised the board to increase the share capital by up to NOK 2,777,777, corresponding to up to 2,777,777 new shares with a nominal value of NOK 1 each.

The authorisation lasts until the 2024 AGM or until 30 June 2024, whichever comes first. The authorisation is to be used to issue repair shares in connection with the private placement authorised by the 31 October 2023 EGM.

### EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

An offer to subscribe to a subsequent repair issue ensured



that shareholders were treated equally during the autumn 2023 capital expansion. The issue was managed by a facilitator. We neither bought nor sold our own shares. Transactions with related parties were made in regular trading on the stock exchange and were properly announced.

### SHARES AND NEGOTIABILITY

Gigante Salmon is listed on the Euronext Growth exchange. There are no restrictions on the right to own shares. A share entitles the holder to a single vote.

### GENERAL MEETINGS

In 2023, we held an annual general meeting and an extraordinary general meeting. The notice and the rules of procedure are available at [www.gigantesalmon.no](http://www.gigantesalmon.no).

The board encourages in-person attendance at the AGM but will continue to allow for voting by proxy and absentee voting for those unable to attend.

### NOMINATION COMMITTEE

The 25 May 2022 AGM voted to establish a nomination committee. The committee's members are Tore Uleland Kolstad (chair), Aino Kristin Lindal Olaisen and Kristian Mangset Lorentsen.

### THE BOARD—COMPOSITION AND INDEPENDENCE

The board is chaired by Eirik Sjørgård. The ordinary members of the board are: Kjell Lorentsen, Kristin Ingebrigtsen and Liv Monica Stubholt. Ms Ingebrigtsen and Ms Stubholt are external board members. Mr Lorentsen is the founder and CEO of Gigante Havbruk AS, which directly and indirectly owns 63.64% of the shares in Gigante Salmon. Mr Lorentsen is not employed by the company, but he is actively involved in designing solutions during the construction phase. Mr Sjørgård is the CEO of KapNord AS, which is 51% owned by Gigante Havbruk and is consequently not classified as independent. Mr Sjørgård owns 200,000 shares through the company Pronord AS. Ms Ingebrigtsen owns 17,763 shares.

1. [www.nues.no](http://www.nues.no)  
2. [www.gigantesalmon.no](http://www.gigantesalmon.no)



Members of senior management do not sit on the board. Mr Sørgård, Ms Ingebrigtsen and Ms Stubholt were elected to the board for the first time in 2021. Mr Lorentsen has held board positions in the company since its establishment in 2001.

In sum, the board has considerable expertise in fish farming, finance and law. In addition, the board has expertise in ESG and society's expectations to initiatives and reporting in all three areas. The board's expertise is detailed on our website. It is the opinion of the board that it has the capacity it requires, that there is a collegial working environment amongst its members and that there are no conflicts of interest.

The AGM elects the board and the chair. Members of the board are elected for a year at a time. All board members were present at all board meetings.

#### THE WORK OF THE BOARD

The board works according to established instructions. Instructions and a proxy framework have been established for the CEO. The board is conscious that its members may not be impartial in certain situations, such as when purchasing goods and services from firms in which Gigante Havbruk AS has ownership interests or can influence in some way.

Gigante Salmon established an audit committee in 2022. The committee's members are Eirik Sørgård and Kristin Ingebrigtsen.

The board does not have its own compensation committee as senior management is employed on market terms without option agreements or other bonus schemes. The board does not plan to establish such a committee.

The board conducts an annual evaluation of its work.

#### RISK MANAGEMENT AND INTERNAL CONTROL

Gigante Salmon is currently in a development phase. To guide development, a separate management document that includes routines for, among other things, cost control and risk management—and the associated reporting routines—has been established. External relations, including communication, is addressed in the document in the form of defined objectives with associated priorities and action plans. Routines have been established for monthly reporting on costs, investments and progress, and any deviations from budgets and plans. The board reviews the risk areas and the control system on a regular basis.

#### REMUNERATION: MEMBERS OF THE BOARD

Members of the board receive a set fee, as well as variable remuneration based on the amount of time used. The 2023 AGM set the amount of remuneration at NOK 100,000 per member, plus any compensation for lost earnings. Payment is made quarterly. Members of the board invoice the company for any lost earnings.

Gigante Salmon has not established incentives for share purchases by members of the board. The chair receives the same fee as other members of the board.

#### REMUNERATION: SENIOR MANAGEMENT

The board has not prepared guidelines for senior management. Senior management receive additional benefits (insurance, pension etc) on market terms as part of their remuneration. No option or bonus programmes have been established.

#### INFORMATION AND COMMUNICATION

Gigante Salmon strives to ensure that all shareholders receive the same information at the same time. General guidelines have been established for reporting information about the company, with a particular focus on financial information.

Routines have been established for contact with stock-brokers and financial institutions, as well as communication on social networks and our website.

In general, we follow "The Oslo Børs Code of Practice for IR", published in July 2021.

#### TAKEOVER OFFERS

The board has not prepared a routine for assessing a takeover offer, but in the event one is made, the board will refer to the principles established by NUES.

#### AUDITOR

Our auditor is PwC. An annual plan has been established for the audit and the auditor's participation in board meetings. The auditor attends the AGM.

# Management and board

## MANAGEMENT



**Helge E. W. Albertsen**

CEO

MSc in building and construction / industrial economics from NTNU

Courses in economics and aquaculture, Nord University

Project manager with a wealth of experience from positions with Equinor, Bodø Energi and Avinor

Shares: 200,000



**Rune Johansen**

CFO

MSc from the Norwegian Business School from Nord University

Experience from Salten Aqua, Insula and Equinor

Shares: 350,000



**Linda Storholm**

CCO

Master's programme in PR and strategic communication, identity and branding at BI Norwegian Business School

Bachelor's degree in fisheries technology from Nord University

Experience from the Gigante Group, Amedia and the Nord University High North Centre for Business and Governance

Shares: 15,500

## BOARD



**Eirik Sørgård**

Chairman of the Board

Experience from the maritime, oil and gas, IT and finance industries

General manager of Pronord AS and KapNord AS

Sits on the boards of several firms in the maritime industry

Shares: 200,000



**Kristin Ingebrigtsen**

Member of the board

Business advisor at Sparebank 1; former HR and strategy / communications director at North Energy ASA;

experienced asset manager and board member

Shares: 17,763



**Liv Monica Stubholt**

Member of the board

Solicitor and partner in Advokatfirmaet Selmer AS; leads the firm's sustainability group

Sits on the boards of several companies in the energy and seafood industries



**Kjell Lorentsen**

Member of the board

Founder and group manager of Gigante Havbruk AS (established in 1988)

Experience from the fishing and aquaculture industries



# Board of directors' report for 2023

## INVESTING IN SALMON, THE COASTAL ECONOMY AND THE FUTURE

The project is proceeding according to plan. The progress plan and investment forecast were updated in the autumn of 2023.

Project planning, implementation and installation work has been ongoing throughout 2023.

The previous plan involved starting production in the autumn of 2023, but this was revised as a result of, among other things, weather-related challenges during shipping, transport and installation of risers, as well as other specific occurrences that led to delays. Production began at the end of January 2024 when the first smolt were released.

Project planning, implementation and installation work have been ongoing throughout 2023.

We reached our milestones on schedule, among them establishing a rockfill that serves as the foundation for the risers that feed water into the facility, receipt of the

housing and working fleet, establishment of onshore power and hiring operational staff. Production basin 3 is complete, while production basins 1 and 2 will be completed during 2024.

We reached an important milestone on 15 December when production basin 3 became operational, and we began filling it with seawater. Testing of the technical installations began on 15 December and continued until the end of January, when the first smolt were released into production basin 3.

The smolt were released in two batches. The first was largely successful. The second batch had high die-off rate even before the smolt were released. The subsequent period and the efforts to address the high mortality were challenging. The reason for the die-off is complex, but it can largely be explained by the low quality of the smolt that were released.

The biological situation is now under control. We have evaluated the incident and will apply the lessons learned from the incident to our operations.

Since 6 December 2021, Gigante Salmon has had a market-maintenance agreement with Sparebank 1 Markets. Senior management and board members bought 42,763 shares in 2023 and owned 783,263 shares at the balance-sheet date. The purchases have been made on ordinary terms, not as part of a share-purchasing programme.

Through its wholly owned subsidiary, Gigante Salmon Rødøy AS, Gigante Salmon AS has an aquaculture permit to produce 13,731 tonnes (MAB) of fish for human consumption (the equivalent of an annual production of approximately 20,000 tonnes) on Lille Indre Rosøy. Our aquaculture concept is based on the flow of fresh seawater, rather than recirculation. This brings together the benefits of conventional, at-sea aquaculture and land-based aquaculture. The concept reduces the challenges related to at-sea farming, such as lice infestation, escape and wastewater. This provides a good living environment for farmed fish, which is crucial for success.

An investment of this size is significant for a coastal community with 1,200 inhabitants. So too are the 15 jobs created as a direct result of the operating phase and the knock-on effects for related industries. A study by BRUS, Bodø Region Development Company, of the knock-on effects of our establishment in Rødøy estimates that it will lead directly to the creation of 75 jobs in Nordland County. Gigante Salmon's job openings receive a considerable number of applications from well-qualified candidates. A number of key employees were hired in 2023.

Together with our dedicated employees, we invest in salmon, the coastal economy and the future.





### THE NATURE AND LOCATION OF THE BUSINESS

Gigante Salmon AS is a Norwegian company listed on the Euronext Growth Oslo exchange under the ticker symbol GIGA.

In addition to Gigante Salmon AS, the group consists of the following, wholly owned subsidiary:

- Gigante Salmon Rødøy AS

The company's operations take place in Bodø and in Rødøy, in Norway. The head office is located in Bodø.

### STATEMENT OF THE ANNUAL ACCOUNTS

As the group is still in a development phase, sales income was NOK 0.06 million. This income stemmed from the delivery of PR and communication services to the Gigante Havbruk group. Profit before tax was NOK 0.995 million, a marginal increase from NOK 0.917 million in 2022. The improvement was due to interest on bank deposits. The result in 2023 was NOK 0.728 million, compared with NOK 5.584 in 2022. The decrease was due to negative tax costs in 2022 after a successful appeal to the tax authorities.

Total cash flow from group operations was NOK 6.645 million. The difference from the operating result is due to changes in trade payables and other accruals. The total payments for the investments in the group in 2023 were NOK -403.893 million, which were linked to the group's development project in Rødøy.

The group's liquidity on 31 December 2023 was NOK 114.967 million. The group's ability to self-finance investments is good.

The group's short-term debt on 31 December 2023 amounted to NOK 45.702 million, corresponding to 25.9% of total debt in the group. Short-term debt stems from the group's accounts payable, fees assessed by public authorities and holiday pay, and is a natural consequence of the group's construction activities in Rødøy. The remaining balance sheet debt is long-term construction-loan financing in the amount of NOK 130.436 million, corresponding to 74.1% of total debt in the group. The construction-loan financing has a limit of NOK 204 million, and we expect to continue drawing on it in 2024. The group's financial position is good, and, on 31 December 2023, the group was able to pay off its short-term debt using liquid funds.

Total capital on the balance-sheet date was NOK 657.653 million, compared with NOK 317.592 million in 2022. Equity ratio on 31 December 2023 was 73%, compared with 88% on 31 December 2022.

### OWN SHARES

As of 31 December 2023 Gigante Salmon AS owns none of its own shares.

Gigante Salmon AS is the sole owner of Gigante Salmon Rødøy AS. Please refer to the notes for further information about share capital and shareholders.

### THE TRANSPARENCY ACT

The group has not reached the threshold values that make it subject to the Transparency Act. We have started this work and, when our report is finished, we will publish it on our website as stipulated by the Transparency Act.

### FUTURE DEVELOPMENT

As the model adopted by the government for a resource-rent tax on the aquaculture industry does not include land-based operations, it does not affect Gigante Salmon. One of the possible effects of a resource-rent tax on conventional salmon farming could be reduced production growth nationally, and thus a higher market price.

Worldwide, there is an interest in finding a healthy and sustainable source of protein, and, with increased global population growth, the outlook for the coming years is good. The market outlook for salmon is therefore considered good.

The impact of the pandemic, Russia's invasion of Ukraine and a generally more uncertain state of foreign affairs all continue to make it difficult to obtain certain building materials. The challenges have resulted in increased prices for equipment and material, as well as longer delivery times. Gigante Salmon has entered into agreements for deliveries of equipment necessary for the remaining construction activities and the start of production.

### RESEARCH AND DEVELOPMENT

Research and development is often associated with new—and unproven—ideas and technologies. Gigante Salmon AS uses tried-and-true technology in all aspects of our operations but in a novel manner. Project work encompasses activities like development, optimisation and the layout of our facility, including internal assessments of power regeneration and continued improvements in wastewater filtration. We are open to contributing to or participating in research projects when needed or where logical. We have entered into a research-and-development agreement with a firm that develops sludge-processing equipment that would allow for the reuse of sludge produced by fish-farming.

### FINANCIAL RISK

Internal control related to financial reporting is carried out by the management in the form of its daily follow-up and in the form of monitoring by the board. Discrepancies and points that need to be improved are followed up on and corrective measures are implemented. Our financial





position is good; a financing agreement is in place for the construction and operating phases. In addition, hedging instruments will be considered for use when appropriate.

ABOUT THE FINANCIAL STRATEGY

We work actively to mitigate financial risk to the greatest extent possible. Gigante Salmon AS is, to some extent, exposed to financial risk in various areas: during the expansion phase, there is a currency risk related to imported components, and, during the construction phase, suppliers demand advance payments.

Our current strategy does not include the use of financial instruments, but this is assessed on an on-going basis by the board.

MARKET RISK

As a third party, Gigante Salmon AS is exposed to exchange-rate and commodity-price fluctuations, as several of the components needed during the construction phase are imported. This can affect the contract prices charged by suppliers. We have not entered into forward contracts or other agreements to reduce our currency risk, and thus the operational market risk, as this affects us as a third party.

We are also exposed to changes in interest rates, as its debt has a variable interest rate.

CREDIT RISK

As the group in the current phase has no turnover, and consequently had no receivables on 31 December 2023, the risk of loss on receivables is not relevant. Up-front payments to suppliers during the construction phase are a credit risk.

LIQUIDITY RISK

Liquidity risk is a measure of whether the group will not be able to service its financial obligations as they fall due. The group’s equity ratio, liquidity reserve and current credit facilities mean that the liquidity risk is considered low.

DIRECTORS LIABILITY INSURANCE

Directors liability insurance has been taken out for Gigante Salmon AS and Gigante Salmon Rødøy AS.

CONTINUED OPERATIONS

In accordance with sections 3-3a of the Accounting Act, we confirm that the company meets the requirements for continued operations.

This assessment is made on the basis of the group’s financial position and long-term strategic forecasts for the coming years. The group’s financial position is sound.

ALLOCATION OF RESULTS

The board proposes the following allocation of Gigante Salmon AS’s annual result:

Other equity	728.000
Total allocated	728.000

Equity at the end of the year amounted to NOK 481.515 million.

ORGANISATION AND SOCIAL RESPONSIBILITY

Gigante Salmon ensures long-term profitability and growth through sustainable, land-based salmon farming, as well as by acting in a socially responsible manner. We feel an obligation to contribute through our presence and commitment to the community and to strengthen the region where we do our business. One of the guiding principles of our operations is our commitment to doing business locally or regionally to the extent possible. We want to be an asset and for other businesses to benefit from our presence. Meeting the UN Sustainable Development Goals or own goal of building good local communities will not be possible unless we work with local stakeholders.

As an employer, Gigante Salmon strives to be a safe, rewarding place to work. It is our ambition to avoid all injuries and incidents involving people, the environment and equipment. The safety of our employees and operating in a socially responsible manner will always have our highest priority.

Group sick leave in 2023 was 4.8%.

EQUALITY AND DISCRIMINATION

Gigante Salmon	Men	Women
Gender balance	9	6
Temporary workers	3	0
Part-time workers	2	4

The CEO is a man. The board consists of two men and two women.

The group has a policy of equal pay for equal work. The group’s values forbid acts of discrimination and harassment. As part of the group’s efforts to promote gender equality, it consistently seeks to improve the already good working conditions it offers all genders. Gender considerations do not influence decisions about personal development, training or promotions.

The group assesses the risk of discrimination or other obstacles to gender equality on an on-going basis. Sources of risk are identified—and measures to reduce them—are implemented on an on-going basis.

ENVIRONMENTAL

Noise and construction during the current phase of development have not exceeded the limits set by the authorities. Gigante Salmon abides by the 1 March-1 September ban on blasting. This has been incorporated into the project’s work schedule.

Gigante Salmon’s work in the area of organisation and social responsibility, including sustainable communities, the working environment, gender equality and the environment, is described above.

SUBSEQUENT EVENTS

Gigante Salmon started production in January 2024, and as announced on 25 January 2024 and 13 February 2024, the company has experienced challenges with mortality related to the first release of smolt. The main challenges were with the smolt received in the second delivery, and there is no indication that the cause of the mortality is related to the facility itself.

The challenges led to a reduction in production by approx. 300,000, or nearly 50% of the release that was made in January. This corresponds to the volume of the second smolt delivery.

The board of directors of Gigante Salmon AS has 19 March 2024 been informed about a new cost increase for the construction work in Rødøy, of approximately NOK 350 million. The figures are still subject to control, quality assurance and dialogue with the suppliers. After this increase, the total investment amount for the construction work in Rødøy up until completion of the production site is estimated to amount to approx. NOK 995 million.

The cost increase will require new capital to the company. This work has been initiated. The plan is that the cost increase will be covered through a combination of equity and

debt financing. In the private placement in October 2023, NOK 100 million more than the identified need at that time was raised.

The cost increase forecast is mainly due to longer construction time, including costs for rigging and operation.

In light of the increased cost submitted to the board, the board 19 March 2024 has adopted the resolution to terminate the employment agreement with CEO Helge E. W. Albertsen. Albertsen will continue to serve as an advisor to the company.

The board has appointed Kjell Lorentsen as acting CEO from 19 March 2024, and he will at the same time exit the non-executive board. He was CEO in the company from the start of the company activities until September 2021. Lorentsen is today group CEO in Gigante Havbruk AS.

The work to recruit a new CEO to the company has been initiated.

The board and management are not aware of other events after 31 December 2023 that are likely to affect the presented annual accounts.

STATEMENT BY THE BOARD AND CEO


The board of directors and the CEO confirm that the consolidated accounts for the period 1 January-31 December 2023 have been prepared in accordance with generally accepted Norwegian accounting practice and provide a correct picture of the company’s assets, liabilities, financial status, income and expenses as a whole. We also confirm that the annual report includes a true and fair view of the company’s most important events up to the presentation of the results.

Bodø  
19 March 2024

  
Eirik Sørgård  
Chairman of the Board

  
Kristin Ingebrigtsen  
Member of the Board

  
Kjell Lorentsen  
Acting CEO

  
Liv Monica Stubholt  
Member of the Board



# Annual Report 2023

## Income Statement

(Amount in kNOK)

Parent			Group		
2023	2022	Note	2023	2022	
3 069	3 535	Other operating income	60	151	
<b>3 069</b>	<b>3 535</b>	<b>Total income</b>	<b>60</b>	<b>151</b>	
3 680	3 592	Employee benefits expence	746	359	
11	7	Depreciation and amortisation expenses	100	96	
2 359	2 767	Other operating expenses	2 538	3 408	
<b>6 049</b>	<b>6 366</b>	<b>Total operating expenses</b>	<b>3 384</b>	<b>3 864</b>	
<b>-2 980</b>	<b>-2 831</b>	<b>Operating profit</b>	<b>-3 324</b>	<b>-3 712</b>	
867	0	Interest received from group companies	0	0	
2 756	1 835	Interest income	5 570	4 662	
0	0	Other finance income	27	0	
1	29	Interest expenses	24	29	
1 207	0	Stock exchange fees	1 207	0	
23	2	Other financial expense	46	4	
2 392	1 804	Net finances	4 319	4 629	
<b>-589</b>	<b>-1 027</b>	<b>Profit before income tax</b>	<b>995</b>	<b>917</b>	
-116	-5 131	Income tax expense	267	-4 667	
<b>-472</b>	<b>4 104</b>	<b>Net profit or loss for the period</b>	<b>728</b>	<b>5 584</b>	
		To minority interests	0	0	
		<b>To majority interests</b>	<b>728</b>	<b>5 584</b>	
472	-4 104	<b>Disposal</b> Transferred from/to equity			

## Balance Sheet at 31.12.

(Amount in kNOK)

Parent				Group	
31.12.2023	31.12.2022	Assets	Note	31.12.2023	31.12.2022
8 195	6 677	Deferred tax asset	7	7 213	6 078
<b>8 195</b>	<b>6 677</b>	<b>Total intangible assets</b>		<b>7 213</b>	<b>6 078</b>
1 437	1 343	Land, buildings and other property		514 079	114 981
0	0	Ships		686	776
13	24	"Fixtures/fittings, tools, office machinery and equipment"		13	24
<b>1 450</b>	<b>1 367</b>	<b>Total tangible assets</b>	<b>5,10</b>	<b>514 778</b>	<b>115 781</b>
357 100	192 100	Investments in subsidiaries	9	0	0
65 867	0	Loans to group companies	10,11	0	0
100	0	Investments in shares		100	0
<b>423 067</b>	<b>192 100</b>	<b>Total financial fixed assets</b>		<b>100</b>	<b>0</b>
<b>432 711</b>	<b>200 144</b>	<b>Total fixed assets</b>		<b>522 091</b>	<b>121 859</b>
1 221	0	Trade receivables	10,11	0	350
148	49	Other receivables	10	20 595	13 285
<b>1 369</b>	<b>49</b>	<b>Total receivables</b>		<b>20 595</b>	<b>13 635</b>
<b>46 615</b>	<b>78 494</b>	<b>Cash and bank deposits</b>	<b>12</b>	<b>114 967</b>	<b>182 097</b>
<b>47 984</b>	<b>78 544</b>	<b>Total current assets</b>		<b>135 562</b>	<b>195 733</b>
<b>480 695</b>	<b>278 688</b>	<b>Total assets</b>		<b>657 653</b>	<b>317 592</b>



# Balance Sheet at 31.12.

(Amount in kNOK)


Parent				Group	
31.12.2023	31.12.2022	Equity and liabilities	Note	31.12.2023	31.12.2022
134 174	105 556	Share capital	13	134 174	105 556
338 200	165 734	Share premium		338 200	165 734
0	114	Other paid-in equity		0	114
472 374	271 404	Total paid-in equity		472 374	271 404
6 030	6 388	Other equity		9 141	8 299
6 030	6 388	Total retained earnings		9 141	8 299
		Minority interests		0	0
478 404	277 793	Total equity	8	481 515	279 704
0	0	Building loan	10	130 436	0
0	0	Total other non-current liabilities		130 436	0
1 742	355	Trade creditors		33 720	37 069
225	35	Public duties payable		766	189
325	505	Other short-term liabilities	10	11 216	630
2 291	895	Total current liabilities		45 702	37 888
2 291	895	Total liabilities		176 138	37 888
480 695	278 688	Total equity and liabilities		657 653	317 592

Bodø  
19 March 2024

  
Eirik Sörgård  
Chairman of the Board

  
Kjell Lorentsen  
Acting CEO

  
Kristin Ingebrigtsen  
Member of the Board

  
Liv Monica Stubholt  
Member of the Board

# Cash Flow Statement

(Amount in kNOK)

Parent			Group	
2023	2022	Cash flow from operations	2023	2022
-589	-1 027	Profit before income taxes	995	917
0	2 429	Tax refund	0	2 429
11	7	Depreciation	100	96
-1 221	1 753	Change in trade debtors	350	-350
1 405	-1 069	Change in trade creditors	1 347	-1 636
-90	3	Change in other provisions	3 853	-6 349
-483	2 096	Net cash flow from operations	6 645	-4 893
		Cash flow from investments		
-112	-73	Purchase of fixed assets	-403 793	-71 714
-65 867	0	Purchase of shares in other companies	0	0
-165 100	0	Proceeds from sale of other investments	-100	0
-231 079	-73	Net cash flow from investments	-403 893	-71 714
		Cash flow from financing		
0	0	Proceeds from long term loans	433 867	0
0	0	Repayment of long term loans	-303 432	0
199 683	0	New equity received	199 683	0
199 683	0	Net cash flow from financing	330 118	0
		Exchange gains / (losses) on cash and cash equivalents		
-31 879	2 023	Net change in cash and cash equivalents	-67 130	-76 607
78 494	76 471	Cash and cash equivalents at the beginning of the period	182 097	258 704
46 615	78 494	Cash and cash equivalents at the end of the period	114 967	182 097



# Notes

### ACCOUNTING PRINCIPLES

All numbers are in kNOK.

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

### USE OF ESTIMATES

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

### INVESTMENTS IN SUBSIDIARIES

Subsidiaries are companies where the parent has control, and thus controlling influence on the financial and operational strategy of the entity. In normal, controlling influence is aquired by owning more than half of the voting capital.

### THE GROUP EXISTS OF THE FOLLOWING COMPANIES AS OF 31.12:

Parent and subsidiaries	Ownership
Gigante Salmon AS	(Parent)
Gigante Salmon Rødøy AS	100 %

### INVESTMENTS IN SUBSIDIARIES

The cost method is applied to investments in subsidiaries. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.

### PRINCIPLES OF CONSOLIDATION

Subsidiaries are consolidated from the point where controlling influence is transferred to the Group (point of purchase).

In the the consolidated financial statements, the financial statement line 'investments in subsidiaries' are replaced by the assets and debt of the subsidiary. The consolidated finan-

cial statement is presented as if the Group was one economic entity. Transactions, unrealized gains and intercompany balances are eliminated.

Aquired subsidiaries are accounted in the consolidated financial statements based on the aquisition cost of the Parent. Acquisition cost is allocated to identifiable assets and liabilities in the subsidiary, which is accounted for in the consolidated financial statements at fair value at the time of acquisition. Any excess value in addition to what can be attributed to identifiable assets and liabilities is recognized in the balance sheet as goodwill. Goodwill is treated as a residual and recognized in the balance sheet with the share observed in the acquisition transaction. Excess values in the consolidated financial statements are amortized over the expected useful lives of the acquired assets.

### REVENUES

Income from sale of services are recognised at fair value of the consideration, net after deduction of VAT, returns, discounts and reductions. Services are recognised in proportion to the work performed and is related to secondment to other companies.

### CLASSIFICATION OF BALANCE SHEET ITEMS

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. For liabilities there is analogue criteria . First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

### PURCHASE COSTS

The purchase cost of assets includes the cost price for the asset, adjusted for bonuses, discounts and other rebates received, and purchase costs (freight, customs fees, public fees which are non-refundable and any other direct purchase costs). Purchases in foreign currencies are reflected in the balance sheet at the exchange rate at the transaction date.

For fixed assets and intangible assets purchase cost also includes direct expenses to prepare the asset for use, such as expenses for testing of the asset.

Interest expense incurred in connection with the production of fixed assets is recognised in the balance sheet.

### FIXED ASSETS

Land is not depreciated. Other fixed assets are reflected in the balance sheet and depreciated to residual value over the asset's expected useful life on a straight-line basis. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are added to the asset's cost price and depreciated together with the asset. The split between maintenance and additions/improvements is calculated in proportion to the asset's condition at the acquisition date.

The group is designing an ground-based fish farm, where capital costs is regards as fixed assets.

### ASSET IMPAIRMENTS

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use.

Previous impairment charges, except writedown of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

### DEBTORS

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current and long term, are recognised at the lower of nominal and net realisable value. Net realisable value is the present value of estimated future payments. When the effect of a writedown is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for trade debtors.

### LIABILITIES

Liabilities, with the exception of certain liability provisions, are recognised in the balance sheet at nominal amount with deduction of transaction costs.

### PENSIONS

The pension schemes are financed through payments to insurance companies.

### TAXES

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

Deferred tax is reflected at nominal value.

### CASH FLOW STATEMENT

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

### RECLASSIFICATION

Leasing prepaid where the lease starts in 2024 is reclassified from other current debtors to fixed assets. Corresponding figures is also reclassified with kNOK 6 000.



NOTE 1 - REVENUE

Parent			Group	
2023	2022		2023	2022
3 069	3 535	Other operating income	60	151
3 069	3 535	Sum	60	151
Area of operations				
3 069	3 535	Letting out employees	60	151
3 069	3 535	Sum	60	151
Geographical distribution				
3 069	3 535	Norway	60	151
3 069	3 535	Sum	60	151

NOTE 2 - RELATED-PARTY TRANSACTIONS

Remuneration to executives is disclosed in note 3, and balance with group companies is disclosed in note 10.

RELATED-PARTY TRANSACTIONS:

a) Sales of goods and services	2023
- Subsidiary	3 069
Sales of services/re-invoicing:	3 069

NOTE 3 - PAYROLL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATIONS, LOANS TO EMPLOYEES, ETC.

Parent			Group	
2023	2022	Payroll expenses	2023	2022
3 082	2 913	Salaries/wages	6 760	2 127
295	245	Social security fees	368	118
241	316	Pension expenses	146	113
0	0	Capitalized own work*	-8 484	-5 242
63	118	Other remuneration	1 955	3 243
3 680	3 592	Sum	746	359
3	3	Number of employees in the accounting year	12	5

\*The Group has capitalized own work with thousand NOK 8.484, see note 5.

Remuneration to executives	CEO	CFO	CCO	Board
Salaries/board fee	1240	666	707	500
Pension expenses	187	0	0	0
Other remuneration	69	7	14	0

Neither the Chairman of the Board, nor the CEO, has any bonus agreement or any severance pay agreement.  
No loans/sureties have been granted to the CEO, Chairman of the Board or other related parties.

Expensed audit fee (incl. VAT)	Parent	Group
Statutory audit	51	93
Technical assistance with financial statements	52	62
Technical assistance with tax return	19	35
Other non-audit services (incl. Technical assistance with quarter reports	163	163
Other attestation services	45	60
Total audit fees	330	413

NOTE 4 - PENSIONS

The company's pension schemes meet the requirements of the law on compulsory occupational pension.



NOTE 5 - FIXED ASSETS

Parent	Buildings and land	Movables	Total fixed assets
Purchase cost pr. 01.01.	1343	33	1375
Additions	94	0	94
Disposals	0	0	0
Purchase cost 31.12.	1437	33	1470
Accumulated depreciation 31.12.	0	20	20
Net book value 31.12.	1437	13	1450
Depreciation in the year	0	11	11
Expected useful life		3 years	
Depreciation plan		Straight line	

The Parent owns two islands that are not depreciated.

Change in plan of depreciation

There has not been a change in plan of depreciation.

Group	Prepaid leasing	Buildings and land	Ship	Movables	Total fixed assets
Purchase cost pr. 01.01.	6 000	108 981	895	33	115 909
Additions*	2 760	396 338	0	0	399 098
Disposals	0	0	0	0	0
Purchase cost 31.12.	8 760	505 319	895	33	515 007
Accumulated depreciation 31.12.	0	0	209	20	229
Net book value 31.12.	8 760	505 319	686	13	514 778
Depreciation in the year	0	0	90	11	100
Expected useful life			10 years	3 years	
Depreciation plan			Straight line	Straight line	

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 8 484.

NOTE 6 - SPECIFICATION OF FINANCIAL INCOME AND EXPENSES

Parent			Group	
2023	2022	Financial income	2023	2022
867	0	Interest income from group companies	0	0
2 756	1835	Interest income	5 570	4 662
0	0	Other financial income	27	0
3 623	1835	Total financial income	5 597	4 662

Parent			Group	
2023	2022	Financial expenses	2023	2022
1	29	Interest expenses	24	29
1207	0	Cost of stock	1207	0
23	2	Other financial expenses	47	4
1231	31	Total financial expenses	1278	33

NOTE 7 - TAXES

CALCULATION OF DEFERRED TAX/DEFERRED TAX ASSET

Parent			Group	
2023	2022	Temporary differences	2023	2022
13	24	Fixed assets	26 023	6 521
13	24	Net temporary differences	26 023	6 521
-37 262	-30 375	Tax losses carried forward	-58 807	-34 150
-37 249	-30 351	Basis for deferred tax asset	-32 784	-27 628
-8 195	-6 677	Deferred tax asset	-7 213	-6 078
-8 195	-6 677	Deferred tax asset in the balance sheet	-7 213	-6 078

BASIS FOR INCOME TAX EXPENSE, CHANGES IN DEFERRED TAX AND TAX PAYABLE

2023	2022	Basis for income tax expense	2023	2022
-589	-1 027	Result before taxes	995	917
-6 310	-120	Permanent differences*	-6 151	46
-6 898	-1 147	Basis for the tax expense for the year	-5 156	963
11	-21	Change in temporary differences	-19 501	-3 250
-6 887	-1 167	Basis for payable taxes in the income statement	-24 657	-2 287
-6 887	-1 167	Taxable income (basis for payable taxes in the balance sheet)	-24 657	-2 287



NOTE 7 - TAXES

Parent			Group	
2023	2022	Basis for income tax expense, changes in deferred tax and tax payable	2023	2022
0	0	Tax payable	0	0
0	0	Total tax payable	0	0
0	-2 429	Tax refund 2013/2014*	0	-2 429
-116	-2 702	Change in deferred tax asset	267	-2 238
-116	-5 131	Tax expense	267	-4 667

Parent		Reconciliation of the tax expense	Group	
-589	-1 027	Result before taxes	995	917
-129	-226	Calculated tax	219	202
-116	-5 131	Tax expense	267	-4 667
13	-4 905	Difference	48	-4 868

Parent		The difference consist of:	Group	
13	-26	Tax of permanent differences	48	10
0	-2 429	Tax refund 2013/2014*	0	-2 429
0	-2 449	Increased tax losses carried forward	0	-2 449
0	-1	Other differences	0	0
13	-4 905	Sum explained differences	48	-4 868

Sum explained differences				
0	0	Payable tax in the tax charge	0	0
0	0	Payable tax in the balance sheet	0	0

\*The company has been successful in a tax appeal in 2022, which results in a profit of thousand NOK 4 878.

NOTE 8 - SHAREHOLDERS' EQUITY

Parent					
Equity changes in the year	Share capital	Share premium	Other paid-in equity	Other equity	Total
Equity 01.01.	105 556	165 734	114	6 388	277 793
Profit for the year	0	0	-114	-358	-472
Capital increase 19.10.2023	10 000	62 000	0	0	72 000
Capital increase 16.11.2023	17 778	110 222	0	0	128 000
Capital increase 24.11.2023	840	5 211	0	0	6 051
Issue expences*	0	-4 968	0	0	-4 968
Equity 31.12.	134 174	338 200	0	6 030	478 404

Group					
Equity changes in the year	Share capital	Share premium	Other paid-in equity	Other equity	Total
Equity 01.01.	105 556	165 734	114	8 299	279 704
Profit for the year	0	0	-114	842	728
Capital increase 19.10.2023	10 000	62 000	0	0	72 000
Capital increase 16.11.2023	17 778	110 222	0	0	128 000
Capital increase 24.11.2023	840	5 211	0	0	6 051
Issue expences*	0	-4 968	0	0	-4 968
Equity 31.12.	134 174	338 200	0	9 141	481 515

\* Issue expence related to the equity issue.



NOTE 9 - SUBSIDIARIES

PARENT

Investments in subsidiaries are booked according to the cost method.

Subsidiary	Location	Ownership/ voting right	Equity last year (100%)	Result last year (100%)	Balance sheet value
Gigante Salmon Rødøy AS	Bodø	100 %	360 519	1 347	357 100
Balance sheet value 31.12.					357 100

NOTE 10- DEBTORS AND LIABILITIES

Parent			Group	
2023	2022	Trade debtors	2023	2022
1 221	0	Trade debtors at nominal value	0	350
1 221	0	Trade debtors in the balance sheet	0	350

Parent			Group	
2023	2022	Debtors which fall due later than one year	2023	2022
65 867	0	Loan to Gigante Salmon Rødøy AS	0	0
65 867	0	Total	0	0

2023	2022	Long term liabilities which fall due later than 5 years	2023	2022
0	0	Liabilities to credit institution	130 436	0
0	0	Other long term liabilities	0	0
0	0	Sum	130 436	0

2023	2022		2023	2022
0	0	Liabilities secured by mortgage	130 436	0
		Balance sheet value of assets placed as security		
		Fixed assets	514 778	
		Trade debtors	20 595	
		Total	535 373	0

The group has an agreement of financing of building operations which includes all debt to credit institution.

The credit instituions has mortgage in fixed assets, trade debtors and inventory, limited to NOK. 500 000 000.

It is also mortgage right in aquaculture, shares in Gigante Salmon Rødøy AS and bank accounts.

NOTE 11 - BALANCE WITH GROUP COMPANIES, ETC.

Parent	Trade receivables		Other liabilities	
	2023	2022	2023	2022
Group companies	1 221	0	65 867	0
Total	1 221	0	65 867	0

	Other short term debt		Trade creditors	
	2023	2022	2023	2022
Group companies	0	99	0	0
Total	0	99	0	0

NOTE 12 - RESTRICTED BANK DEPOSITS, OVERDRAFT FACILITIES

Parent			Group	
2023	2022	Restricted bank deposits	2023	2022
171	101	Withheld employee taxes	610	226

	Overdraft facilities granted			
0	0	Unused bank overdraft	0	0



NOTE 13 - SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital of NOK 134 174 259 consists of 134 174 259 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 31. october 2023 and last until ordinary General Assembly in 2024, though no longer then 30. of June 2024.

LIST OF 20 MAJOR SHAREHOLDERS AT 31.12.23.

Shareholder	Number of shares	Ownership
GIGANTE HAVBRUK AS	68 126 888	50,77 %
KAPNORD AS	17 272 728	12,87 %
Yannick AS	4 830 277	3,60 %
HELGELAND INVEST AS	4 810 605	3,59 %
KULTA INVEST AS	3 977 777	2,96 %
TORGHATTEN AQUA AS	2 727 272	2,03 %
J.P. Morgan SE	2 413 679	1,80 %
OLAV OLSEN HOLDING AS	2 130 000	1,59 %
VERDIPAPIRFONDET NORDEA AVKASTNING	1 643 908	1,23 %
IHA INVEST AS	1 614 580	1,20 %
NYHAMN AS	1 468 956	1,09 %
RAVI INVESTERING AS	1 199 667	0,89 %
JOE INVEST AS	1 139 060	0,85 %
COMMUTER 2 AS	1 090 909	0,81 %
LIMT AS	910 000	0,68 %
UBS Switzerland AG	814 763	0,61 %
HAUSTA VEKST AS	700 486	0,52 %
TURNER AS	626 462	0,47 %
DNOR AS	620 064	0,46 %
GH HOLDING AS	615 442	0,46 %
Sum	118 733 523	88,49 %
Other owners	15 440 736	11,51 %
Total	134 174 259	100,00 %

SHARES OWNED BY THE MANAGEMENT AND RELATED PARTIES OF THE MANAGEMENT

Name	Position	Number of shares	Ownership
Helge E. W. Albertsen	CEO	200 000	0,15 %
Rune Johansen	CFO	350 000	0,26 %
Linda Storholm	CCO	15 500	0,01 %
Eirik Sørgård	Chairman of the board	200 000	0,15 %
Kristin Ingebrigtsen	Member of the board	17 763	0,01 %

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

Rune Johansen owns 40 000 shares privately and 310 000 shares through his wholly-owned company Nord-Norsk Eiendom AS.

Kjell Lorentsen has controlling influence through Gigante Havbruk AS who owns 68 126 888 shares (ownership 50,78 %) and Kapnord AS who owns 17 272 728 shares (12,87%). In total, Kjell Lorentsen is controlling 63,65% of the shares.

NOTE 14 - SUBSEQUENT EVENTS

Gigante Salmon started production in January 2024, and as announced on 25 January 2024 and 13 February 2024, the company has experienced challenges with mortality related to the first release of smolt. The main challenges were with the smolt received in the second delivery, and there is no indication that the cause of the mortality is related to the facility itself.

The challenges led to a reduction in production by approx. 300,000, or nearly 50% of the release that was made in January. This corresponds to the volume of the second smolt delivery.

The board of directors of Gigante Salmon AS has 19 March 2024 been informed about a new cost increase for the construction work in Rødøy, of approximately NOK 350 million. The figures are still subject to control, quality assurance and dialogue with the suppliers. After this increase, the total investment amount for the construction work in Rødøy up until completion of the production site is estimated to amount to approx. NOK 995 million.

The cost increase will require new capital to the company. This work has been initiated. The plan is that the cost increase will be covered through a combination of equity and debt financing. In the private placement in October 2023, NOK 100 million more than the identified need at that time was raised.

The cost increase forecast is mainly due to longer construction time, including costs for rigging and operation.

In light of the increased cost submitted to the board , the board 19 March 2024 has adopted the resolution to terminate the employment agreement with CEO Helge E. W. Albertsen. Albertsen will continue to serve as an advisor to the company.

The board has appointed Kjell Lorentsen as acting CEO from 19 March 2024, and he will at the same time exit the non-executive board. He was CEO in the company from the start of the company activities until September 2021. Lorentsen is today group CEO in Gigante Havbruk AS.

The work to recruit a new CEO to the company has been initiated.

The board and management are not aware of other events after 31 December 2023 that are likely to affect the presented annual accounts.







To the General Meeting of Gigante Salmon AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Gigante Salmon AS, which comprise:

- the financial statements of the parent company Gigante Salmon AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Gigante Salmon AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2023, 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 2023, 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.

### 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.

### 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 appear 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.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements 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 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 use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

### 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. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Bodø, 19 March 2024  
**PricewaterhouseCoopers AS**

Silja Eriksen  
State Authorised Public Accountant  
Note: This translation from Norwegian has been prepared for information purposes only.





**Gigante  
Salmon**