



**Gigante  
Salmon**

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# **Q3 REPORT 2023**

*24th October 2023*

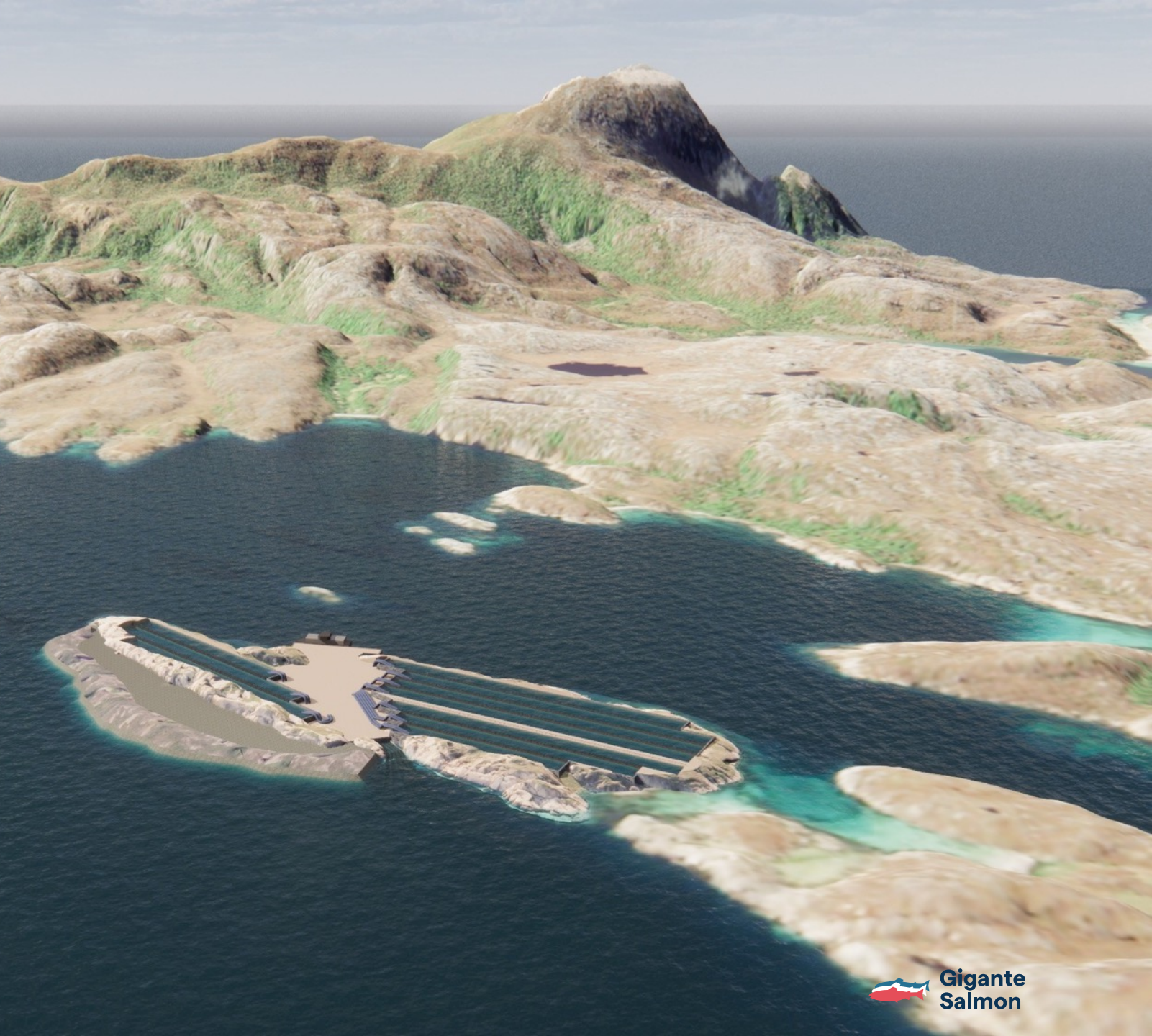
*CEO Helge E. W. Albertsen*

*CFO Rune Johansen*



*The majority owner Gigante Havbruk is also a co-owner of operations at all stages of the salmon value creation chain.  
This ensures Gigante Salmon access to the necessary expertise in all areas.*





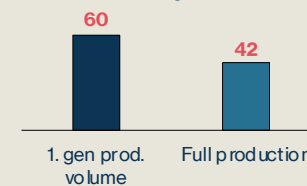


# Updated project summary Rødøy

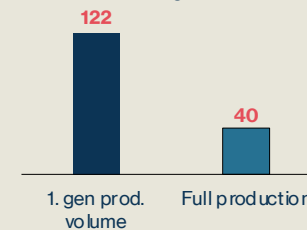
- Gigante Salmon is constructing a land-based salmon farming site on Lille Indre Rosøy which has a yearly production capacity of up to 16.000 tonnes HOG, based on a licensed MAB of 13,731 tonnes.
- Construction in two phases: Phase 1 covers a grow-out basin where smolt grows from 100 grams to 1 kg in 11 months. Phase 2 covers 2 production basins where salmon grows from 1 kg to harvest (4-7 kg). Phase 1 will be completed Q4 2023 with subsequent smolt transfer.
- The design is changed to basin walls/floor in concrete with liner, and water outlet in concrete channels. Extra area established by filling in sea. Increased automation and redundancy. High inflation on especially power supply/ distribution. Additional investments amount to approx. 200 MNOK. The company raised 300 MNOK in mid October 2023 to cover increased capex, strengthen working capital and establish a capital buffer.
- This financing round will cover capital needs to complete construction and working capital up to full production.

## THE PROJECT ECONOMICS REMAIN STRONG AND HIGHLY COMPETITIVE:

### PRODUCTION COSTS<sup>1</sup> NOK/kg HOG



### CAPEX NOK/kg HOG

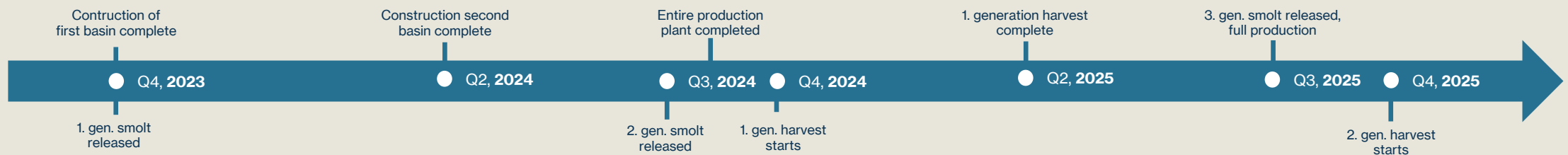


## THE INCREASED CAPITAL NEED IS FUNDED AS FOLLOWS:

SOURCES	MNOK
Expansion of leasing facility:	100.0
New equity from Gigante Havbruk:	100.0
New equity from other investors:	100.0
<b>Total</b>	<b>300.0</b>

USES	MNOK
Remaining capex:	200.0
Working capital:	50.0
General corporate purposes and buffer:	50.0
<b>Total</b>	<b>300.0</b>

## UPDATED PROGRESS PLAN



The timeline for the project follows the initial plan. The date for completion of construction and testing is pushed from originally August 2023 to November 2023. However, the fish to be released into the site is already growing and is held by Grytåga Settefisk AS awaiting completion of the site so the expected time to first harvest by Q4 2024 remains unchanged.

<sup>1</sup>Includes financials costs

# Fully-funded to produce 16,000 tonnes after capital raise

	PHASE 1	FULL PRODUCTION
INVESTMENT:	MNOK 645	No additional investments required
SMOLT RELEASED:	1,100,000	3,300,000
HARVEST (TONNES, WFE):	6,350	19,050
HARVEST (TONNES, HOG):	5,300	16,000
UTILISATION MAB:	0.5x	1.4x
PROD. COST NOK/KG HOG <sup>1</sup> :	60	42
CAPEX/KG HOG:	122	40
	2023	2027

<sup>1</sup> Includes financials costs

# Health, Security, Environmental & Quality

## HSE&Q

### PROJECT EXECUTION

*An overriding focus for all our activities is that the health of our colleagues and fish is crucial for our success: “If the fish are doing well, then we are doing well.”*

*Important areas of responsibility for Gigante Salmon AS as the project’s owner is undoubtedly health, environment, safety and quality.*

*One accident with high potential of risk in connection with diving operations during Q3 2023.*



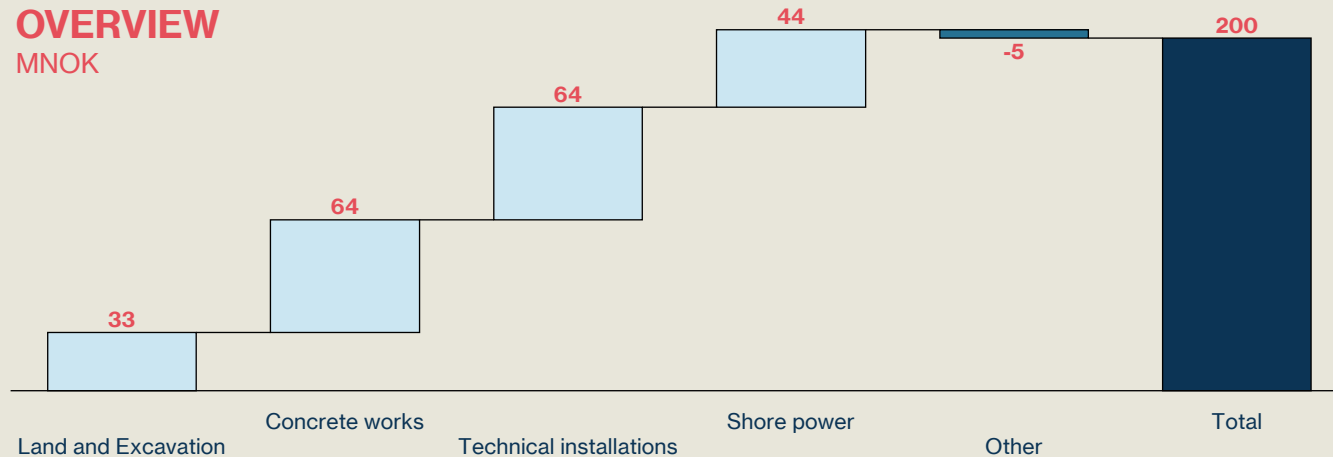
# Highlights Q3 2023

## THE THIRD QUARTER OF 2023

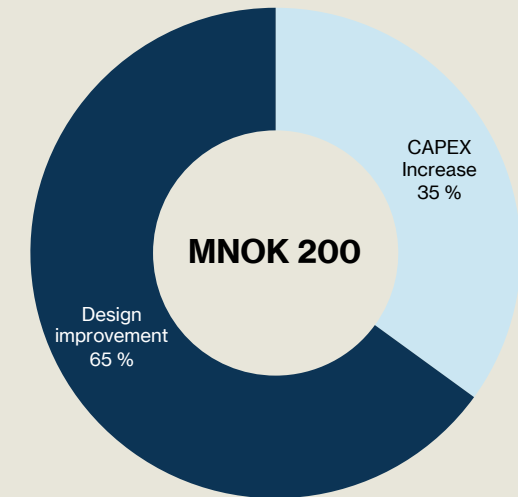
- *Onshore power for phase I established*
- *Feed, housing and work fleet anchored and operational*
- *Risers and sieve boxes for water intake phase I installed*
- *Preparations, groundwork and installations of technical area for phase I in completion*
- *All positions in planned operating organization filled*
- *Plan audit completed and forecast updated*
- *Financing*
  - *Increased leasing agreement with SpareBank1 Finans Nord-Norge (100 MNOK)*
  - *Private placement 11 October (200 MNOK)*

# Majority of capex increase directed to increase quality and robustness

## OVERVIEW MNOK



## ADDITIONAL INVESTMENTS SPLIT



CAPEX Category	Original budget	Updated prognosis	Additional investments
Land and Excavation	99,0	132,1	33,1
Concrete works	18,0	82,0	64,0
Technical installations	264,0	327,9	63,9
Shore power	18,0	62,0	44,0
Other	46,0	41,0	-5,0
<b>TOTAL</b>	<b>445,0</b>	<b>645,0</b>	<b>200,0</b>

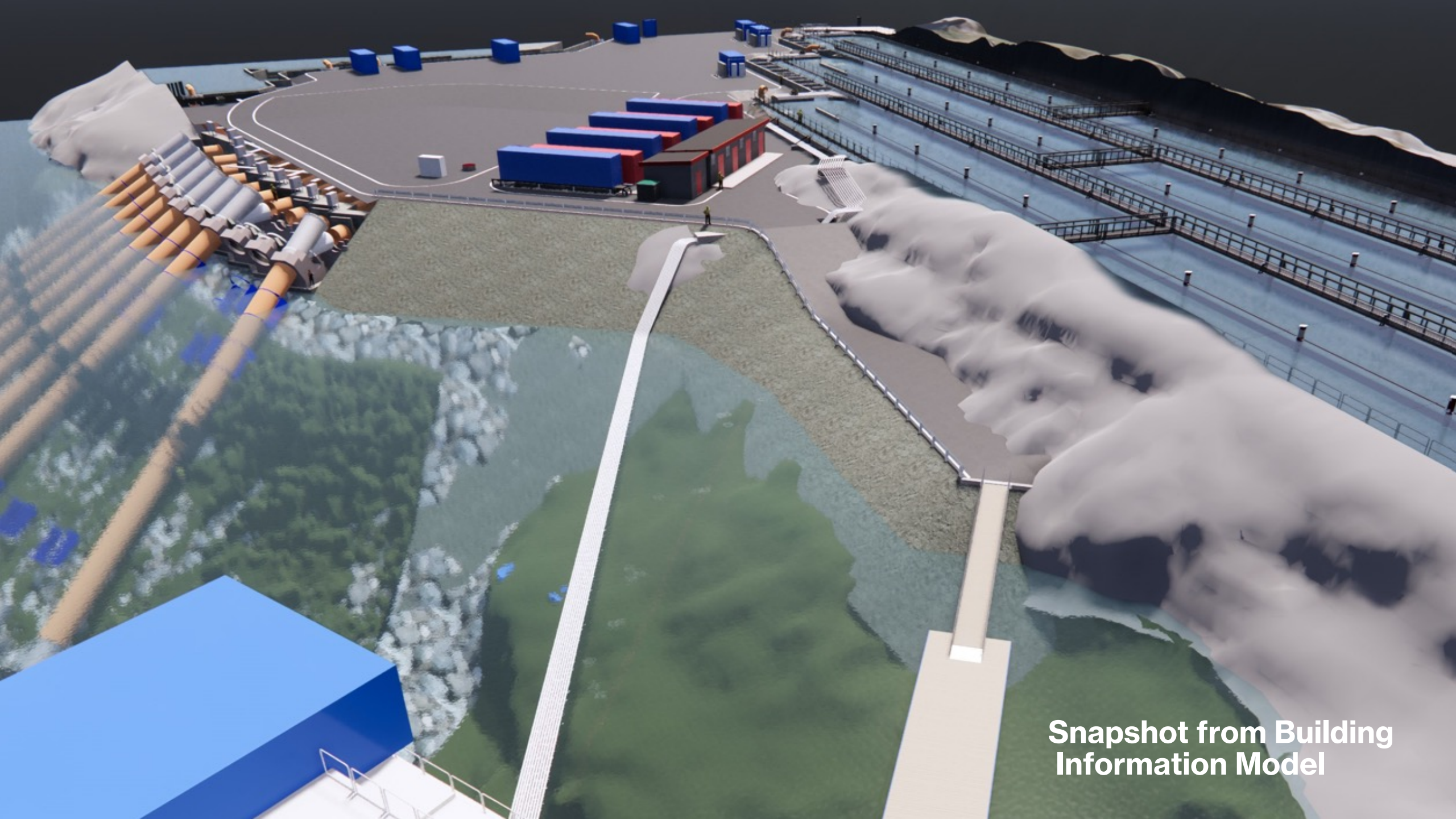
Capex increase	Design improvement
3,1	30,0
4,0	60,0
37,9	26,0
30,0	14,0
-5,0	0,0
<b>70,0</b>	<b>130,0</b>

## COMMENTS

Main design improvements:

1. Filled out east shore of the island creating area for expansion or additional water treatment/process equipment
2. Higher spec on automation equipment and increased redundancy in water supply system
3. Power capacity increased from 5 to 6,5 MW with increased redundancy





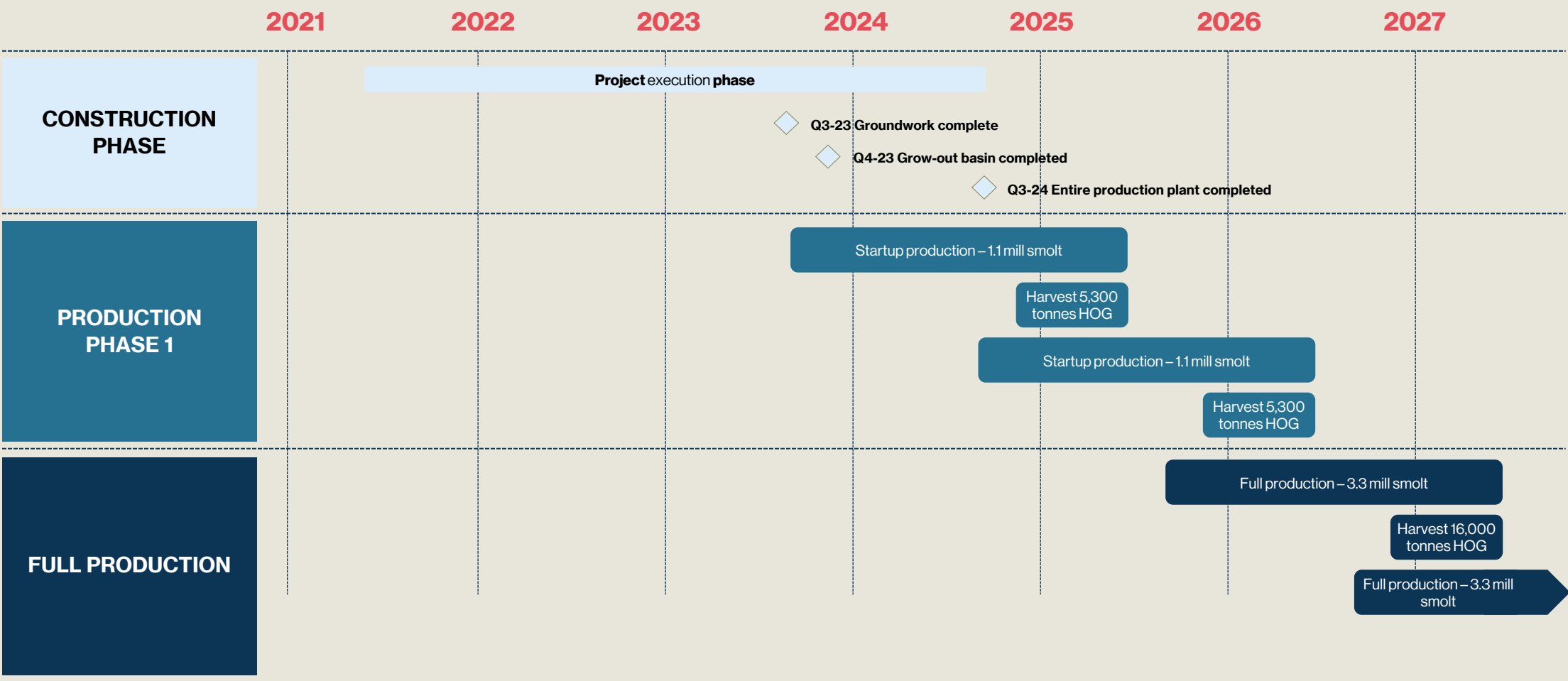
**Snapshot from Building  
Information Model**







# On track for first harvest in Q4-2024



# Income statement - Group

- *Income statement reflects project execution phase, with limited income and operating expenses*

Income statement	Note	Q3 2023	YTD 2023	Q3 2022	YTD 2022	2022
Other income		-	168	128	128	151
<b>Total income</b>		<b>-</b>	<b>168</b>	<b>128</b>	<b>128</b>	<b>151</b>
Employee benefits expense		372	1 082	80	534	359
Depreciation and amortisation expenses	1	25	75	24	72	96
Other operating expenses		255	1 836	604	2 239	3 408
<b>Total operating expenses</b>		<b>652</b>	<b>2 993</b>	<b>707</b>	<b>2 844</b>	<b>3 864</b>
<b>Net income</b>		<b>-652</b>	<b>-2 825</b>	<b>-579</b>	<b>-2 716</b>	<b>-3 712</b>
Interest income		1 577	4 197	1 497	3 033	4 662
Other finance income		23	26	-	-	-
Interest expenses		-	46	-	29	29
Other financial expense		-	12	0	2	4
Stock exchange fees		237	625	-	-	-
<b>Net finances</b>		<b>1 363</b>	<b>3 540</b>	<b>1 497</b>	<b>3 002</b>	<b>4 629</b>
<b>Profit before income tax</b>		<b>711</b>	<b>715</b>	<b>917</b>	<b>286</b>	<b>917</b>
Income tax expense		148	202	-4 713	-4 613	-4 667
<b>Net profit or loss for the period</b>	<b>2</b>	<b>563</b>	<b>513</b>	<b>5 631</b>	<b>4 900</b>	<b>5 584</b>
To minority interests						-
<b>To majority interests</b>		<b>563</b>	<b>513</b>	<b>5 631</b>	<b>4 900</b>	<b>5 584</b>
Disposal			-		-	
<b>Transferred from/to equity</b>		<b>563</b>	<b>513</b>	<b>5 631</b>	<b>4 900</b>	<b>5 584</b>



# Balance sheet - Group

Assets	Note	Q3 2023	Q3 2022	2022
Deferred tax asset		5 876	6 025	6 078
<b>Total intangible assets</b>		<b>5 876</b>	<b>6 025</b>	<b>6 078</b>
Land, buildings and other property		384 535	65 327	108 981
Ships		709	798	776
"Fixtures/fittings, tools, office machinery and equipment"		16	12	24
<b>Total tangible assets</b>	1	<b>385 260</b>	<b>66 137</b>	<b>109 781</b>
Investments in shares		100	0	-
<b>Total financial fixed assets</b>		<b>100</b>	<b>0</b>	<b>-</b>
<b>Total fixed assets</b>		<b>391 236</b>	<b>72 162</b>	<b>115 859</b>
Trade receivables		-	63	350
Other receivables		24 976	15 995	19 285
<b>Total receivables</b>		<b>24 976</b>	<b>16 058</b>	<b>19 635</b>
<b>Cash and bank deposits</b>		<b>99 667</b>	<b>198 516</b>	<b>182 097</b>
<b>Total current assets</b>		<b>124 643</b>	<b>214 574</b>	<b>201 733</b>
<b>Total assets</b>		<b>515 879</b>	<b>286 736</b>	<b>317 592</b>

Equity and liabilities	Note	Q3 2023	Q3 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
<b>Total paid-in equity</b>	2	<b>271 290</b>	<b>271 404</b>	<b>271 404</b>
Other equity		8 925	7 616	8 299
<b>Total retained earnings</b>	2	<b>8 925</b>	<b>7 616</b>	<b>8 299</b>
<b>Minority interests</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	2	<b>280 215</b>	<b>279 020</b>	<b>279 704</b>
Building loan		177 838	-	-
<b>Total other non-current liabilities</b>		<b>177 838</b>	<b>-</b>	<b>-</b>
Trade creditors		48 991	2 201	37 069
Public duties payable		558	280	189
Other short-term liabilities		8 277	5 235	630
<b>Total current liabilities</b>		<b>57 826</b>	<b>7 716</b>	<b>37 888</b>
<b>Total liabilities</b>		<b>235 664</b>	<b>7 716</b>	<b>37 888</b>
<b>Total equity and liabilities</b>		<b>515 879</b>	<b>286 736</b>	<b>317 592</b>

- *Equity ratio at 54%*
- *Strengthened financing through increased leasing (100 MNOK) and private placement (200 MNOK), carried out in October*

# Income statement – GS Rødøy

- *Total investments in the group in the second quarter rose 385 260 kNOK, compared to 260 074 kNOK in Q2*

Income statement	Note	Q3 2023	YTD 2023	Q3 2022	YTD 2022	2 022
Other income		-	140	11	11	11
<b>Total income</b>		<b>-</b>	<b>140</b>	<b>11</b>	<b>11</b>	<b>11</b>
Depreciation and amortisation expenses	1	22	66	22	66	90
Other operating expenses		21	231	48	189	641
<b>Total operating expenses</b>		<b>44</b>	<b>298</b>	<b>71</b>	<b>256</b>	<b>730</b>
<b>Net income</b>		<b>-44</b>	<b>-158</b>	<b>-60</b>	<b>-245</b>	<b>-720</b>
Interest income		872	2 060	825	1 874	2 827
Other financial income		23	26	-	-	-
Interest expenses		-	23	-	-	0
Other financial expense		-	11	-	-	2
<b>Net finances</b>		<b>896</b>	<b>2 053</b>	<b>825</b>	<b>1 874</b>	<b>2 825</b>
<b>Profit before income tax</b>		<b>852</b>	<b>1 894</b>	<b>765</b>	<b>1 628</b>	<b>2 105</b>
Income tax expense		187	419	168	358	464
<b>Net profit or loss for the period</b>		<b>665</b>	<b>1 475</b>	<b>596</b>	<b>1 269</b>	<b>1 641</b>
<b>To minority interests</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>To majority interests</b>		<b>665</b>	<b>1 475</b>	<b>596</b>	<b>1 269</b>	<b>1 641</b>
Disposal			-		-	
<b>Transferred from/to equity</b>		<b>665</b>	<b>1 475</b>	<b>596</b>	<b>1 269</b>	<b>1 641</b>

# Balance sheet – GS Rødøy

Assets	Note	Q3 2023	Q3 2022	2022
Land, buildings and other property		383 320	65 041	107 800
Ships		709	798	776
<b>Total tangible assets</b>	1	<b>384 029</b>	<b>65 839</b>	<b>108 576</b>
<b>Total fixed assets</b>		<b>384 029</b>	<b>65 839</b>	<b>108 576</b>
Trade receivables		-	13	350
Other receivables		24 768	13 246	19 236
<b>Total receivables</b>		<b>24 768</b>	<b>13 260</b>	<b>19 586</b>
<b>Cash and bank deposits</b>		<b>87 980</b>	<b>122 698</b>	<b>103 603</b>
<b>Total current assets</b>		<b>112 747</b>	<b>135 958</b>	<b>123 189</b>
<b>Total assets</b>		<b>496 776</b>	<b>201 796</b>	<b>231 765</b>

Equity and liabilities	Note	Q3 2023	Q3 2022	2022
Share capital		19 230	19 230	19 230
Share premium		172 870	172 870	172 870
<b>Total paid-in equity</b>		<b>192 100</b>	<b>192 100</b>	<b>192 100</b>
Other equity		3 548	1 701	2 072
<b>Total retained earnings</b>		<b>3 548</b>	<b>1 701</b>	<b>2 072</b>
<b>Total equity</b>		<b>195 648</b>	<b>193 801</b>	<b>194 172</b>
Deferred tax		1 018	493	599
Liabilities to financial institutions		177 838	-	-
Liabilities to group companies		65 000	-	-
<b>Total other non-current liabilities</b>		<b>242 838</b>	<b>-</b>	<b>-</b>
Trade creditors		48 875	2 389	36 507
Public duties payable		386	80	153
Other short-term liabilities		8 011	5 033	332
<b>Total current liabilities</b>		<b>57 272</b>	<b>7 502</b>	<b>36 993</b>
<b>Total liabilities</b>		<b>301 128</b>	<b>7 995</b>	<b>37 592</b>
<b>Total equity and liabilities</b>		<b>496 776</b>	<b>201 796</b>	<b>231 765</b>

# Q&A



**Gigante  
Salmon**