



Gigante  
Salmon

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# Q1 REPORT 2024

*23rd April 2024*

CEO Kjell Lorentsen  
CFO Rune Johansen

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# 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.

None accidents with high potential of risk during Q1 2024.



# Highlights Q1 2024

## THE FIRST QUARTER OF 2024

- Smolt delivery 21 January, production started in production basin nr. 3
- External construction management, including construction manager and HSEQ coordinator, hired
- Production basin 2 under construction and progressing according to plan
- CEO terminated after revision of plan and forecast
- Kjell Lorentsen acting CEO from 19 March

## EVENTS AFTER BALANCE SHEET DATE:

- Kjell Lorentsen CEO from 23 April
- Liv Monica Stubholt recommended as new chairperson of the board by the company's nomination committee.
- Increased bank financing from SpareBank 1 Nord-Norge of MNOK 120 secured. The loan commitment is supported by Export Finance Norway (Eksfin).
- Affirmed support from main shareholder, Gigante Havbruk AS, with up to MNOK 130 in a new contemplated private placement to secure financing of increased CAPEX.
- Sparebank 1 Markets engaged to act as financial advisor in connection with the contemplated equity financing. Expected to be completed by end of Q2.

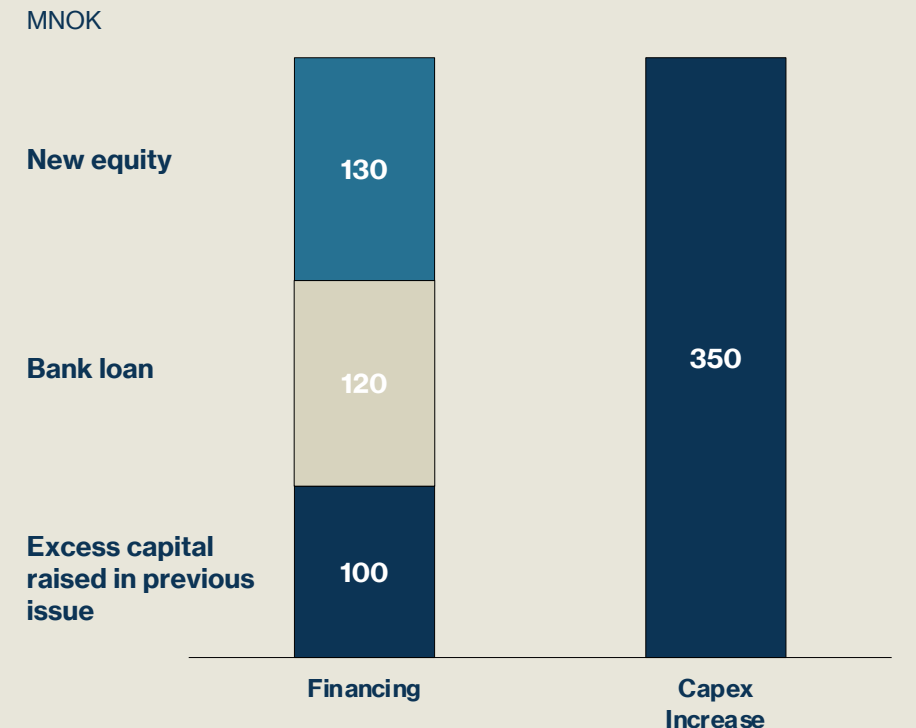


# Financing

The CAPEX increase of MNOK 350 compared to the last outlined CAPEX budget will be financed by the following three sources:

1. New equity (MNOK 130), Gigante Havbruk AS will support an equity financing for a total subscription amount up to MNOK 130.
2. Bank loan (MNOK 120) from SpareBank 1 Nord-Norge, with support from Export Finance Norway
3. Excess capital (MNOK 100) beyond the then identified need raised in the previous issue

## Financing structure



**The private placement is expected to be completed by end of Q2 2024.**



# Kjell Lorentsen

CEO

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- Founder and long time CEO of Gigante Havbruk Group
- Has held leading positions in the fishery and aquaculture industry since the 70's.
- 6.5 years education in fishery and fishery economics.

# Progress and milestones

● The Norwegian Ministry of Fisheries lifted the requirement for licenses for land-based aquaculture facilities in Norway.

Gigante Havbruk began the work on land-based flow-through aquaculture facilities and site searches.

2016

● Entered into a lease agreement with an option to purchase Indre Lille Røsøy in Rødøy Municipality, Nordland.

2017

● The work related to the plan program and impact assessment begins with Rødøy Municipality.

The plan program was approved at the end of the year.

2018

● Rødøy Municipality approves the rezoning from agricultural and natural areas (LNF) to industrial use for land-based aquaculture.

An application is submitted to Nordland County Municipality for the establishment of a land-based aquaculture facility with a capacity of 13,731 MAB or 20,000 tonnes of salmon.

2019

● The Norwegian Food Safety Authority (Mattilsynet) grants permission for a production of 20,000 tonnes of salmon, with 13,731 MAB. For the first 24 months, the permission is limited to 3,600 MAB.

2020

● Construction of a flow-through canal, raceway, to optimize water velocity, water exchange, and purification. A 2-year project.

Commencement of construction on Lille Indre Røsøy.

Blasting and removal of rock masses..

2021

● The construction is completed, and the facility undergoes testing.

Production commences with 0.6 million smolt in January, and 1,1 million smolt in Q3.

2024

● First harvest in Q2.

Release of 2.2 million smolt in Q3.

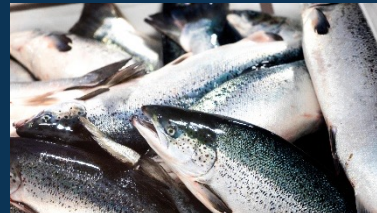
2025

● Release of 3.3 million smolt in Q3.

2026

● Full production of 16,000 tonnes (HOG).

2028






# Biological update

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- The facility is functioning well and as intended. Seawater is being pumped in as planned and the water chemistry is good.
- The fish are doing well in the longitudinal tanks, which are now operating with a water velocity of about 20 cm/s.
- We are gaining valuable experience for future production.
- Biomass 15.04.24: Average weight 151 grams. Net biomass approx. 24.5 tonnes WFE.





The facility is made up of 10 longitudinal 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.

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

Flow distributors are used to ensure optimal current.

Sludge is removed from the 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.

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

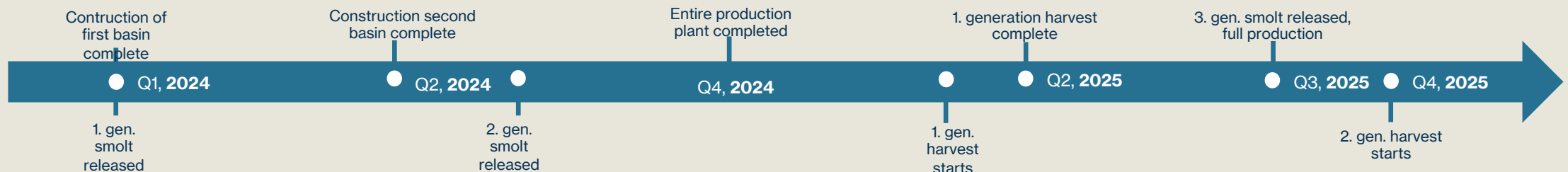
In the event one or more pumps need to be taken off-line, the remaining pumps provide adequate capacity to maintain operations.



# Updated project summary Rødøy

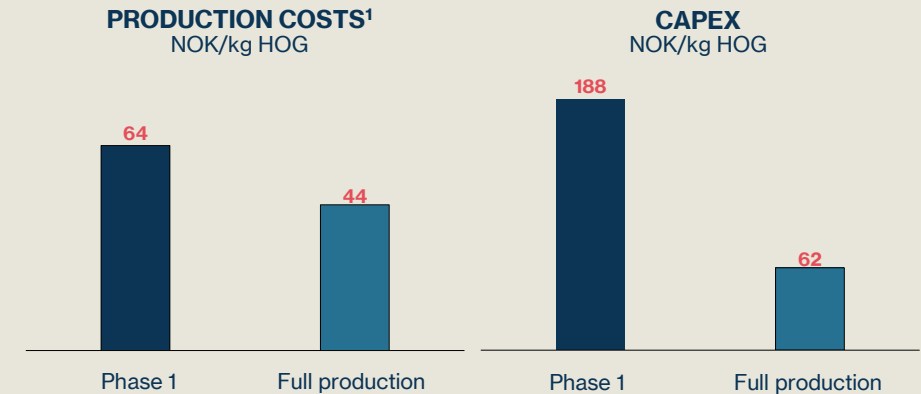
- Gigante Salmon is constructing a land-based salmon farming site on Lille Indre Rosøy which has a yearly production capacity of up to 16.000 tonnes HOG, based on a licensed MAB of 13,731 tonnes.
- Construction in two phases: Phase 1 covers a grow-out basin where smolt grows from 100 grams to 1 kg in 11 months. Phase 2 covers 2 production basins where salmon grows from 1 kg to harvest (4-7 kg). Phase 1 is completed Q1 2024 with subsequent smolt transfer.
- The design is 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. Cost estimate for completion of production facility in Rødøy updated in March 2024. Total investment amount to approx. 995 MNOK.
- Financing round in Q2 2024 will cover capital needs to complete construction and working capital up to full production.

## UPDATED PROGRESS PLAN



The date for completion of construction and testing is pushed from originally August 2023 to January 2024. Expected time to first harvest Q2 2025.

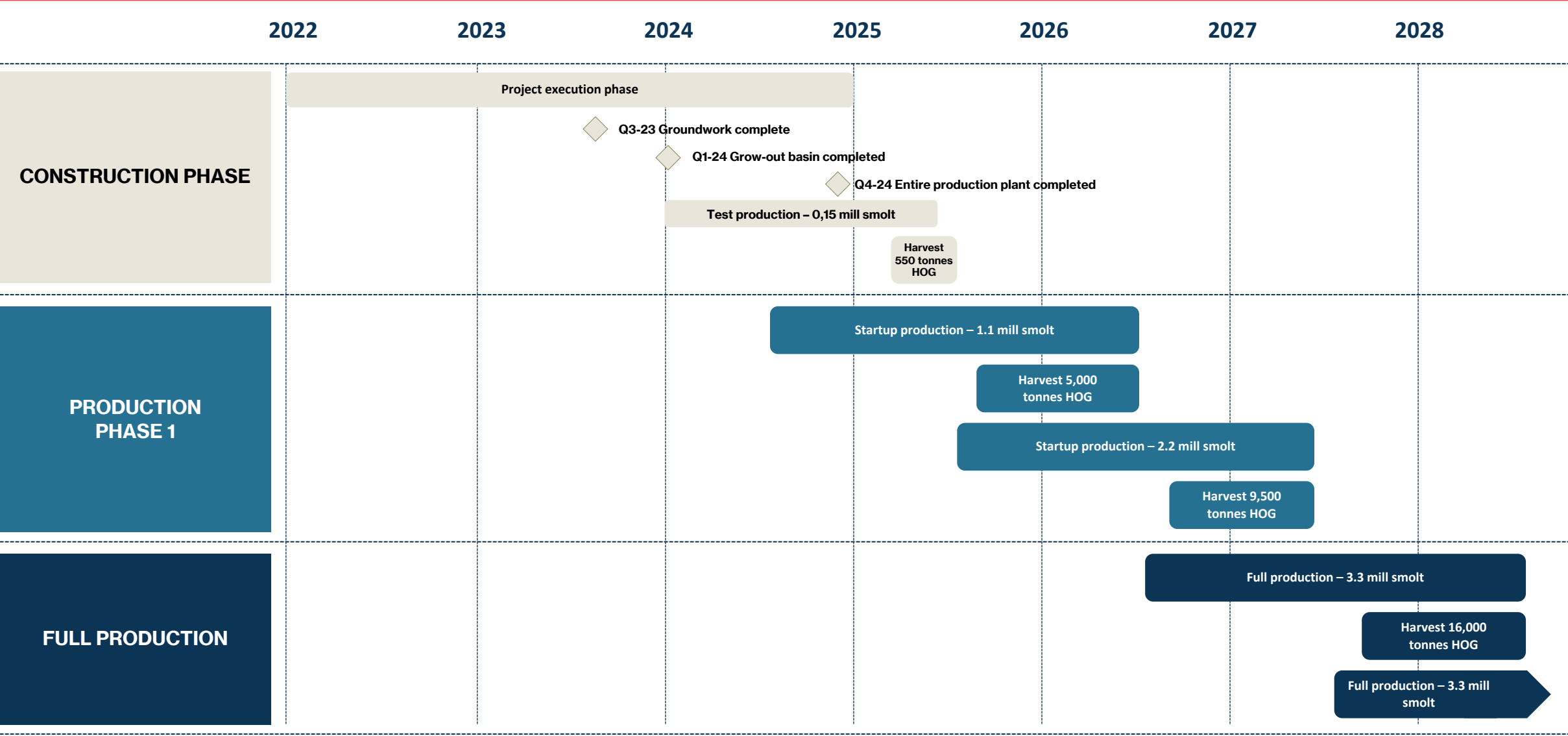
## THE PROJECT ECONOMICS REMAIN STRONG AND HIGHLY COMPETITIVE:



<sup>1</sup>Includes financials costs



# Updated timeline



\*The company has an agreement with Grytåga Settefisk AS on crediting for smolt that die in a given period after production startup. Test production of about 0.15 mill smolt is the amount of smolt the company is financially responsible for.

# Income statement - Group

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

Income statement	Note	Q1 2024	Q1 2023	2023
Other income		-	140	60
<b>Total income</b>		<b>-</b>	<b>140</b>	<b>60</b>
Employee benefits expense		219	427	746
Depreciation and amortisation expenses	1	25	25	100
Other operating expenses		289	891	2 538
<b>Total operating expenses</b>		<b>533</b>	<b>1 343</b>	<b>3 384</b>
<b>Net income</b>		<b>-533</b>	<b>-1 203</b>	<b>-3 324</b>
Interest income		862	1 288	5 570
Other finance income		-	-	27
Interest expenses		-	-	24
Other financial expense		-	-	46
Stock exchange fees		673	-	1 207
<b>Net finances</b>		<b>189</b>	<b>1 288</b>	<b>4 319</b>
<b>Profit before income tax</b>		<b>-344</b>	<b>85</b>	<b>995</b>
Income tax expense		-62	30	267
<b>Net profit or loss for the period</b>	<b>2</b>	<b>-282</b>	<b>55</b>	<b>728</b>
To minority interests				
<b>To majority interests</b>		<b>-282</b>	<b>55</b>	<b>728</b>
Disposal				
<b>Transferred from/to equity</b>		<b>-282</b>	<b>55</b>	<b>728</b>

# Balance sheet - Group

Assets	Note	Q1 2024	Q1 2023	2023
Deferred tax asset		7 275	6 048	7 213
<b>Total intangible assets</b>		<b>7 275</b>	<b>6 048</b>	<b>7 213</b>
Land, buildings and other property		530 962	165 567	514 079
Ships		664	753	686
Right of use asset		110 043	-	-
Fixtures/fittings, tools, office machinery and equipment		10	21	13
<b>Total tangible assets</b>	<b>1</b>	<b>641 679</b>	<b>166 341</b>	<b>514 778</b>
Investments in shares		100	-	100
<b>Total financial fixed assets</b>		<b>100</b>	<b>-</b>	<b>100</b>
<b>Total fixed assets</b>		<b>649 054</b>	<b>172 389</b>	<b>522 091</b>
Inventory		2 852	-	-
Trade receivables		31 412	175	-
Other receivables		29 753	20 647	20 595
<b>Total receivables</b>		<b>61 165</b>	<b>20 822</b>	<b>20 595</b>
<b>Cash and bank deposits</b>		<b>33 072</b>	<b>129 755</b>	<b>114 967</b>
<b>Total current assets</b>		<b>97 089</b>	<b>150 577</b>	<b>135 562</b>
<b>Total assets</b>		<b>746 143</b>	<b>322 966</b>	<b>657 653</b>

Equity and liabilities	Note	Q1 2024	Q1 2023	2023
Share capital	3	134 174	105 556	134 174
Share premium		338 200	165 734	338 200
<b>Total paid-in equity</b>	<b>2</b>	<b>472 374</b>	<b>271 290</b>	<b>472 374</b>
Other equity		8 860	8 469	9 141
<b>Total retained earnings</b>	<b>2</b>	<b>8 860</b>	<b>8 469</b>	<b>9 141</b>
<b>Minority interests</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>2</b>	<b>481 234</b>	<b>279 759</b>	<b>481 515</b>
Building loan		155 858	542	130 436
Lease liabilities		81 408	-	-
<b>Total other non-current liabilities</b>		<b>237 266</b>	<b>542</b>	<b>130 436</b>
Trade creditors		18 631	25 069	33 720
Public duties payable		639	260	766
Other short-term liabilities		8 373	17 334	11 216
<b>Total current liabilities</b>		<b>27 643</b>	<b>42 663</b>	<b>45 702</b>
<b>Total liabilities</b>		<b>264 909</b>	<b>43 205</b>	<b>176 138</b>
<b>Total equity and liabilities</b>		<b>746 143</b>	<b>322 966</b>	<b>657 653</b>

# Income statement – GS Rødøy

- Total investments in the group in the first quarter rose 641 679 kNOK, compared to 514 778 kNOK in Q4

Income statement	Note	Q1 2024	Q1 2023	2023
Other income		-	140	140
<b>Total income</b>		<b>-</b>	<b>140</b>	<b>140</b>
Depreciation and amortisation expenses	1	22	22	90
Other operating expenses		8	156	248
<b>Total operating expenses</b>		<b>31</b>	<b>178</b>	<b>337</b>
<b>Net income</b>		<b>-31</b>	<b>-38</b>	<b>-197</b>
Interest income		408	628	2 814
Other financial income		-	-	27
Interest expenses		659	-	890
Other financial expense		-	-	24
<b>Net finances</b>		<b>-251</b>	<b>628</b>	<b>1 927</b>
<b>Profit before income tax</b>		<b>-281</b>	<b>589</b>	<b>1 730</b>
Income tax expense		-62	131	383
<b>Net profit or loss for the period</b>		<b>-220</b>	<b>458</b>	<b>1 347</b>
<b>To minority interests</b>			-	-
<b>To majority interests</b>		<b>-220</b>	<b>458</b>	<b>1 347</b>
Disposal				-
<b>Transferred from/to equity</b>		<b>-220</b>	<b>458</b>	<b>1 347</b>

# Balance sheet – GS Rødøy

Assets	Note	Q1 2024	Q1 2023	31.12.2023
Land, buildings and other property		529 873	164 335	504 190
Ships		664	753	686
Right-of-use assets		110 043	-	
<b>Total tangible assets</b>	<b>1</b>	<b>640 580</b>	<b>165 088</b>	<b>504 877</b>
<b>Total fixed assets</b>		<b>640 580</b>	<b>165 088</b>	<b>504 877</b>
Inventory		2 852	-	-
Trade receivables		34 400	175	-
Other receivables		26 522	20 302	29 207
<b>Total receivables</b>		<b>60 922</b>	<b>20 477</b>	<b>29 207</b>
<b>Cash and bank deposits</b>		<b>28 333</b>	<b>52 492</b>	<b>68 353</b>
<b>Total current assets</b>		<b>92 107</b>	<b>72 969</b>	<b>97 560</b>
<b>Total assets</b>		<b>732 687</b>	<b>238 057</b>	<b>602 436</b>

Equity and liabilities	Note	Q1 2024	Q1 2023	31.12.2023
Share capital		35 730	19 230	35 730
Share premium		321 370	172 870	321 370
<b>Total paid-in equity</b>		<b>357 100</b>	<b>192 100</b>	<b>357 100</b>
Other equity		3 200	2 531	3 419
<b>Total retained earnings</b>		<b>3 200</b>	<b>2 531</b>	<b>3 419</b>
<b>Total equity</b>		<b>360 300</b>	<b>194 631</b>	<b>360 519</b>
Deferred tax		920	730	982
Liabilities to financial institutions		155 858	542	130 436
Liabilities to group companies		106 525	-	65 867
Lease liabilities		81 408	-	-
<b>Total other non-current liabilities</b>		<b>343 791</b>	<b>542</b>	<b>196 303</b>
Trade creditors		19 421	25 079	33 200
Public duties payable		429	104	542
Other short-term liabilities		7 826	16 971	10 891
<b>Total current liabilities</b>		<b>27 676</b>	<b>42 154</b>	<b>44 633</b>
<b>Total liabilities</b>		<b>372 387</b>	<b>43 426</b>	<b>241 918</b>
<b>Total equity and liabilities</b>		<b>732 687</b>	<b>238 057</b>	<b>602 436</b>



# LIV MONICA STUBHOLT

**Recommended as new chairperson of the board by the company's nomination committee**

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- **Former CEO and President of Aker Seafoods ASA**
- **Solicitor and partner in Advokatfirmaet Selmer AS**
- **Leads the firm's ESG and Compliance team**
- **Sits on the boards of several companies in the energy and seafood industries**
- **Stubholt has been a member of the non-executive board of directors in Gigante Salmon since 2022**



# Q&A



**Gigante  
Salmon**