



**Gigante  
Salmon**

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**Q3 REPORT**  
**2022**

*15 November 2022*

CFO Rune Johansen



## PROFITABILITY

- An increasing global focus on health and sustainability can be expected to drive up demand for salmon.
- The location of the facility was identified as an ideal site to establish an operation that provides the best-possible living conditions for the fish, and can be run in an energy-efficient, cost-effective manner.
- A biomass-optimised, salmon-lice-free operation that utilises feed efficiently results in a low cost per kilogram of fish produced.

## TECHNOLOGY

- The production technology is based on well-known aquaculture technology used in conventional fish farming.
- The facility is designed to be an efficient, stable operation that provides the best-possible living conditions for the fish.



## FINANCE AND INVESTMENT

- Gigante Salmon has sufficient financing to fund its operations until full production commences, this includes financing for the construction phase and the first operational phase.
- A great deal of research was carried out to find the most suitable location for an aquaculture plant that will become the industry leader in terms of production costs and mass of salmon produced.
- The project's founder and majority owner 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.



## RESPONSIBLE PRODUCTION

- Land-based salmon farming operations can control the parameters for water quality and wastewater.
- Sludge is filtered from the water used in production, reducing the amount of wastewater released at sea by half compared with conventional salmon-farming operations.
- We hold regular public meetings, and we collaborate with the local committee to help strengthen the Rødøya community.



# Gigante Salmon Rødøy

(All figures in NOK 2020)

	PHASE 1	FULL PRODUCTION
Investment	445 MNOK	No additional investments required
Smolt released	1 100 000	3 300 000
Harvest (tons, WFE)	6 350	19 050
Harvest (tons, HOG)	5 300	16 000
Utilisation MAB	0.5x	1.4x
Prod. costNOK/kg HOG	38	31
CAPEX/kg HOG	71	24
	2023	2027

# Highlights Q3 2022

- Good progress towards completion of Gigante Salmon Rødøy facility. Project moving forward in accordance with prepared and approved plans and in line with planned and approved cost limits.
- Blasting resumed in September. Heavy construction activity, including blasting, must halted before 28 February 2023
- Establishment of the rockfill in the waters north-east of Lille Indre Rosøy is underway and expected to be completed during Q1 2023
- Contracts signed: land-based feeding facilities (Aquagroup), feed supply agreement (Skretting), in-let water pumps (Xylem)
- A decision about the landing of the submarine cable is expected in Q4

The journey has begun - the roe has arrived at Grytåga Settefisk, where it is now incubating





# Development and operation of Gigante Salmon Rødøy AS

## IMPLEMENTATION OF THE PROJECT

An overriding focus for all our activities is that the health of our 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.







# Gigante Salmon Rødøy



# Timeline towards 20,000 tons of yearly production



# Financial review

## Proposal for new tax rules for the aquaculture industry

- The rule, as proposed, would not affect Gigante Salmon, since it would only apply to conventional, at-sea production of salmon for consumption

## Impact of the decision by the Tax Appeals Board

- The Tax Appeal Board (Skatteklagenemnda) has ruled in Gigante Salmon AS's favour in a matter relating to the 2009 fiscal year

	Effect on taxes	Effect on interest – non-taxable	Total effect
Tax reimbursement (2013)	2 377 033	199 768	2 576 801
Tax reimbursement (2014)	52 087	3 106	55 193
Increased deferred tax benefit	2 449 261	0	2 449 261
<b>Total</b>	<b>4 878 381</b>	<b>202 874</b>	<b>5 081 255</b>



# Income statement

- Investments in Gigante Salmon Rødøy progressing according to plan
- Net profit Q3 2022, +5.6 MNOK

		Group				
Income Statement	Note	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Other income		128 100	0	128 100	0	0
<b>Total income</b>		<b>128 100</b>	<b>0</b>	<b>128 100</b>	<b>0</b>	<b>0</b>
Employee benefits expense		79 553	844 431	534 050	1277 319	226 290
Depreciation and amortisation expenses	1	23 886	7 458	71 658	7 458	31 848
Other operating expenses		603 720	1189 746	2 238 630	2 300 110	1548 164
<b>Total operating expenses</b>		<b>707 159</b>	<b>2 041 635</b>	<b>2 844 338</b>	<b>3 584 887</b>	<b>1806 302</b>
<b>Net income</b>		<b>-579 059</b>	<b>-2 041 635</b>	<b>-2 716 238</b>	<b>-3 584 887</b>	<b>-1806 302</b>
Interest income		1496 750	197 402	3 033 476	241 681	848 011
Other finance income		0	0	0	0	194
Interest expenses		0	92 969	29 426	93 042	73
Other financial expense		201	0	1684	0	92
<b>Net finances</b>		<b>1496 549</b>	<b>104 433</b>	<b>3 002 366</b>	<b>148 639</b>	<b>848 040</b>
<b>Profit before income tax</b>		<b>917 490</b>	<b>-1937 202</b>	<b>286 128</b>	<b>-3 436 248</b>	<b>-958 262</b>
Income tax expense	4	-4 713 013	-3 721 444	-4 613 473	-4 051 234	-3 697 669
<b>Net profit or loss for the period</b>	<b>2</b>	<b>5 630 503</b>	<b>1784 242</b>	<b>4 899 601</b>	<b>614 986</b>	<b>2 739 407</b>
To minority interests				0	0	
<b>To majority interests</b>		<b>5 630 503</b>	<b>1784 242</b>	<b>4 899 601</b>	<b>614 986</b>	<b>2 739 407</b>
Disposal						
<b>Transferred from/to equity</b>		<b>5 630 503</b>	<b>1784 242</b>	<b>4 899 601</b>	<b>614 986</b>	<b>2 739 407</b>

# Balance sheet

				Group		
Assets	Note	30.09.2022	30.06.2022	31.12.2021	30.09.2021	30.06.2021
Research, development, licenses, goodwill		0	0	0	42 870	53 588
Deferred tax asset	4	6 025 006	3 741 113	3 840 756	4 194 321	472 877
<b>Total intangible assets</b>		<b>6 025 006</b>	<b>3 741 113</b>	<b>3 840 756</b>	<b>4 237 191</b>	<b>526 465</b>
Land, buildings and other property		65 326 920	45 358 099	20 508 663	4 005 671	3 592 263
Ships		798 042	820 417	865 167	887 542	0
"Fixtures/fittings, tools, office machinery and equipment"		11 588	13 099	16 122	18 137	0
<b>Total tangible assets</b>	<b>1</b>	<b>66 136 550</b>	<b>46 191 615</b>	<b>21 389 952</b>	<b>4 911 350</b>	<b>3 592 263</b>
<b>Total fixed assets</b>		<b>72 161 556</b>	<b>49 932 728</b>	<b>25 230 708</b>	<b>9 148 541</b>	<b>4 118 728</b>
Trade receivables		63 376	0	0	0	539
Other receivables		15 994 963	11 362 731	6 781 507	3 694 516	224 983 144
<b>Total receivables</b>		<b>16 058 339</b>	<b>11 362 731</b>	<b>6 781 507</b>	<b>3 694 516</b>	<b>224 983 683</b>
<b>Cash and bank deposits</b>		<b>198 515 711</b>	<b>215 895 049</b>	<b>258 703 997</b>	<b>261 870 147</b>	<b>61 502 793</b>
<b>Total current assets</b>		<b>214 574 050</b>	<b>227 257 780</b>	<b>265 485 504</b>	<b>265 564 663</b>	<b>286 486 476</b>
<b>Total assets</b>		<b>286 735 606</b>	<b>277 190 508</b>	<b>290 716 212</b>	<b>274 713 204</b>	<b>290 605 204</b>

- Strong, financial position with equity ratio at 97%
- Long term financing granted (204 MNOK)

				Group		
Equity and liabilities	Note	30.09.2022	30.06.2022	31.12.2021	30.09.2021	30.06.2021
Share capital	3	105 556 037	105 556 037	105 556 037	105 556 037	65 192 400
Share premium		165 734 431	165 734 431	165 734 431	166 214 094	0
Non-registered capital increase		0	0	0	0	222 000 004
Other paid-in equity		113 935	113 935	113 935	-967 664	-967 664
<b>Total paid-in equity</b>	<b>2</b>	<b>271 404 403</b>	<b>271 404 403</b>	<b>271 404 403</b>	<b>270 802 467</b>	<b>286 224 740</b>
Other equity		7 615 522	1 985 021	2 715 562	1 672 939	0
Uncovered losses		0	0	0	0	-111 303
<b>Total retained earnings</b>	<b>2</b>	<b>7 615 522</b>	<b>1 985 021</b>	<b>2 715 562</b>	<b>1 672 939</b>	<b>-111 303</b>
Minority interests		0	0	0	0	0
<b>Total equity</b>	<b>2</b>	<b>279 019 925</b>	<b>273 389 424</b>	<b>274 119 965</b>	<b>272 475 406</b>	<b>286 113 437</b>
Other non-current liabilities		0	0	0	1 763 018	3 763 018
<b>Total other non-current liabilities</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>1 763 018</b>	<b>3 763 018</b>
Trade creditors		2 200 707	1 127 121	15 932 235	208 103	463 677
Public duties payable		280 068	454 881	280 343	121 887	43 138
Other short-term liabilities		5 234 906	2 219 084	383 667	144 790	221 934
<b>Total current liabilities</b>		<b>7 715 681</b>	<b>3 801 086</b>	<b>16 596 246</b>	<b>474 780</b>	<b>728 749</b>
<b>Total liabilities</b>		<b>7 715 681</b>	<b>3 801 086</b>	<b>16 596 246</b>	<b>2 237 798</b>	<b>4 491 767</b>
<b>Total equity and liabilities</b>		<b>286 735 606</b>	<b>277 190 508</b>	<b>290 716 212</b>	<b>274 713 204</b>	<b>290 605 204</b>



# Q&A



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