



Nova Austral
PURE SALMON FROM ANTARCTIC WATERS



SIXTY
PURE ANTARCTIC SALMON
SOUTH

Q2-2019 Nova Austral Financial Presentation

August 2019

Agenda



A

**Company
highlights**



B

**Stocking and
harvest guidance**



C

**Operational
metrics**



D

**Financial
statements**



A

Company highlights

- Message from the Board of Directors
- Management Changes
- Investment Value Fundamentals
- Business Update
- Hatchery

A Message from the Board of Directors

- At the direction of the Board of Directors, the Company continues to devote significant resources to the situation we described on the investor call on July 16th. We remain fully committed to resolving this matter and working with all relevant stakeholders towards understanding and addressing pending legal and regulatory matters.
 - Since our last investor call, the Company has made several leadership and personnel changes, including appointing an interim in-house legal and compliance advisor, and is in the process of developing and implementing further improvements to its compliance program.
 - Both Sernapesca and the SMA have filed public complaints against the company; however no sanctions have yet been imposed, and the Company continues to operate as usual. In the event any sanctions are imposed, the Company would have the opportunity to appeal before sanctions come into effect.
 - While it will take time to resolve these matters and we cannot provide any certainty concerning potential sanctions, the Company and the Board remain committed to transparency and cooperation, and importantly to delivering for its customers and upholding the highest standards in its operations.
 - Both Altor and Bain Capital remain engaged shareholders aiming to support the Company through this situation, and to continue to build long-term value reinforcing Nova Austral's position in the market.
-

New management poised to execute on Nova Austral vision



Francisco Miranda

COO

- *Francisco has more than 20 years of salmon industry experience and joined Nova Austral from Cermaq, the second largest salmon farmer globally.*
- *He brings broad international experience from Canada, Scotland, and Norway.*
- *Francisco leads all sales and operations of the Company.*



Nicolas Larco

CFO

- *Nicolas brings a wealth of financial experience, joining recently from Cencosud Chile where he served as Chief Financial Officer.*
- *Nicolas will improve Company reporting and strategic financial planning, and brings strong public markets and investor relations experience to enhance communication with investors.*
- *Nicolas will also lead the company's support activities, including IT and HR.*

Aim to improve value fundamentals, compliance, and transparency going forward

Value Fundamentals	KPI	LTM Q2-2019	Target
Produce pure Antarctic salmon with control over biological chain...	% ABF standing biomass (N ^a fish)	100%	100%
	% Completion Hatchery Facility	90%	100%
	% Internal smolt in operations	0%	100%
...which sells at a premium market rate	% Sold as premium (kg WFE)	58%	65%
Focus on efficient production	USD/Kg WFE ex cage cost	4.0	3.4
Prioritize transparency with focus on performance	% Seawater mortality*	31%	10%
	Avg. caligus load**	< 0.3	< 0.5
	eFCR Closed cycle***	1.31	1.15

Comments

- Nova Austral's critical competitive advantage - pure, antibiotic free salmon - remains in place and is not affected by the recent compliance difficulties
- NA continues to improve its cost of production, with its ex cage cost reduced from USD 4.4 in 2018 to USD 4.0 LTM Q2-19
- New management values compliance and transparency, and will report on the listed KPIs going forward (in addition to other corporate compliance reporting)

* Mortality is for closed cycles

** Avg. Caligus load is reported for female eggs figures (HO – hembras ovigeras)

*** Efc (economic Feed Conversion Ratio) - weight of feed administered over the salmon lifetime divided by the salmon weight. Reported on a LTM basis

Business Update

- Certifications (ABF & ASC):

- Internal investigation concluded that Nova Austral upheld its antibiotic-free customer commitments.
- Nova Austral continues to engage with relevant stakeholders to regain certifications.
- Prices expected to retain a market premium due to high quality product and no use of antibiotics*

- Mortality:

- Nova Austral experienced an average mortality of 13%** across its production sites during Q2. The company will report mortality going forward to increase transparency with its investors.

- Key Financial Highlights***:

- Increase of 4% in revenues due to 15% increase in volumes sold.
- Significant reduction in COGS of 18% due to improvement on biological key indicators (mortality / feed conversion rate).
- EBITDA increased 44% as a result of the aforementioned operational improvements.
- Cash flow from operations significantly increased due to working capital improvements.

* Price premium expected to be lower until the certifications are granted

** Mortality is for sites harvested during the quarter

*** Key financial highlights compare Q2-19 to Q2-18



Comments

- Construction at 90% completion, expected to be 100% operational end of October 2019.
- Operations running in line with latest business plan, with two batches already in production phase. First batch to stock in Oct-19, with second in Feb-20.
- Mortality showing good performance, 13.9% acc av. per batch in line with company expectation.
- Commercial opportunity exists for Nova Austral to sell excess smolt until NA's own stocking requires all of production.

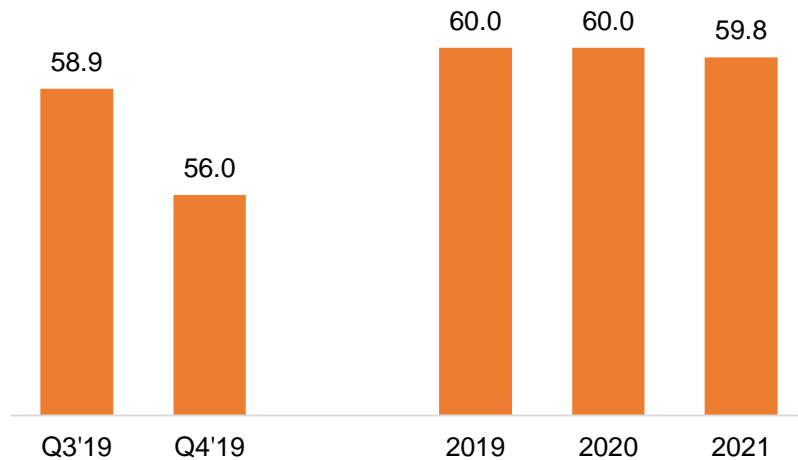


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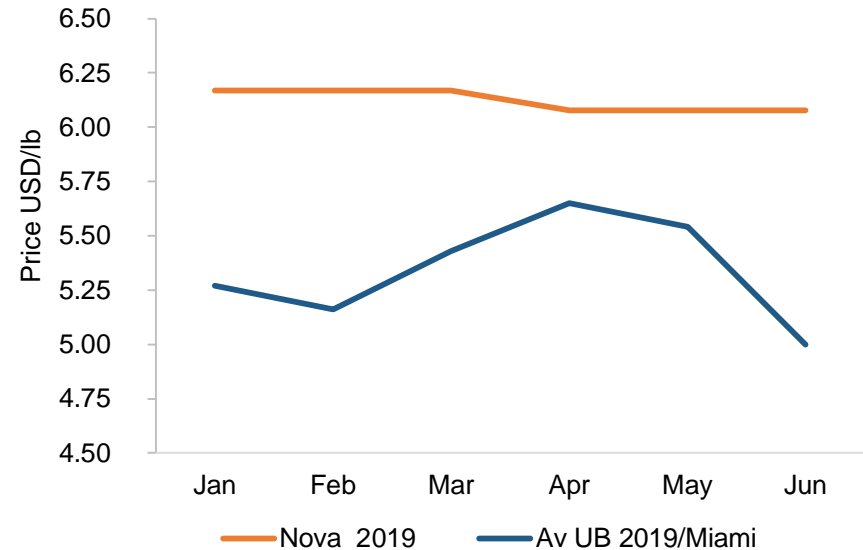
Market outlook & harvest guidance

- Price Outlook
- Global Supply Outlook
- NA Stocking and Harvest

Fishpool forward prices Nok/Kg



Fresh Trim D Comparison H1-19 Prices



Comments

- Analyst expectation still with stable price trend for 2019/2020, with level of 60 NOKs.
- During 1H-19, NA prices performed above the average market prices in US and Europe.
- During 2H-19, NA prices will remain internationally competitive with a slight market premium.

Global Supply Outlook

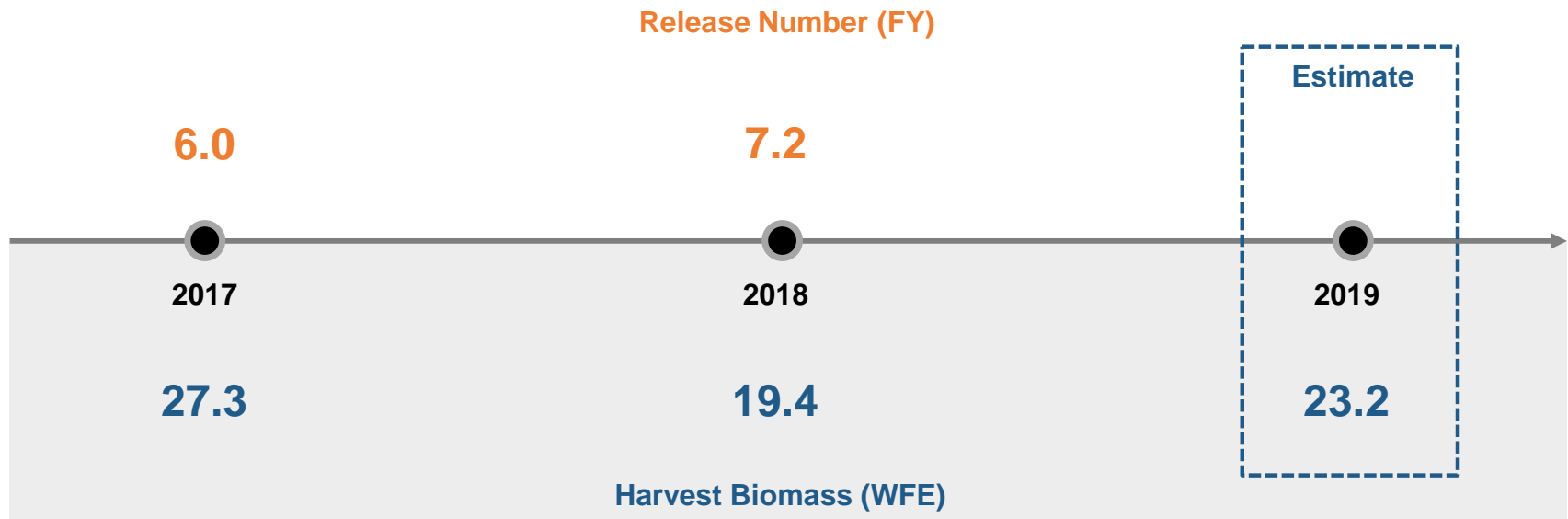
The world production of Atlantic Salmon (rw 1,000 tons)						% Y/Y growth				
Country	2018	2019e	2020e	2021e	2022e	2018	2019e	2020e	2021e	2022e
Norway	1253	1293	1389	1466	1520	4%	3%	7%	5%	4%
Chile	677	702	736	760	798	17%	4%	5%	3%	5%
UK	152	179	184	188	194	-16%	15%	3%	2%	3%
Canada	145	147	156	168	183	4%	1%	6%	7%	8%
Faroes	72	80	83	86	91	-11%	10%	4%	3%	5%
USA	19	17	20	28	39	-16%	-12%	15%	29%	28%
Ireland	16	16	17	17	17	-6%	0%	6%	0%	0%
Australia	61	62	67	70	72	0%	2%	7%	4%	3%
Iceland	14	23	44	58	74	14%	39%	48%	24%	22%
Other	9	22	24	26	31	-56%	59%	8%	8%	16%
Total Production	2418	2541	2720	2867	3019					
Anual growth	5%	5%	7%	5%	5%	5%	5%	7%	5%	5%

Source: Pareto, Kontali

Comments

- Supply growth expected to remain relatively stable at 5% in 2019, increasing slightly to 7% in 2020, then back to 5% for 2021/2022 (YOY).

Production Parameters



Comments

- NA Harvest in 2017 was significantly higher than 2018 due primarily to poor smolt quality in 2018.
- No estimate provided for 2019 stocking as NA is awaiting final stocking figures to be provided by Chilean regulatory fishing body.
- Note there is no expected impact to stocking figures from Beagle Channel due to ongoing legal disputes.
- NA will update the market should any new site stocking opportunities come into operations.



C

Operational metrics

- Key Financials Summary Q2
- Key Financials Summary YTD
- LTM Revenue, EBITDA & Harvest
- Revenues & EBIT/Kg per Q
- Sales Outlook YTD Q2-19

Key items (USDm)	Q2'19	Q2'18	Var
Operational revenues (*)	33.9	32.5	4%
Operational EBITDA (**)	9.0	6.3	43%
Operational EBITDA %	26.6%	19.4%	720 pbs
Operational EBIT (**)	7.1	4.8	48%
Operational EBIT %	21.1%	14.6%	650 pbs
Others Non-operational	-0.6	6.9	-109%
Net financial items	-5.3	-2.9	81%
Profit or loss for the period	1.2	9.0	-86%
Cash flow from operations	12.6	2.5	402%
Total assets	384.9	469.6	-18%
NIBD	297.8	294.8	1%
Total Equity	5.2	121.6	-96%
Sales volume ('000 mt WFE)	5.1	4.5	15%
COGS per kg WFE ('000 mt WFE)	5.45	6.27	-18%
Operational EBIT per kg WFE – USD	1.4	1.1	30%

Comments

- Higher Operational Revenues explained by higher volume sold mainly in value added products.
- Strong increase in EBITDA and EBIT compared to Q2-18 despite lower sales prices. Increase driven by lower production costs and higher sales volume (and consequently – an increase in NL).
- Others Non-Operational decrease mainly due to lower biomass fair value.
- Net financial items loss increased due to less intercompany interest income.
- Cash Flow improvement due to better supplier payment conditions and higher NL collection.

(*) Not considering Navarino Law

(**) Before NRI

YTD Key items (USDm)	YTD Q2'19	YTD Q2'18	Var
Operational revenues (*)	57.2	62.9	-9%
Operational EBITDA (**)	15.2	10.9	39%
Operational EBITDA %	26.6%	17.5%	910 pbs
Operational EBIT (**)	11.4	7.7	48%
Operational EBIT %	19.9%	12.2%	770 pbs
Others Non-operational	7.1	7.8	-9%
Net financial items	-10.6	-5.7	85%
Profit or loss for the period	3.0	10.1	-70%
Cash flow from operations	3.7	3.7	-1%
Total assets	384.9	469.6	-18%
NIBD	297.8	297.3	0,2%
Total Equity	5.2	121.6	-96%
Sales volume ('000 mt WFE)	8.7	9.0	-3%
Operational EBIT per kg WFE – USD	1.3	0.9	44%

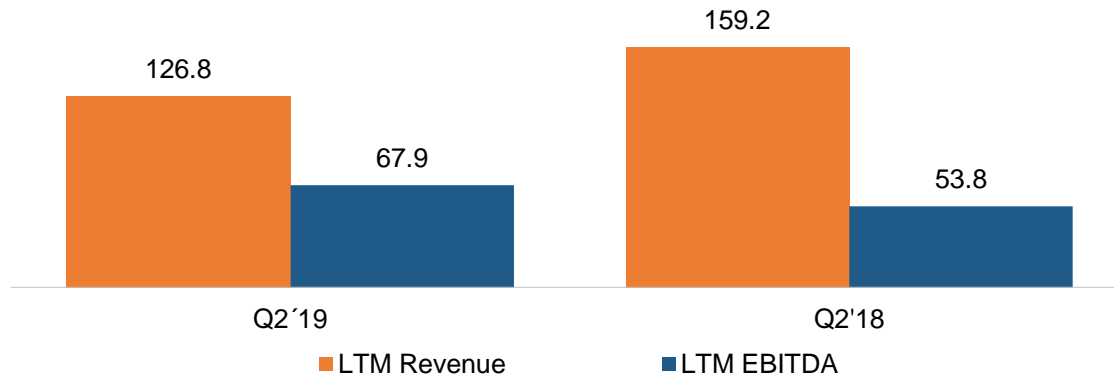
Comments

- Lower Operational Revenues explained by lower volumes and prices during Q1-19, due to lower harvest (-1,130 tons) and market conditions.
- Profit decrease driven by less intercompany interest income.
- Total EBITDA and EBIT per Kg/USD shows an increase compared with Q2-18, mainly due to lower production costs and higher sales volume (and consequently – an increase in NL).

(*) Not considering Navarino Law

(**) Before NRI

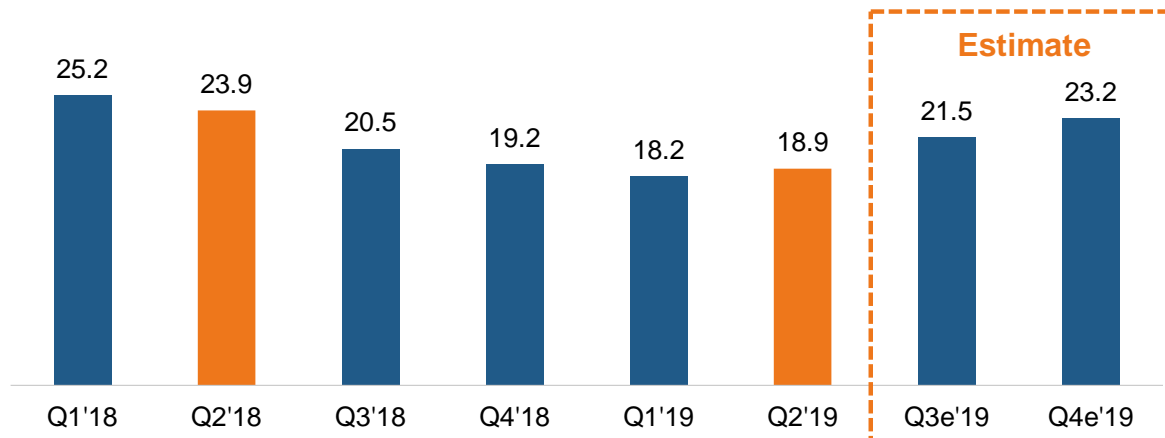
LTM Revenues & LTM EBITDA*



Comments

- Q2-19 LTM Revenues lower than LTM Q2-18 due to lower harvest volumes (5,000 tons) in the same period. Majority of difference stems from significantly higher 2H-17 harvest than 2H-18.

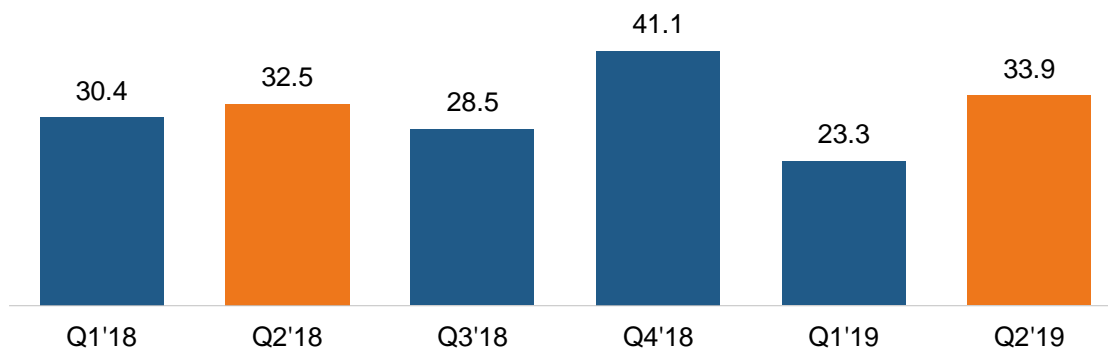
LTM Harvest x Q, K Ton WFE



- Expected increase in harvest during Q3 and Q4 2019 is the result of a delay in the stocking of two sites in 2018.

* LTM EBITDA before NRI's

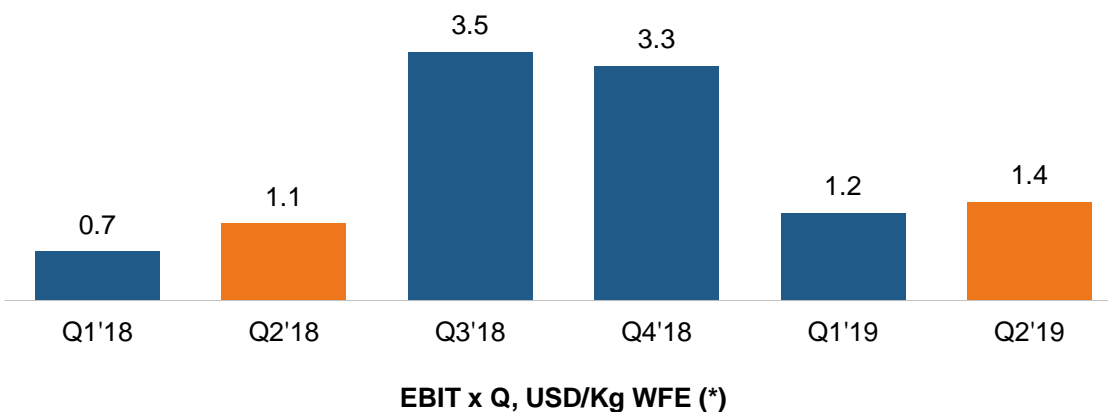
Operational Revenues



Comments

- Operational revenues increased 45% from Q1-19 to Q2-19 and 4% from Q2-18 due to higher sales volume.

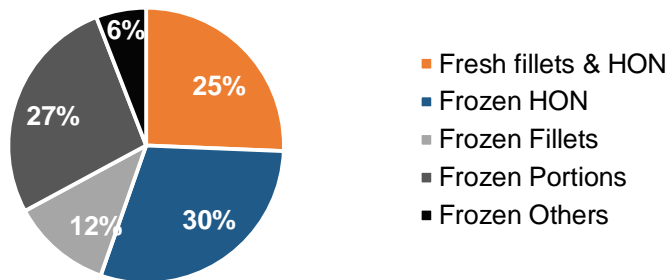
EBIT/Kg WFE (USD)*



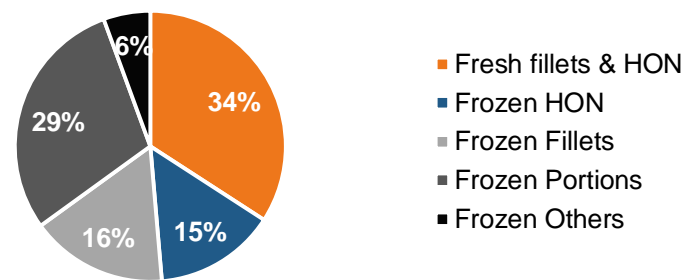
- EBIT/kg increased 27% from Q2-18 to Q2-19 due to higher volumes, more efficient harvest and production (and consequently – higher NL).

* LTM EBIT/kg WFE before NRI's

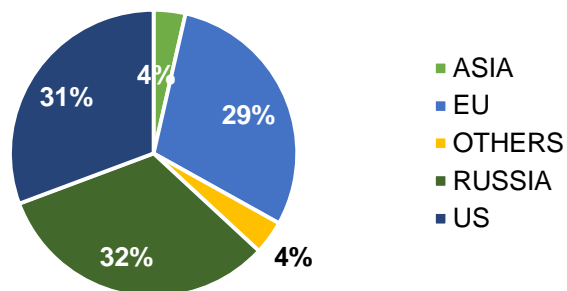
H1 2018 % Sales income by product



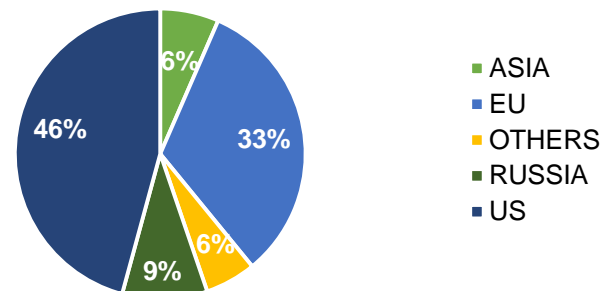
H1 2019 % Sales income by product



H1 2018 % Sales income by market



H1 2019 % Sales income by market



Comments

- The NA strategy shifted from a product mix focused on Frozen HON, to Fresh fillets & HON and Frozen Portions due to higher prices and more stable customers.
- This strategy, in turn, changed the company's market landscape as most of the demand for Fresh fillets & HON and Frozen Portions comes from the US and Europe.
- Russia remains an important market for the company due to its large orders of Frozen HON and Frozen fillets.



D

Financial statements

- Q2-19 IFRS Income Statement
- YTD Q2-19 IFRS Income Statement
- Q2-19 IFRS Balance Sheet Statement
- Q2-19 IFRS Cash Flow Statement
- YTD Q2-19 IFRS Cash Flow Statement
- YTD Q2-19 IFRS Change in Equity

Income statement (USD m)	Q2'19	Q2'18	Var
Revenues	33.9	32.5	4%
Cost of goods sold	-26.2	-26.5	-1%
Gross profit before fair value adjustments	7.7	6.0	28%
Other income (*)	7.2	5.4	32%
Other Cost	0.0	0.0	0%
Distribution Cost	-2.6	-2.3	11%
Administration Cost	-3.2	-2.8	14%
EBITDA before fair value adjustment	9.0	6.2	44%
Depreciation	-1.9	-1.5	27%
EBIT before fair value adjustment	7.1	4.8	50%
Fair value adjustments	0.8	9.2	-91%
EBIT with fair value adjustments	8.0	14.0	-43%
Other earnings/costs	-1.3	-0.2	445%
Net Financial Income/Expenses	-5.3	-2.9	81%
Foreign exchange costs	-0.1	-2.1	-94%
Earnings before taxes	1.2	8.7	-86%
Tax	0.0	0.3	-107%
Net profit (loss)	1.2	9.0	-86%
Total comprehensive income	1.2	9.0	-86%

Comments

- Increase in Administration cost due to variable labor cost.
- Lower financial income due to the capitalization of the debt that the Holdco company had with NA.
- Fair value decrease mainly due to lower prices in 2019 compared to 2018.

(*) Included Navarino Law Income

Income statement (USD m)	YTD Q2'19	YTD Q2'18	Var
Revenues	57.2	62.9	-9%
Cost of goods sold	-46.9	-52.4	-10%
Gross profit before fair value adjustments	10.3	10.5	-2%
Other income (*)	10.9	9.9	9%
Other Cost	0.0	0.0	0%
Distribution Cost	-4.5	-4.3	5%
Administration Cost	-6.5	-5.4	20%
EBITDA before fair value adjustment	10.2	10.7	-5%
Depreciation	-3.7	-3.0	24%
EBIT before fair value adjustment	6.5	7.7	-16%
Fair value adjustments	8.8	9.5	-8%
EBIT with fair value adjustments	15.3	17.3	-12%
Other earnings/costs	-1.7	-0.1	1,335%
Net Financial Income/Expenses	-10.6	-5.7	85%
Foreign exchange costs	0.0	-1.6	-102%
Earnings before taxes	3.0	9.8	-69%
Tax	0.0	0.3	-107%
Net profit (loss)	3.0	10.1	-70%
Total comprehensive income	3.0	10.1	-70%

Comments

- Lower Operational Revenues explained by lower volumes and prices during Q1-19, due to harvest and markets conditions.
- Decrease in other earnings & cost due to losses in PTF subsidiary participation of US \$1m.
- Lower financial income due to the capitalization of the debt that the Holdco company had with NA.

(*) Included Navarino Law Income

Balance sheet (USD m)	Q2'19	Q2'18	Var
Cash and cash equivalents	2.2	5.2	-58%
Accounts receivable	19.3	15.6	24%
Inventories	28.1	32.3	-13%
Current biological assets	90.6	77.5	17%
Tax and other current assets	29.1	31.7	-8%
Total current assets	169.3	162.3	4%
Intangible assets other than goodwill	11.9	7.0	69%
Property, plant, and equipment	68.3	60.4	13%
Biological assets, non-current	14.6	9.3	58%
Other non-current assets	120.7	230.6	-48%
Total non-current assets	215.5	307.3	-30%
Total assets	384.9	469.6	-0,3
Paid in capital	1.0	118.9	-99%
Retained earnings	4.2	2.7	54%
Total equity	5.2	121.6	-96%
Other current financial liabilities	12.4	2.5	404%
Accounts payable	65.2	43.6	50%
Accounts payable to related entities	0.0	0.0	0%
Other current liabilities	2.1	2.0	4%
Total current liabilities	79.7	48.0	66%
Other non-current financial liabilities	300.0	300.0	0%
Accounts payable to related entities	0.0	0.0	0%
Total non-current liabilities	300.0	300.0	0%
Total liabilities	379.7	348.0	9%
Total Equity and liabilities	384.9	469.6	-18%

Comments

Current Assets:

- Main effect in biological asset due to 5,5 Mton more in biomass with US \$6m in stock value and US \$7m in fair value.

Non-Current Assets:

- Decrease capital in August 2018 in HoldCo credit.
- Increase in intangible assets due to partial payment of \$4m for purchase of Pesquera Cabo Pilar S.A. (Beagle Channel).

Current Liabilities:

- Used US \$10m of Super Senior Multicurrency.
- Increase in accounts payable mainly due to lower feed supplier payments of US \$8m and utilization of factoring facility of US \$7m above 2018.

Cash Flow Statement (*)	Q2'19	Q2'18	Var
Receipts from sales of goods and rendering of services	31.0	32.5	-5%
Other cash receipts from operating activities	9.6	6.0	61%
Payments to suppliers for goods and services	-29.2	-36.1	-19%
Payments to and on behalf of employees	-4.4	-4.3	3%
Payments for premiums and claims annuities and other policy benefits	-0.6	-1.0	-44%
Income taxes paid or refunded	6.3	5.6	12%
Other inflows or outflows of cash	-0.1	-0.2	-50%
Net cash from operating activities	12.6	2.5	402%
Cash flows used In obtaining control of subsidiaries or other businesses	-2.5	0.0	100%
Purchase of property plant and equipment	-3.6	-1.7	115%
Loans to related entities	0.0	-3.4	-100%
Proceeds from sales of property plant and equipment	0.0	0.0	0%
Other inflows or outflows of cash	0.0	0.0	0%
Net cash from investing activities	-6.2	-5.1	21%
Proceeds from borrowings short terms	8.0	0.0	100%
Interest payment	-12.4	-12.4	0%
Payment of loans, short term	-3.0	0.0	100%
Payment of loans, long term	0.0	0.0	0%
Other inflows or outflows of cash	-0.2	3.6	-104%
Net cash from financing activities	-7.6	-8.8	-14%
Change in cash before effect of exchange rate changes	-1.1	-11.4	-90%
Effect of exchange rate changes on cash and cash equivalents	0.3	0.0	1,550%
Cash and cash equivalents b.o.p	3.0	16.6	-82%
Cash and cash equivalents e.o.p (**)	2.2	5.2	-58%

Comments

Operating Activities:

- Higher Navarino Law collection of US \$3.6m.
- Higher export VAT income of US \$0.7m.
- Improved payment terms with feed suppliers.

Investment Activities:

- Higher payments for hatchery project.

Financing Activities:

- Short term debt withdrawal of US \$8m and payment of US \$3m.

(*) Company change CF statement, from indirect to direct method starting Q2-19, the comparative figure for 2018 are reported with direct method

(**) In addition we have a WK facility of USD m 50 (USD m 10 drawn at Q2-19)

Cash Flow Statement (*)	YTD Q2'19	YTD Q2'18	Var
Receipts from sales of goods and rendering of services	62.7	76.1	-18%
Other cash receipts from operating activities	14.5	15.9	-9%
Payments to suppliers for goods and services	-72.2	-84.3	-14%
Payments to and on behalf of employees	-8.8	-10.0	-12%
Payments for premiums and claims annuities and other policy benefits	-1.1	-2.0	-43%
Income taxes paid or refunded	9.1	8.3	10%
Other inflows or outflows of cash	-0.4	-0.3	52%
Net cash from operating activities	3.7	3.7	-1%
Cash flows used in obtaining control of subsidiaries or other businesses	-6.6	0.0	100%
Purchase of property plant and equipment	-5.4	-3.4	61%
Loans to related entities	0.0	-3.4	-100%
Proceeds from sales of property plant and equipment	0.0	0.0	0%
Other inflows or outflows of cash	0.0	0.0	0%
Net cash from investing activities	-12.0	-6.8	77%
Proceeds from borrowings short terms	13.0	0.0	100%
Interest payment	-12.4	-12.5	0%
Payment of loans, short term	-3.0	0.0	100%
Payment of loans, long term	0.0	0.0	0%
Other inflows outflows of cash	-0.3	-6.5	-95%
Net cash from financing activities	-2.8	-19.0	-86%
Change in cash before effect of exchange rate changes	-11.0	-22.0	-50%
Effect of exchange rate changes on cash and cash equivalents	0.2	-0.4	-159%
Cash and cash equivalents b.o.p	13.0	27.6	-53%
Cash and cash equivalents e.o.p (**)	2.2	5.2	-58%

Comments

Operating Activities:

- Higher export VAT income.
- Lower customer return.
- Lower payments to suppliers due to improved payment terms with feed suppliers.

Investment Activities:

- Partial payment of \$4m for purchase of Pesquera Cabo Pilar S.A. (Beagle Channel).
- Contributions of \$2.5m in funds for the hatchery.

Financing Activities:

- Short term debt withdrawal of \$13m and payment of \$3m.

YTD Q2-19 IFRS Changes in Equity

Changes in equity Q2'19	Share capital	Retained earnings	(Other(s))	Total equity
Equity as at 01.04.19	1.0	3.0	0.0	4.0
Net profit for the period	0.0	1.2	0.0	1.2
Comprehensive income	0.0	0.0	0.0	0.0
Equity as at 30.06.2019	1.0	4.2	0.0	5.2

Changes in equity YTD Q2'19	Share capital	Retained earnings	(Other(s))	Total equity
Equity as at 01.01.19	1.0	1.2	0.0	2.2
Net profit for the period	0.0	3.0	0.0	3.0
Comprehensive income	0.0	0.0	0.0	0.0
Equity as at 30.06.2019	1.0	4.2	0.0	5.2

Summary of Non-Recurring Items

NRI Summary	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19
Volume Harvest Loss Contribution	2,141	2,295	2,040	752			12,292	4,097	2,000	
Cost Effect on Biomass							12,000	4,000	3,000	
Restructure Cost MKT / Org	114	39	99	43	144	86	100			
YTD NRI	2,611	4,589	6,728	7,523	144	231	24,623	32,720	5,000	5,000
NRI LTM	2,611	4,843	6,898	7,523	5,412	3,164	25,417	32,720	37,576	37,489

Comments

- No NRI's incurred in Q2-19



Responsibility statement

The Board of Directors of Nova Austral S.A. consists of Halvor Horten from Bain Capital Private Equity (Europe), LLP, Tom Jovik from Altor Equity Partners AS, and Yngve Myhre. Company management consists of Nicolas Larco (CFO) and Francisco Miranda (COO).

We confirm to the best of our knowledge that the condensed set of financial statements for the half year ended June 30, 2019 has been prepared in accordance with IAS 34 –Interim Financial Reporting and give a true and fair view of the assets, liabilities, financial position and results of Nova Austral S.A. and the Nova Austral group as a whole for the period. We also confirm to the best of our knowledge that the financial review includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

Global Call, Wednesday September 4th, 15:00 CET; 14:00 UK; 9:00 US ET

Dial-In Details:

Participant Standard International Dial-In: **+44 (0) 2071 928000**

Conference ID: **2394225**

Additional Participant Free Dial-In Numbers Listed Below:

- United Kingdom **+44 (0) 2071 928000**
- Norway **80051874**
- United States **18669661396**
- Chile **12300200240**
- Sweden **0200125581**
- Denmark **80718097**

Q&A Details:

During the call, investors have the opportunity to ask questions on the operational and financial performance of the company. For questions related to the pending legal and regulatory matters, you may only send questions in advance before Tuesday 12.00 GMT to NovaAustralBondHolders@fticonsulting.com.



Nova Austral
PURE SALMON FROM ANTARCTIC WATERS




SIXTY
PURE ANTARCTIC SALMON
SOUTH

Q2-2019 Nova Austral Financial Presentation

August 2019