

Nova Austral and Trusal S.A., a subsidiary of Salmones Austral, announce joint venture to produce high-quality salmon in Magallanes

- *The joint venture will operate three licenses on Skyring Sound. The partners initially consider two production cycles, with the intention to extend beyond this period. The joint venture contemplates a combined production of approximately 19,000 tons through 2022.*
- *Nova Austral will provide smolts from its hatchery in Porvenir and will operate, process and sell high-quality salmon through its brand Sixty South. In turn, Salmones Austral will supply the feed, three concessions for the joint operation and fixed assets for two of the centers.*

February 5th, 2020.- Nova Austral and Trusal S.A., a subsidiary of Salmones Austral, have signed an agreement to form a joint venture company to produce high quality salmon in the Magallanes Region, with three licenses on Skyring Sound, which contemplate a combined production of approximately 19,000 tons through 2022, in the first production cycle. The agreement initially contemplates two productive cycles with the intention to extend the joint venture for a longer term.

The licenses, owned by Trusal S.A. in the area, will be developed with smolts provided from Nova Austral's new hatchery in Porvenir. Salmones Austral will supply the feed, three concessions for the joint operation and fixed assets for two of the centers. On the other hand, Nova Austral will be responsible for operating the farm sites, processing in its Porvenir facility, and selling high-quality salmon through its brand Sixty South.

Nova Austral will significantly increase production of high-quality salmon and strengthen its role as a pioneer in the extreme south of Chile. With this agreement, the joint venture company expects to harvest 7,000 tons during 2021 and 12,000 tons in 2022.

Financially, Nova Austral and Salmones Austral will split proceeds equally. This will strengthen Nova Austral's value and future cash flow generation.

This joint venture also allows Nova Austral to support economic activity and generation of employment in Magallanes, and Salmones Austral to begin operations in that region, considered strategic for the company's future growth. The new volumes will contribute to full year activity our around 500 workers in the processing plant in Porvenir from 2021, increasing Nova Austral's commitment with the community and the region.

Nova Austral is an industry-leading Chilean sustainable salmon farmer and processor, which has operated in Chile for more than 15 years. Owned by the equity funds Altor Fund III and Bain Capital, the entire operations are in the Magallanes and Antarctic regions, over 2,500 km from Santiago, the country's capital city. Nova Austral directly employs about 800 persons who directly and indirectly support 2,000 families in Magallanes. It is the largest employer in the town of Porvenir.

Salmones Austral, a leading company in the Chilean aquaculture industry, was created in 2013 after the merger of Trusal and Pacific Star. Today it has more than 1,200 workers operating in two process plants and 20 farming centers (freshwater and seawater), distributed in the regions of Maule, Biobío, La Araucanía, Los Lagos and Aysén. Its annual production fluctuates between 45-50 thousand tons and has the potential capacity to reach 80 thousand tons. 63% of its annual production corresponds to Atlantic salmon and 37% to coho salmon.

Salmon Austral exports to more than 20 countries. The United States and Asia are the main markets for Atlantic salmon, while Japan is the main destination of coho.

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