

*Consolidated Financial Statements*

**NOVA AUSTRAL S.A. AND SUBSIDIARIES**

*Puerto Montt, Chile*

*As of December 31, 2022 and 2021*



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## **Independent Auditor's Report**

(Translation of the report originally issued in Spanish)

To the Shareholders and Directors of  
Nova Austral S.A. and Subsidiaries

We have audited the accompanying consolidated financial statements of Nova Austral S.A. and subsidiaries ("the Company"), which comprise the consolidated statement of financial position as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide us with a basis for our qualified audit opinion.



## **Basis for our qualified opinion**

As detailed in Note 30, the subsidiary "Salmones Porvenir SpA" has entered into a voluntary and orderly liquidation of the assets and liabilities disclosed as of December 31, 2022. Consequently, these assets and liabilities must be valued at the best estimate of their net liquidation value for an accurate presentation and disclosure in the future closing financial statements of the Subsidiary. Management did not recognize in the financial statements of this subsidiary (and therefore in the consolidated financial statement) the adjustments related to the impairment of Other Current Non-Financial Assets for ThUS\$777 and Deferred Tax Assets for ThUS\$1,052, which should have been recognized against the result of the year before income taxes.

## **Qualified opinion**

In our opinion, except for the effects of the matter mentioned in the previous paragraph "Basis for our qualified opinion", the consolidated financial statements fairly represent the financial position of Nova Austral S.A. and Subsidiaries as of December 31, 2022 and 2021 in all material aspects, and the results of their operations and cash flows for the years ended those dates, in accordance with the International Financial Reporting Standards.

## **Emphasis in a matter: Going concern**

The accompanying financial statements have been prepared under the assumption of a going concern basis. As indicated in Note 27 to the financial statements, the Company presents recurring losses in its operations and has a negative equity. Management's evaluation of these facts and circumstances and its plans regarding these matters are also described in the aforementioned Note 27. The financial statements do not include any adjustment that could result from the resolution of this uncertainty. Our opinion on this matter remains unchanged.

## **Emphasis in a matter: Debt restructuring**

As indicated in Note 30 "Subsequent Events", on April 25, 2023, the bondholders approved the Company's debt restructuring proposal, which would result in a change in control of the Company and would provide an amount of up to US\$20 million in financial support to continue its normal operations. Our opinion on this matter remains unchanged.

Francisco Avendaño U.  
EY Audit Ltda.

Puerto Montt, May 12, 2023

## Consolidated Financial Statements

### NOVA AUSTRAL S.A. AND SUBSIDIARIES

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

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\$ : Chilean peso

M\$ : Thousands of Chilean pesos

UF : Unidad de Fomento: The UF is a peso-denominated inflation-indexed monetary unit.

US\$ : US dollar

ThUS\$: Thousand US dollar

Consolidated Financial Statements

**NOVA AUSTRAL S.A. AND SUBSIDIARIES**

As of December 31, 2022 and 2021

(Translation of a report originally issued in Spanish - See Note 2b)

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Consolidated Statements of Financial Position

As of December,

(In thousands of US dollars)

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

<b>ASSETS</b>	<b>Note</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
<b>Current Assets</b>			
Cash and cash equivalents	(5)	450	3,164
Other non-financial assets	(11)	5,237	10,254
Trade receivables and other accounts receivable	(7)	11,845	4,890
Accounts receivable from related companies	(8)	85	85
Inventory	(9)	22,375	14,109
Biological assets	(10)	128,768	88,146
Tax assets, current	(14)	12,013	16,619
Total current assets		<u>180,773</u>	<u>137,267</u>
<b>Non-Current Assets</b>			
Intangible assets other than goodwill	(12)	10,453	9,840
Property, plant and equipment	(13)	90,021	99,279
Accounts receivable		512	472
Accounts receivable from related companies	(8)	113,941	123,439
Deferred tax assets	(14)	1,405	2,436
Total non-current assets		<u>216,332</u>	<u>235,466</u>
Total Assets		<u>397,105</u>	<u>372,733</u>

The accompanying notes from 1 to 30 are an integral part of the consolidated financial statements



## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Consolidated Statements of Financial Position

As of December,

(In thousands of US dollars)

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

<b>LIABILITIES AND EQUITY</b>	<b>Note</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other financial liabilities	(15)	75,905	73,965
Trade payables and other accounts payable	(16)	71,391	45,177
Accounts payable to related entities	(8)	17,218	10,512
Employee benefit provisions	(17)	1,686	1,365
Other non-financial liabilities	(18)	835	1,885
Total current liabilities		167,035	132,904
<b>Non-Current Liabilities</b>			
Other financial liabilities	(15)	406,139	364,441
Trade payables and other accounts payable	(16)	582	757
Deferred tax liabilities	(14)	5,174	5,612
Total non-current liabilities		411,895	370,810
Total liabilities		578,930	503,714
<b>Equity</b>			
Issued capital	(19)	1,000	1,000
Retained earnings	(19)	(187,779)	(136,041)
Other reserves	(19)	-	-
Equity attributable to the owners of the Parent		(186,779)	(135,041)
Non-controlling interests	(19)	4,954	4,060
Total equity		(181,825)	(130,981)
Total Liabilities and Equity		397,105	372,733

The accompanying notes from 1 to 30 are an integral part of the consolidated financial statements

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Consolidated Statements of Comprehensive Income by Function

For the years ended December 31,

(In thousands of US dollars)

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

<b>Statements of Income by Function</b>	<b>Note</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
Revenue from operating activities	(20)	87,971	89,934
Cost of sales	(21)	<u>(80,307)</u>	<u>(100,900)</u>
Gross profit (loss) before Fair Value		<u>7,664</u>	<u>(10,966)</u>
Biological asset growth of the period fair value credited to income	(10)	21,434	21,091
Harvested and sold biological asset fair value credited to income		<u>2,987</u>	<u>725</u>
Gross profit (loss) after Fair Value		<u>32,085</u>	<u>10,850</u>
Other profits	(22)	3,257	8,038
Other revenue (expenses) by function	(23)	(24,855)	(7,661)
Distribution costs	(24)	(8,743)	(9,740)
Administrative expenses	(24)	(7,628)	(8,122)
Finance expenses	(25)	(51,529)	(45,544)
Finance income	(25)	7,293	8,644
Foreign currency translation	(26)	<u>217</u>	<u>474</u>
<b>Profit (loss) before tax</b>		(49,903)	(43,061)
Income tax	(14)	<u>(941)</u>	<u>(7,251)</u>
Profit (Loss) for the year		<u>(50,844)</u>	<u>(50,312)</u>
<b>Profit Attributable to:</b>			
Profit (Loss) attributable to the parent		(51,738)	(56,804)
Profit (Loss) attributable to non-controlling interests	(19)	<u>894</u>	<u>6,492</u>
Profit (Loss) for the year		<u>(50,844)</u>	<u>(50,312)</u>
<b>Statements of Comprehensive Income</b>			
Profit (Loss)		(50,844)	(50,312)
Other comprehensive income		<u>-</u>	<u>(277)</u>
Total comprehensive income		<u>(50,844)</u>	<u>(50,589)</u>
Comprehensive Income attributable to the parent		(51,738)	(57,081)
Comprehensive Income attributable to non-controlling interests	(19)	<u>894</u>	<u>6,492</u>
Total Comprehensive Income		<u>(50,844)</u>	<u>(50,589)</u>

The accompanying notes from 1 to 30 are an integral part of the consolidated financial statements

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Consolidated Statements of Change in Equity

As of December 31, 2022 and 2021

(In thousands of US dollars)

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

	<b>Issued Capital</b>	<b>Other Reserves</b>	<b>Retained Earnings (Losses)</b>	<b>Equity Attributable to the Owners of the Parent</b>	<b>Non- Controlling Interests</b>	<b>Total Equity</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
<b>Current year beginning balance 01.01.2022</b>	1,000	-	(136,041)	(135,041)	4,060	(130,981)
Changes in equity						
Profit (loss) for the year	-	-	(51,738)	(51,738)	894	(50,844)
Comprehensive Income	-	-	-	-	-	-
Transfers and other changes increase (decrease)	-	-	(51,738)	(51,738)	894	(50,844)
<b>Total changes in equity</b>	<b>-</b>	<b>-</b>	<b>(51,738)</b>	<b>(51,738)</b>	<b>894</b>	<b>(50,844)</b>
<b>Current year ending balance 12.31.2022</b>	<b>1,000</b>	<b>-</b>	<b>(187,779)</b>	<b>(186,779)</b>	<b>4,954</b>	<b>(181,825)</b>
<b>Current year beginning balance 01.01.2021</b>	1,000	(79)	(78,881)	(77,960)	1,010	(76,950)
Changes in equity						
Profit (loss) for the year	-	-	(56,804)	(56,804)	6,492	(50,312)
Other comprehensive income	-	79	(356)	(277)	-	(277)
Comprehensive Income	-	79	(57,160)	(57,081)	6,492	(50,589)
Transfers and other changes increase (decrease)	-	-	-	-	(3,442)	(3,442)
<b>Total changes in equity</b>	<b>-</b>	<b>79</b>	<b>(57,160)</b>	<b>(57,081)</b>	<b>3,050</b>	<b>(54,031)</b>
<b>Current year ending balance 12.31.2021</b>	<b>1,000</b>	<b>-</b>	<b>(136,041)</b>	<b>(135,041)</b>	<b>4,060</b>	<b>(130,981)</b>

The accompanying notes from 1 to 30 are an integral part of the consolidated financial statements

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Consolidated Statements of Cash Flow (Indirect Method)

For the years ended December 31,

(In thousands of US dollars)

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

	<b>2022</b>	<b>2021</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
<b>Cash flows provided by (used in) operating activities</b>		
Proceeds from sale of goods or rendering of services	78,730	88,928
Proceeds from premiums and services, annuities and other benefits from subscribed policies	1,865	2,888
Other proceeds from operating activities	6,442	13,446
Payments to suppliers for supplying goods and services	(71,585)	(111,039)
Payments to and on behalf of employees	(18,147)	(19,574)
Payment of premiums and services, annuities and other obligations derived from the subscribed policies	(94)	(1,227)
Income taxes reimbursed (paid)	9,827	10,380
Other cash inflows (outflows)	15	(289)
Net cash flows (used in) provided by operating activities	7,053	(16,487)
<b>Cash flows provided by (used in) investing activities</b>		
Loan from related entities	16,750	6,750
Sales of property, plant and equipment	-	290
Payments to obtain control of subsidiaries	(1,050)	(2,000)
Additions to property, plant and equipment	(1,343)	(2,966)
Additions to intangible assets	-	-
Net cash flows provided by (used in) investing activities	14,357	2,074
<b>Cash flows provided by (used in) financing activities</b>		
Inflows from loans	-	21,250
Payment of loans to related companies	(18,645)	
Loan payments	(1,893)	(3,786)
Interest paid	(4,266)	(5,300)
Other cash inflows (outflows)	-	(49)
Net cash flows provided (used in) by financing activities	(24,804)	12,115
<b>Net Increase (Decrease) in cash and cash equivalents, before the effect of changes in the exchange rate</b>		
	(3,394)	(2,298)
<b>Effects of Changes in the Exchange rate on Cash and Cash Equivalents</b>		
	680	706
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(2,714)	(1,592)
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	3,164	4,756
<b>Cash and Cash Equivalents at the end of the Period</b>	450	3,164

The accompanying notes from 1 to 30 are an integral part of the consolidated financial statements

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(In thousands of US dollars)

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 1 - Corporate Information**

Nova Austral S.A., Tax ID number 96.892.540-7, with registered address in the city of Porvenir, Chile, was created as a close corporation by means of a public deed of November 29, 1999, granted at the Notary Public Office in Porvenir. An extract of such deed was registered with the Commercial Registry of the Real Estate Commission Administrator in Santiago on page 14, No, 7, 1999 and published in the Official Gazette of December 7, 1999.

Comercial Austral S.A., Tax ID number 99.530.880-0, a subsidiary domiciled at San Francisco 1070 oficina 33 Puerto Varas, Chile, is a close corporation created by means of public deed of August 4, 2003, granted at the Office of the Notary Public Mr. Eduardo Avello Concha.

Piscicultura Tierra del Fuego S.A., Tax ID number 76.720.095-1, a subsidiary domiciled at Servidumbre Lote 24 D Km. 42, Porvenir, Chile, is a close corporation created by means of a public deed of February 21, 2018 granted at the Office of the Notary Public Mr, Roberto Antonio Cifuentes Allel.

Pesquera Cabo Pilar S.A., Tax ID number 76.729.960-5, a subsidiary domiciled at Croacia 193, Porvenir, is a close corporation created by means of a public deed of December 14, 2006 granted of the Notary Public Mr. Eduardo Bravo Ubilla.

On February 13, 2020, Nova Austral S.A. and Trusal S.A. incorporated a new company called Salmones Porvenir SpA., in which they both have a 50% stake, The stock capital of the new company is US\$ 1,000 and is divided into 1,000 nominative shares of equal, no par value, Nova Austral S.A. will have control of the strategic and operational decision-making of this new company.

The company purpose of Nova Austral S.A. and Subsidiaries (hereinafter, "the Company") is to provide general aquaculture services, on its own behalf or on behalf of third parties; the captive or free breeding of any sea species such as, fish, crustaceans, etc.; the marketing thereof; the purchase, sale, import and export of those species; and in general, conduct any agricultural, mining, commercial or industrial business or activity related or conducive to the above mentioned company purpose.

#### **Note 2 - Summary of Significant Accounting Principles**

The paragraphs below summarize the significant accounting principles applied to prepare these consolidated financial statements of Nova Austral S.A. and Subsidiaries. As required by the International Financial Reporting Standards, these principles have been designed in accordance with IFRS applicable as of December 31, 2022 and applied uniformly in all periods presented in these Consolidated Financial Statements.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **a) Accounting period**

The consolidated financial statements (hereinafter, “financial statements”), cover the following periods:

- Consolidated Statements of Financial Position as of December 31, 2022, and as of December 31, 2021.
- Consolidated Statements of Comprehensive Income for the years ended December 31, 2022 and 2021.
- Consolidated Statements of Changes in Equity as of December 31, 2021 and as of December 31, 2020.
- Consolidated Statements of Cash Flows for the years ended December 31, 2022 and 2021.

##### **b) Statement of compliance**

These consolidated financial statements of Nova Austral S.A. and Subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and represent the explicit and unqualified adoption of the referred international standards in Chile. The amounts in the financial statements enclosed hereto are in thousands of United States dollars, which is the functional currency of the Company and its Subsidiaries.

The Board of the Company is responsible for the information in these consolidated financial statements and expressly states that all principles and criteria included in the International Financial Reporting Standards have been applied.

The consolidated financial statements as of December 31, 2021, were approved by the Board at meeting held on April 28, 2023.

For the convenience of the reader, these consolidated financial statements and their accompanying notes have been translated from Spanish into English.

##### **c) Basis of preparation**

These consolidated financial statements have been prepared on the basis of the historic cost principle, except for items recognized at fair value in accordance with IFRS. The carrying amount of assets and liabilities hedged by the operations that qualify as hedge accounting, are adjusted to reflect changes in the fair value in relation to the risks hedged.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **d) Functional currency**

Items in the financial statements of each entity are valued using the currency of the main economic environment in which they operate. The consolidated financial statements are presented in United States dollars, which is the functional and presentation currency of the Company and its Subsidiaries, except for the subsidiary Pesquera Cabo Pilar S.A. which presents its functional currency in Chilean pesos.

##### **e) Use of estimates and judgments**

In order to prepare the consolidated financial statements in accordance with IFRS, Management is required to make certain judgments, estimates and assumptions that affect the application of the accounting principles and the amounts of reported assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Relevant estimates and assumptions are regularly reviewed. Accounting estimate reviews are recognized in the period in which estimate is reviewed and any affected future period.

Information of critical judgments with regard to the application of accounting principles that have the most relevant effect on the amount recognized in the financial statements, are detailed as follows:

- Estimate of biological asset market value
- Estimates of property, plant and equipment useful life
- Recoverability of deferred tax assets
- Estimate of indefinite-lived intangible asset recoverability
- Estimate of trade payables and other accounts payable impairment
- Estimate of allowances for legal contingencies and benefits

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 2 - Summary of Significant Accounting Principles (continued)

##### f) Basis of consolidation

##### i) Subsidiaries

The financial statements of the subsidiaries are included in the consolidated financial statements from the date in which control begins to the date control ends.

Subsidiaries included in the consolidation are:

Name of Subsidiary	Interests					
	2022			2021		
	Direct	Indirect	Total	Direct	Indirect	Total
Comercial Austral S.A.	99.54%	-	99.54%	99.54%	-	99.54%
Piscicultura Tierra del Fuego S.A.	100.00%	-	100.00%	100.00%	-	100.00%
Pesquera Cabo Pilar S.A.	99.50%	0.50%	100.00%	99.50%	0.50%	100.00%
Salmones Porvenir S.p.A.	50.00%	50.00%	100%	50.00%	50.00%	100%

The accounting principles of the Subsidiaries are changed when necessary, so they are consistent with the principles of the Parent.

The acquisition of Subsidiaries is recorded using the acquisition method, when they qualify as a business in accordance with IFRS 3. The acquisition cost is the fair value of assets granted, equity instruments issued, and liabilities incurred or assumed as of exchange date.

Identifiable assets acquired and identifiable liabilities and contingencies assumed in a business combination are initially valued at fair value as of acquisition date. The acquisition cost excess on the fair value of the interests in net identifiable assets acquired is recognized as goodwill.

If the acquisition cost is lower than the fair value of net assets owned by the Subsidiary that is acquired, identification and measurement of assets, liabilities and identifiable contingent liabilities of the acquiree will be reconsidered, as well as in the acquisition cost measurement, the remaining difference is recognized directly in the statement of comprehensive income.

If the acquisition does not qualify as a business under IFRS 3, the assets acquired are recorded at cost.



## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **f) Basis of consolidation (continued)**

###### **ii) Loss of control**

When control is lost, the Parent derecognizes the assets and liabilities of the Subsidiaries, non-controlling interests and other equity components related to the Subsidiaries. Any gain or loss resulting from the loss of control is recognized in income. If the Parent maintains interests in the prior Subsidiary, such interests will be valued at fair value as of the date in which control is lost. Subsequently, interests will be accounted for as investment using the equity method or as a financial asset available for sale depending on the level of influence maintained.

###### **iii) Investments in associates and joint control entities (equity method)**

Associates are entities where the Parent has a significant influence, but not control, on the financial and operating policies, A significant influence is deemed to exist when the Parent owns between 20% and 50% of the other entity's voting right, Joint ventures are entities where the Parent has joint control over its activities established in contractual agreements and strategic financial and operating decisions require the unanimous consent of the parties.

Investments in associates and joint ventures are recognized using the equity method and initially at cost. The investment cost includes transaction costs. The Company and its Subsidiaries do not have this type of investments.

When the loss of the Parent exceeds its interests in an investment recognized using the equity method, the carrying amount of such interests, including any non-current investment, is reduced to zero and no other losses are recognized, unless the Parent has the obligation to make or has made payments on behalf of the company where it has interests.

###### **iv) Joint control operations**

A joint control operation is a joint venture where each partner uses its own funds to perform joint operations. The consolidated financial statements include the assets controlled by the Parent and the liabilities incurred by it in the course of joint ventures as well as the expenses incurred by the Parent and a portion of the revenues derived by it from the joint venture. The Company and its Subsidiaries do not have this type of investments.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **f) Basis of consolidation (continued)**

###### **v) Transactions eliminated in the consolidation**

Intercompany balances and transactions and any unrealized revenue or expense derived from intercompany transactions are eliminated in the preparation of the consolidated financial statements. Unrealized profits derived from transactions with companies whose investment is recognized using the equity method are eliminated from the investment in proportion to the interests of the Parent in the Company. Unrealized losses are eliminated using the same mechanism used in relation to unrealized profits.

###### **vi) The financial statements of subsidiaries whose functional currency is different from the presentation currency are converted using the following procedures:**

- Assets and liabilities, using the exchange rate in effect at the closing date of the financial statements.
- Income statement items using the average exchange rate for the period.
- The net equity is maintained at the historical exchange rate at the date of acquisition or contribution, and at the average exchange rate at the date of generation in the case of retained earnings. Exchange differences attributable to the controller that arise in the conversion of the financial statements are recorded in the heading "Exchange difference from translation" within equity.

##### **g) Transactions in foreign currency and basis of conversion**

Transactions in currencies other than the US dollar are deemed transactions in foreign currency and converted to the functional currency of the relevant entities as of the dates of transactions. Monetary assets and liabilities in foreign currency, as of reporting date are reconverted to the functional currency at the then current exchange rate. The profit or loss resulting from foreign currency translation, in monetary items is the difference between the amortized cost of the functional currency at the beginning of the period adjusted by interest and payments of the period and the amortized cost in foreign currency converted at the exchange rate at the end of the period.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 2 - Summary of Significant Accounting Principles (continued)

##### g) Transactions in foreign currency and basis of conversion (continued)

Non-monetary assets and liabilities in foreign currencies, valued at fair value are reconverted to the functional currency at the exchange rate as of the date in which fair value was determined. Non-monetary items valued at historic cost in foreign currency are converted at the exchange rate as of the transaction date. Differences in foreign currencies, other than the US dollar, arising out of the reconversion are recognized in income, except for differences arising out of the reconversion of capital instruments available for sale, financial liabilities designated as the net investment hedge in operations carried out abroad, or qualified cash flow hedges, which are recognized directly in other comprehensive income.

Assets and liabilities in Chilean pesos (CLP), Euros and Unidades de Fomento (UF), have been converted to United States dollars (reporting currency, US\$) at the exchange rates observed as of each closing date, as detailed below:

Currency or unit	2022 US\$	2021 US\$
Chilean peso (CLP)	0.0012	0.0012
Euro (EUR)	0.9344	0.8839
Chilean Indexed Unit (UF)	<u>41.0242</u>	<u>36.6901</u>

##### h) Cash and cash equivalents

Cash and cash equivalents include cash, bank balances available and highly liquid assets maturing originally in less than three months, subject to not significant risk of changes in fair value and used by the Company to manage its current commitments.

Cash and cash equivalents are recognized in the statement of financial position at amortized cost.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

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(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **i) Financial instruments**

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments, recognition and measurement for the annual periods beginning on January 1, 2019 and gathers all three aspects of financial instrument accounting: classification and measurement, impairment and hedge accounting.

##### **i) Classification and measurement**

Nova Austral Group initially measures a financial asset at fair value plus, for a financial asset not valued at fair value through profit or loss, transaction costs.

Debt financial instruments are subsequently measured at fair value through profit or loss, the amortized cost or the fair value through other comprehensive income. Classification is based on two models: The Group's business model for asset management; and whether the instruments contractual cash flows only represent payments of capital and interest on the principal amount outstanding, the "Solely Payments of Principal and Interest" criterion.

The new classification and measurement of Nova Austral Group's debt financial instruments are detailed as follows:

- Debt instruments at amortized cost for financial assets held within a business model with the purpose of holding financial assets in order to gather contractual cash flows that satisfy the SPPI criterion. This category includes trade accounts receivable and other accounts receivable and loans included in Other financial assets, non-current.
- Debt instruments in other comprehensive income with gains or losses recycled into income upon the realization thereof. Financial assets in this category correspond to debt instruments quoted by the Group that satisfy the SPPI criterion and are held within a business model with the purpose of both collecting cash flows and selling.

Other financial assets are classified and subsequently measured as follows:

- Capital instruments in other comprehensive income with no gains or losses recycled into income upon the realization thereof. This category only includes capital instruments that the Group has the intention to maintain in the foreseeable future and that Nova Austral Group has made the choice to irrevocably classify them upon initial recognition or transition.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **i) Financial instruments (continued)**

###### **i) Classification and measurement (continued)**

Other financial assets are classified and subsequently measured as follows: (continued)

- Financial assets at fair value through profit and loss include quoted derivative instruments and capital instruments that Nova Austral Group has not made the choice to irrevocably classify them, upon initial recognition or transition, in other comprehensive income. This category also includes debt instruments with cash flow characteristics that do not satisfy the SPPI criterion or are not within a business model with the purpose of collecting contractual cash flows or accumulating contractual cash flows and selling.

###### **ii) Impairment**

IFRS 9 requires that Nova Austral Group records expected credit losses from all debt securities, loans and trade receivables, either on a 12-month basis or for life. Nova Austral Group applied the simplified model and recorded expected losses in the lives of all trade receivables.

Nova Austral Group has established a provisions matrix based on the Group's historic experience regarding credit losses, adjusted by debtor-specific and economic environment-specific prospective factors.

For other financial assets of the debt, the expected loss is based on the 12-month expected loss. The 12-month expected credit loss is the portion of the expected loss for life that results from predetermined events in a financial asset that are likely to occur within the 12-month period after the presentation date. However, when a significantly increase in the credit risk has occurred since inception, the assignment will be based on the expected loss for life.

Adoption of expected credit loss impairment requirements under IFRS 9 resulted in an increase in the allowances for impairment of Nova Austral Group's debt financial assets, which are disclosed in note 7.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **i) Financial instruments (continued)**

##### **iii) Hedge accounting**

Derivatives are initially recognized at fair value as of the date in which the derivative contract is executed and they are subsequently revalued at fair value. The method to recognize the resulting loss or gain depends on whether the derivative has been designated as a hedge instrument and, if that is the case, on the nature of the item that is hedged. Nova Austral Group designates some derivatives as:

- Fair value hedges of recognized or firm committed assets or liabilities (fair value hedge);
- Hedges of a concrete risk associated to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or
- Hedge of a net investment in an entity abroad or whose functional currency is different than the parent's functional currency (net investment hedge).

Nova Austral Group documents at the beginning of the transaction, the relation between hedge instruments and hedged items, as well as their risk management objectives and strategy to manage several hedge transactions. The Company also documents their assessment, both at the beginning and on a continuous basis, of whether derivatives used in hedge transactions are highly effective to offset changes in fair value or cash flows of hedged items.

Derivatives for trading are classified as a current asset or a current liability.

As of December 31, 2022 and 2021, the Company and its Subsidiaries do not have derivative instruments.

##### **iv) Fair value hedges**

Changes in fair value of derivatives designated and qualified as fair value hedges are recorded in the statement of income along with any change in the fair value of the hedged asset or liability attributable to the hedged risk.

Gains or losses related to the effective portion of swaps that hedge fixed interest rate loans are recognized in the statement of income as "finance costs".

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **i) Financial instruments (continued)**

##### **iv) Fair value hedges (continued)**

Gains or losses related to the ineffective portion are also recognized in the statement of income. Changes in the fair value of fixed interest rate hedged loans attributable to the interest rate risk are recognized in the statement of income as “finance costs”.

If the hedge no longer meets the criteria to be recognized through hedge accounting, the adjustment to the carrying amount of the hedged item, for which purpose the effective interest rate method is used, is amortized in income over the remaining period until maturity.

As of December 31, 2022 and 2021, the Company and its Subsidiaries do not have hedge instruments.

##### **v) Cash flow hedges**

The effective portion of changes in fair value of derivatives designated and qualified as cash flow hedges are recognized in equity in the statement of other comprehensive income. Gains or losses related to the ineffective portion are recognized in the statement of income immediately.

Cumulative amounts in net equity are recycled into the statement of income during the periods or years in which the hedged item affects the income (for example, when the forecast hedged sale occurs or when the hedged flow is realized). However, when the forecast transaction results in the recognition of a non-financial asset (for example, inventory or PPE), gains or losses previously recognized in equity are transferred from equity and included as part of the asset initial cost. Deferred amounts are finally recognized in the cost of products sold, for inventory, or in depreciation, for property, plant and equipment.

When a hedge instrument expires or is sold, or when the instrument no longer satisfies the criteria to be recognized through hedge accounting, any cumulative gain or loss in equity as of that date remains in equity and is recognized when the forecast transaction affects the statement of income.

When a forecast transaction is not expected to occur, the cumulative gain or loss in equity is transferred to the statement of income immediately.

As of December 31, 2022 and 2021, the Company and its Subsidiaries do not have hedge instruments.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **i) Financial instruments (continued)**

###### **vi) Hedges of net investments abroad**

Hedges of net investments of operations carried out abroad (or of the subsidiaries/associates using a different functional currency than the functional currency of the parent), are accounted for using a similar method to account for cash flow hedges. Any gain or loss derived from the hedge instrument related to the effective portion of the hedge is recognized in equity in the statement of comprehensive income. Any gain or loss related to the ineffective portion of the hedge is recognized in income immediately.

Cumulative gains and losses in equity are transferred to the statement of income when the operation abroad is sold or partially derecognized.

As of December 31, 2022 and 2021, the Company and its Subsidiaries do not have hedge instruments.

###### **vii) Hedges at fair value through profit and loss**

Certain derivative financial instruments do not qualify to be recognized through hedge accounting and are recorded at fair value in income. Any change in the fair value of these derivatives is recognized in the statement of income immediately.

As of December 31, 2022 and 2021, the Company and its Subsidiaries do not have hedge instruments.

###### **viii) Financial liabilities**

Debt and equity instruments are classified either as financial liabilities or equity according to the substances of the contractual agreement.

Equity instruments: Any contract that clearly states residual interests in the assets of an entity after deducting all its liabilities. Equity instruments are recorded at the amount of the consideration received, net of direct issue costs.

Financial liabilities: Are classified either as financial liabilities at "fair value through profit and loss" or as "other financial liabilities".

- a) Financial liabilities are classified at fair value through profit and loss when they are held for negotiation or designated at fair value through profit and loss.



## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **i) Financial instruments (continued)**

###### **viii) Financial liabilities (continued)**

- b) Other financial liabilities, including loans, are initially valued at the effective amount received, net of transaction related costs. Other financial liabilities are subsequently valued at amortized cost using the effective interest rate method, recognizing interest expenses on the effective rate basis.

The effective interest rate method is a method to calculate the amortized cost of a financial liability and the allocation of interest expenses during the whole relevant period. The effective interest rate is the rate that accurately discounts future cash flows expected to be paid during the expected life of the financial liability or when appropriate, a shorter period, when the associated liability has a prepayment option that is expected to be exercised.

##### **j) Property, plant and equipment**

###### **i) Recognition and measurement**

The items of property, plant and equipment are valued at cost less cumulative depreciation and impairment losses. The cost includes expenses directly attributable to the acquisition of the asset.

In accordance with IFRS 16 "Leases", the Company recognizes the assets for use rights considering the lease payments for the rest of the term of the lease as a reference, using the option to register the asset in an amount equal to the liability as allowed by the standard.

The right-of-use assets recorded at the date of initial application, they will incur in amortization expenses throughout the period of the contract.

The cost of assets built by the entity includes the cost of materials and direct manpower, any other cost directly attributable to the process of having the asset ready for the intended use and the costs of dismantling and removing the items and restoring the place where they are located and the costs associated with capitalized loans. Costs may also include transfers from the equity of any gain or loss on qualified cash flow hedges of additions to property, plant and equipment.

When the components of an item of property, plant and equipment have different useful lives, they are recorded as separate items (important components) of property, plant and equipment.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 2 - Summary of Significant Accounting Principles (continued)

##### j) Property, plant and equipment (continued)

###### i) Recognition and measurement (continued)

Proceeds and losses derived from the disposal of an item of property, plant and equipment are determined comparing the revenue obtained in the sale with the carrying amounts of property, plant and equipment and the difference is recognized net in other revenue or other expenses in income.

###### ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognized at carrying amount if it is probable that future economic benefits included in the component will flow to the Company and its cost may be measured reliably. The carrying amount of the replaced component is derecognized. Daily maintenance costs of property, plant and equipment are recognized in income when incurred.

###### iii) Depreciation

Depreciation is calculated on the depreciable amount that corresponds to the cost of an asset or other amount that is replaced by the cost less its residual value.

Depreciation is recognized in income based on the straight line depreciation method on the estimated useful lives.

Leased assets are depreciated in the shortest period between the lease and the useful lives thereof, unless it is reasonably certain that the Company will own the assets at the end of the lease.

Land is not depreciated

Useful lives estimated in numbers of years for the current and comparative periods, are detailed as follows:

Items of Property, Plant and Equipment	Minimum	Maximum
Buildings and Constructions	5	45
Machinery and equipment	2	20
Fixed installations and accessories	5	15
Use rights	2	5
Other PPE	2	10

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **k) Interest costs**

Interest costs incurred for the construction of any qualified asset are capitalized during the time period that is necessary to complete and prepare the asset for its intended use. Other interest costs are recorded in income.

##### **l) Intangible assets**

Definite-lived intangible assets are recorded at cost less cumulative amortization and the impairment loss cumulative amount, if any. Intangible assets generated internally, excluding development costs, are not capitalized and the expense is reflected in the statement of income in the period they are incurred.

##### **i) Computer program acquisition and development costs**

Acquisition and development costs of computer programs relevant and specific to the Company are capitalized and amortized over the period in which they are expected to generate revenues from the use thereof and with a useful life of 60 months.

##### **ii) Aquaculture concessions and water rights**

Aquaculture concessions and water rights granted by the state and/or acquired from third parties are presented at historic cost. Indefinite useful life is reviewed in each period that has information available in order to determine whether the events and circumstances allow continuing to support the indefinite useful life evaluation for that asset.

The Company has 5 concessions located in a National Park, they have a useful life of 25 years, renewable for another period of 25 years (are amortized in 50 years). In addition, it has 4 concessions located in the Canal Beagle acquired through the Subsidiary Pesquera Cabo Pilar S.A., these concessions have a useful life of 40 years and indefinite, all comply with the currently applicable laws and regulations. Concessions and water rights are annually tested for impairment.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 2 - Summary of Significant Accounting Principles (continued)

##### l) Intangible assets (continued)

##### iii) Amortizations

Amortization of intangible assets with definite useful lives is calculated using the straight line method, allocating the acquisition cost less the estimated residual value and the estimated useful life. Amortization years for intangible assets are detailed as follows:

Information technology programs	between 2 and 5 years
Licenses and software	between 2 and 5 years
National Park aquaculture concessions	50 years
Canal Beagle aquaculture concessions	40 years

##### iv) Subsequent disbursements

Subsequent disbursements are capitalized only when they increase the future economic benefits incorporated in the specific asset related to such disbursements. All other disbursements, including disbursements to generate internal goodwill and marks are recognized in income when they are incurred.

##### m) Leases

The Company has applied IFRS 16 "Leases" using the retrospective approach modified since January 1, 2019 and, therefore, the comparative information has not been restated and it continues to be reported in accordance with IAS 17 "Leases" and IFRIC 4 "Determination of if an agreement contains a lease. "

##### i) Policy applicable from January 1, 2019

At the beginning of a contract, the Company and its Subsidiaries assess whether it is, or contains, a lease, that is, whether the contract gives the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Nova Austral Group evaluates whether:

- 1) The contract involves the use of an identified asset, this can be specified explicitly or implicitly. If the supplier has a substantial substitution right, then the asset is not identified;
- 2) The entity has the right to obtain substantially all of the economic benefits from the use of the asset during the period; and

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

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(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **m) Leases (continued)**

##### **i) Policy applicable from January 1, 2019 (continued)**

- 3) The Entity has the right to direct the use of the asset, this right is held when decision making is relevant, for example, how and for what purpose the asset is used. The Company has the right to direct the use of the asset if it has the right to operate the asset or designed the asset in a manner that predetermines how and for what purpose it will be used.

At the beginning or in the reassessment of a contract that contains a lease component, the Entity allocates the consideration in the contract to each lease component based on its independent relative prices, that is, allocating the associated cost of capital separately.

##### **ii) Lessee**

Nova Austral S.A. and its subsidiaries recognize a use right of the asset and a liability for the lease at the beginning of this. The use right of the asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the start date, plus the initial direct costs incurred and an estimate of the costs to dismantle and dispose of the underlying asset or to restore the underlying asset or the site where it is located, less any lease incentives received.

The use right of the asset is subsequently depreciated using the linear method from the start date to the end of the period of estimated useful life, according to the term of the contract. The estimated useful lives of the use right of the assets are determined considering future renewals according to the term of the contract. In addition, use right of the asset is periodically reduced for impairment losses, if applicable, and it is adjusted for certain new measurements of the lease liability.

The subsidiary Salmones Porvenir SpA has a lease contract with the parent company for three concessions: Navarro 2, Navarro 3, and Isla Juan, which expire on December 31, 2027. The right of use for these concessions was recognized under intangible assets, valued according to the planning of their production cycles within the term stipulated in the contract, applying linear amortization based on these cycles with charge to the cost of biological assets.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **m) Leases (continued)**

##### **ii) Lessee (continued)**

The lease liability is initially measured at the current value of future payments, they are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's debt rate, adding additional adjustments considering the risk of the country and each one of the subsidiaries.

The lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments included in the contract.
- The year price under a purchase option that the Company can reasonably carry out.
- Lease payments in an optional renewal period if the Company is reasonably certain to carry out an extension option.
- Penalties for early termination of a lease unless the Company is reasonably certain not to terminate the contract early.

The lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

When the lease liability is remeasured in this way, an adjustment is made corresponding to the carrying value of the use right of the asset, or it is recorded in Profit (loss) if the carrying value of the asset for right of use has been reduced to zero.

The Nova Austral Group presents the assets by right of use in the category of Property, plant and equipment and the associated obligations in Liabilities for operating leases, current and non-current within the Consolidated Statement of Financial Position.

The Nova Austral Group has chosen not to recognize the assets for use rights and lease liabilities for those contracts with a term of 12 months or less, and for those contracts whose underlying assets are of low value. The Entity recognizes the lease payments associated with these operations as a linear expense during the term of the contract.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

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(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **m) Leases (continued)**

###### **iii) When an entity of the Group is the lessor**

When assets are leased to third parties under a financial lease, the current value of the lease payments is recognized as a financial account receivable. The difference between the gross amount receivable and the current value of such amount is recognized as financial return on capital.

Assets leased to third parties under operating lease agreements are included in property, plant and equipment or investment properties, as appropriate.

Revenue derived from operating leases is recognized in income on a straight-line basis over the term of the lease.

As of December 31, 2022 and 2021 there are no group assets leased to third parties.

##### **n) Biological assets**

Biological assets, including groups or families of spawning fish, eggs, smolts and fish for fattening in the sea, are valued upon initial recognition and later, pursuant to the definitions of IAS 41.

For live fish at all stages of Fresh Water (spawning fish, eggs, fry and smolts), the Company has considered the cumulative cost as of closing date as valuation. Historically, market prices for eggs (spawning fish are not traded) and smolt have not deviated significantly from the own production cost.

For fish at fattening in Seawater, a valuation model has been adopted that determines the adjustment of the Fair Value by applying a risk factor on the expected margin of the biomass of each fattening center, discounted since the salmon is tradable. An exponential interpolation model is used which considers two edge points, the first is the value of the smolt placed in seawater and the second is the value of a tradable fish, which it is used by the farming centers, interpreting that those farming centers with the same levels of efficiency and quality generate a similar biomass value. This valuation model is interpreted in such a way, that the aforementioned risk factor is considered in the discount rate, and therefore, it includes a theoretical value of the cost of a concession to obtain the expected biomass margin. Therefore, those centers with a lower production cost and higher quality should be assigned a higher concession cost and vice versa.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

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#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **n) Biological assets (continuación)**

In terms of the model methodology, changes in projected future sales prices have direct effects on those fish that are at their point of harvest. On the other hand, the effect of price on weight gain in the future will be allocated to the license and it will be recognized over time as the remaining time of the fish in the sea decreases. This means that, at the time of seeding in seawater, even when there are high prices in the market, a fair value adjustment will not be generated, since the profitability that could arise is allocated to future periods (efficiency of the license).

The fair value estimate of fish biomass is based on the following items: volume of fish biomass, average biomass weights, cumulative costs of biomass for each center, estimated remaining costs, and estimated sales prices.

##### **Fish biomass volume**

Fish biomass volume is based on the number of smolts sown in sea water, growth estimate, mortality identified in the period, among others. Uncertainty with respect to the volume of biomass is generally lower in the absence of mass mortality events or in case fish had severe diseases during the cycle. These mortalities are recorded and absorbed in the cost of biological assets. If there are extraordinary deviations of mortalities, they are recognized in the statement of income for the year, in the item other expenses by function.

The biomass will be that existing at the time of calculation for each farming center where the target harvest weight will depend on the expected efficiency of each center.

The estimate of biomass and direct and indirect costs is being improved in each calculation period, reducing uncertainty as the time approaches when salmon is tradable.

##### **Revenue**

In order to determine the fair value, Nova Austral S.A. uses the sales prices of products in representative markets and that may be obtained from international statistical databases from the Urner Barry reports. To arrive at a net value in seawater, prices are reduced by harvest costs and market freight costs.

Under the current model, the total biomass in the fattening centers is determined by adjusting at fair value. Changes in the fair value of biological assets are reflected in the statement of income for the period.

All biological assets are classified as current biological assets, as they are part of the normal culture cycle that concludes with the harvest of the fish.

The loss or profit on the sale of these assets may change with respect to the calculation at fair values determined at the end of the year.



## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

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#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **n) Biological assets (continued)**

###### **Hierarchy Level**

In accordance with IFRS 13, the fair value hierarchy level is determined on the basis of inputs used. The hierarchy level that corresponds to the model of the Company is Level II. Regarding the non-observable variables, the most significant are the sale prices and average weight.

##### **o) Income tax and deferred taxes**

Nova Austral S.A. is exempt from income tax under Navarino Law No. 18.392 according to which tax benefits such as. Exemption from First Category Tax and a 20% Bonus for sales made within the national territory of goods produced in the exempted territory, will be granted for a period of 50 years from the date such law is published, that is, January 14, 1985.

Piscicultura Tierra del Fuego S.A., a subsidiary, is exempt from income tax under Tierra del Fuego Law No. 19.149, according to which tax benefits, such as Exemption from First Category Tax and total exemption from Land Tax on real estate used to carry out corporate activities will be granted for a period of 44 years from the date such law is published, that is, June 22, 1992.

Therefore, taxes reflected in the financial statements correspond to those affecting its Subsidiary Comercial Austral S.A., Pesquera Cabo Pilar S.A. and Salmones Porvenir SpA.

Income tax expense is comprised of current taxes and deferred taxes. Current taxes and deferred taxes are recognized in income provided that they relate to a business combination or items recognized directly in equity or other comprehensive income.

Tax assets and liabilities for the current and previous years are measured according to the amount that is expected to be recovered from or paid to the fiscal authorities. Tax rates and fiscal regulations used to calculate such amounts are the rates and regulations in force as of years 2022 and 2021 closing, with a first category tax rate of 27%.

Deferred taxes are recognized on the basis of differences between the carrying amounts of assets and liabilities in the financial statements and the relevant fiscal bases thereof (known as temporary differences). Deferred tax liabilities are recognized for all temporary differences expected to increase future fiscal gains. Deferred tax assets are recognized for all temporary differences expected to reduce future fiscal gains and any unused tax loss or credit. Deferred tax assets are measured at the maximum amount that, based on the current or future estimated fiscal gains, it is probable that will be recovered. The net carrying amount of deferred tax assets is reviewed as of each reporting date and adjusted to reflect the current evaluation of future fiscal gains.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

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(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **o) Income tax and deferred taxes (continued)**

Any adjustment is recognized in the income for the period. Deferred tax assets and liabilities are not discounted at current value and are classified as non-current.

Deferred taxes are calculated according to the tax rates expected to apply to the tax gain (loss) of the periods in which the deferred tax asset is expected to be realized or the deferred tax liability settled on the basis of tax rates approved or whose approval process has almost concluded at the end of the reporting period.

Law No. 20.780, Tax Reform, was published on September 29, 2014. This Law amends the taxation system and establishes two taxation regimes -attributed income and semi-integrated system- including a gradual increase in the first category tax rate. The income tax rate for 2014 increased to 21%, 22,5% for 2015, 24% for 2016, 25% (attributed income) or 25,5% (semi-integrated) for 2017 and 25% under the attributed taxation system and 27% under the semi-integrated taxation system for 2018 thereafter. The Company selected to be taxed under the semi-integrated taxation system.

##### **p) Inventory**

Inventory is valued at cost or net realizable value, whichever is lower. Cost is determined using the weighted average price method (WAP).

The cost of finished products and in-process products includes the costs of raw materials (including the effect of fair value measurement), direct manpower, other direct costs and production overheads (based on a normal operating capacity), however, it does not include financing costs and foreign currency translation.

The net realizable value is the estimated sales price in the regular course of business less the estimated costs to complete production and/or put inventory in a sales condition. For reductions in the carrying amount of inventory at net realizable value, an estimate is made to devalue inventory charged to the income for the year in which those reductions occur.

In the case of the cost of the inventory acquired (fish feed, materials and supplies), the cost of acquisition includes the purchase price, admission fees, transportation, and other costs attributable to the acquisition of the goods.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **q) Trade payables and other accounts payable**

Trade payables and other accounts payable are recognized at nominal value since the average collection term is reduced and there is no material difference between this value and the fair value thereof.

Due to the entry into force of IFRS 16 "Leases", lease payments are recorded according to the following criteria:

**Lessee accounting:** It requires that lease contracts that are currently classified as operational, with a term greater than 12 months, they are classified as operational accounts payable. That is, on the start date of a lease, the lessee will recognize an asset for the right to use the asset and a liability for future fees to be paid.

Regarding the effects on income, the monthly lease payments will be replaced by the amortization of the right of use and the recognition of a financial expense. The regulation includes as an exemption from recognition lease contracts with a term of less than 12 months and low value contracts.

**Lessor accounting:** The lessor will continue to classify leases under the same principles as the current standard.

##### **r) Financial information by operating segment**

As of December 31, 2022 and 2021, the Company has only one operating segment, that is, Salmon farming, processing and marketing.

##### **s) Employee benefits**

###### **i) Employee vacation**

Nova Austral S.A. and its Subsidiaries recognize employee vacation expenses using the accrual method, which is recorded at nominal value. Employee vacation benefit is recognized as an expense as the related service is provided.

###### **ii) Post-employment benefits**

Nova Austral S.A. and its Subsidiaries do not have relevant or material contractual or voluntary obligations related to severance payments and they are recorded only if there is an associated legal obligation. There are no other post-employment benefits for the personnel of the Parent Company and its Subsidiaries.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

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(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **t) Recognition of revenue**

Revenue is recognized for an amount that reflects the consideration received or to be received to which the entity is entitled in exchange for transferring goods or services to a customer. The entity has analyzed and taken into consideration all relevant facts and circumstances in applying each step of the model established in IFRS 15 to contracts with customers (identify the contract, identify the performance obligation, determine the transaction price allocate the price, recognize revenue), It has also evaluated the existence of incremental costs in contracting process and the costs directly related to the fulfillment of a contract.

Nova Austral Group recognizes revenue when all the steps established in the standard have been satisfactorily fulfilled and it is probable that future economic benefits will flow to the entity and the specific conditions for each and every activity of Nova Austral Group are met, as described below:

##### **i) Sales of products in the domestic market**

The Company generates revenue mainly from the sale of fresh and frozen Salmon. Sales revenues in domestic markets net of value added tax, specific taxes, returns and customer discounts, are recognized upon delivery of products along with the transfer of controls and benefits thereof.

##### **ii) Export**

For exports, the Company's delivery conditions regarding the sale of fresh and frozen Salmon are, in general, based on Incoterms 2000, which are the official rules for the interpretation of commercial terms issued by the International Chamber of Commerce.

The revenue recognition structure is based on the grouping of Incoterms, FOB (Free on Board), CIF (Cost, Insurance & Freight) and similar, in both cases, the point of sale is the delivery of the goods to the carrier hired by the seller for transportation to the destination, at which time control of property is transferred.

In case of discrepancies between business agreements and the Incomterms defined for the operation, the terms in the contract shall prevail.

##### **iii) Interest revenue**

Interest revenue is recognized using the effective interest rate method.

##### **iv) Sale of movable property**

In general, sales of movable property include a performance obligation; therefore, sales revenue is materialized at the moment of delivery of the control of the good sold by the client.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Significant Accounting Principles (continued)**

##### **t) Recognition of revenue (continued)**

###### **v) Revenue from dividends**

Revenue from dividends is recognized when the right to receive payment is established.

##### **u) Recognition of costs**

Cost of sales, which is mostly the salmon production cost in frozen and fresh forms marketed by the Company, is recorded in the income for the year as of delivery date to the client, while sales are recognized at the same time. Other costs and expenses are recognized on the basis of the accrued principle, regardless of when they are paid and, if appropriate, during the same period in which related revenue is recognized.

##### **v) Impairment of non-financial assets**

Indefinite-lived assets are not subject to amortization. They are annually or when there is an indication of impairment, tested for impairment in order to ensure the carrying amount is not greater than the recoverable amount.

Assets subject to amortization are tested for impairment losses, provided that an event or change in the circumstances indicates that the carrying amount may not be recoverable. An impairment loss is recognized on the asset carrying amount in excess of its recoverable amount.

The recoverable amount is the fair value of an asset less the costs of sales or the value in use, whichever is higher. In order to evaluate impairment losses, assets are grouped at the lowest level so there are separate identifiable cash flows (cash generating units). Non-financial assets, other than investment lower value (Goodwill) that had suffered an impairment loss are reviewed as of each balance sheet date to check possible impairment reversals.

##### **w) New standards, interpretations and amendments**

The Company has applied certain standards, interpretations and amendments for the first time, which are effective for periods beginning on or after January 1, 2022.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 2 - Summary of Significant Accounting Principles (continued)

##### w) New standards, interpretations and amendments (continued)

The standards, interpretations and amendments to IFRS that became effective at the date of the financial statements, their nature and impacts are as follows:

##### a) New standards, interpretations and amendments

	Amendments	Mandatory Application Date
IFRS 3	Reference to the Conceptual Framework	January 1, 2022
IAS 16	Property, plant and equipment - Proceeds before intended use	January 1, 2022
IAS 37	Onerous contracts - Cost of fulfilling a contract	January 1, 2022
IFRS 1, IFRS 9, IFRS 16, and IAS 41	Annual Improvements to IFRS 2018-2020	January 1, 2022

##### IFRS 3 Reference to the Conceptual Framework

The IASB issued amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework in May 2020. These amendments are intended to replace the reference to an earlier version of the IASB's Conceptual Framework (1989 Framework) with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the problem of potential "day 2" gains or losses arising from liabilities and contingent liabilities falling within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria described in IAS 37 or IFRIC 21, rather than the Conceptual Framework, to determine whether an obligation exists at the acquisition date.

Simultaneously, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendment is applicable for the first time in 2022. However, it is not expected to affect the Company's consolidated financial statements.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Main Accounting Policies (continued)**

##### **w) New standards, interpretations and amendments (continued)**

###### **a) New standards, interpretations and amendments (continued)**

###### **IAS 16 Property, plant and equipment - Proceeds before intended use**

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment the proceeds from selling anything that arises from bringing that item to the location and condition required to operate it in the manner intended by management. Instead, the entity must recognize the proceeds from these sales and their associated production costs in the income statement for the period.

The amendment should be applied retrospectively only to items of property, plant and equipment available for use on or after the beginning of the earliest reporting period when the entity first applies the amendment.

The amendment is applicable for the first time in 2022. However, it is not expected to affect the Company's consolidated financial statements.

###### **IAS 37 Onerous Contracts - Cost of fulfilling a contract**

The IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets in May 2020, to specify the costs that an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments are intended to provide clarity and ensure that the standard is consistently applied. Entities that previously applied the incremental cost approach will see an increase in provisions to reflect the inclusion of costs directly related to contracts, while entities that previously recognized provisions for contract losses using the guidance in the previous standard, IAS 11 Construction Contracts, should exclude the allocation of indirect costs from their provisions. Judgment will be required to determine which costs are "directly related to contract activities", but we believe the guidance in IFRS 15 will be relevant.

The amendments should be applied prospectively to contracts with unfulfilled obligations at the beginning of the annual reporting period that contains the application date. Earlier application is permitted and should be disclosed.

The amendment is applicable for the first time in 2022. However, it is not expected to affect the Company's consolidated financial statements.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Main Accounting Policies (continued)**

##### **w) New standards, interpretations and amendments (continued)**

###### **a) New standards, interpretations and amendments (continued)**

###### **IFRS 1, IFRS 9, IFRS 16 and IAS 41 Annual Improvements to IFRS 2018 - 2020**

The IASB has issued "Annual Improvements to IFRS 2018 - 2020". This contains amendments to four IFRS as a result of the IASB's annual improvements cycle:

**IFRS 1: Subsidiary as a first-time adopter.** The amendment permits a subsidiary that chooses to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent company's consolidated financial statements, based on the parent company's date of transition to IFRS, provided there were no adjustments for consolidation nor for the effects of the business combination where the parent company acquired the subsidiary. This amendment also applies to an associate or joint venture that chooses to apply paragraph D16(a) of IFRS 1.

**IFRS 9: Fees in the '10 percent' test for the derecognition of financial liabilities.** The amendment clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by the borrower or the lender on behalf of the other. There is no similar amendment proposed for IAS 39.

An entity applies the amendment to financial liabilities that are amended or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

**Illustrative examples accompanying IFRS 16: Lease incentives.** The amendment eliminates the illustration of lessor payments in relation to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This eliminates potential confusion regarding the treatment of lease incentives when applying IFRS 16.

**IAS 41: Taxation on fair value measurements.** The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of assets within the scope of IAS 41.

The amendments are applicable for the first time in 2022. However, they are not expected to have a material impact on the Company's consolidated financial statements.



## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 2 - Summary of Main Accounting Policies (continued)

##### w) New standards, interpretations and amendments (continued)

##### b) New accounting pronouncements covering standards, interpretations and amendments that apply to annual periods beginning on or after January 1, 2023

The new standards, interpretations and amendments to IFRS that have been issued but have not yet taken effect as of the date of these financial statements are detailed below. The Company has not adopted these standards early:

Standards and Interpretations		Mandatory application date
IFRS 17	Insurance contracts	January 1 <sup>st</sup> , 2023

#### IFRS 17 Insurance Contracts

The IASB issued IFRS 17 Insurance Contracts in May 2017, which is a specific new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. When effective, IFRS 17 will replace IFRS 4 Insurance Contracts that was issued in 2005. The new standard applies to all insurance contracts, regardless of the issuing entity, and to guarantees and financial instruments with discretionary participation features. Some exceptions within the scope may apply.

In December 2021, the IASB amended IFRS 17 to add a transition option for a "classification overlay" to address potential accounting asymmetries between financial assets and insurance contract liabilities in the comparative information presented on first-time adoption of IFRS 17.

If an entity chooses the classification overlay, it may only do so for the comparative periods when it applies IFRS 17, which is from the transition date to the date of first-time adoption of IFRS 17.

IFRS 17 is effective for annual periods beginning on or after January 1, 2023, and comparative figures are required. Early application is permitted, provided that the entity applies IFRS 9 *Financial Instruments* on or before the date on which IFRS 17 is first applied.

Management has assessed the potential impacts at the date of the financial statements and has not identify any potential effect to the Company.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 2 - Summary of Main Accounting Policies (continued)

##### w) New standards, interpretations and amendments (continued)

##### b) New accounting pronouncements covering standards, interpretations and amendments that apply to annual periods beginning on or after January 1, 2023 (continued)

	Amendments	Mandatory Application Date
IAS 8	Definition of accounting estimates	January 1, 2023
IAS 1	Disclosure of accounting policies	January 1, 2023
IAS 12	Deferred taxes related to assets and liabilities arising from a single transaction	January 1, 2023
IAS 1	Classification of liabilities as current or non-current	January 1, 2024
IFRS 16	Lease liabilities related to a sale and leaseback	January 1, 2024
IFRS 10 and IAS 28	Consolidated Financial Statements - sale or contribution of assets between an investor and its associate or joint venture	To be determined

#### IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

The IASB issued amendments to IAS 8 in February 2021, when it introduced a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. They clarify how entities use measurement techniques and inputs for estimate accounting.

The amended standard clarifies that the effects on an accounting estimate resulting from a change in an input or a change in a measurement technique are changes in accounting estimates, provided that they do not result from the correction of prior period errors. This definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not error corrections.

The amendment is effective for annual periods beginning on or after January 1, 2023. Management will make the impact assessment once the standard will be enacted.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

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(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 2 - Summary of Main Accounting Policies (continued)**

##### **w) New standards, interpretations and amendments (continued)**

##### **b) New accounting pronouncements covering standards, interpretations and amendments that apply to annual periods beginning on or after January 1, 2023 (continued)**

###### **IAS 1 Presentation of Financial Statements - Disclosure of Accounting Policies**

The IASB issued amendments to IAS 1 and IFRS Practice Statement No. 2 Making Materiality Judgments in February 2021, where it provides guidance and examples to assist entities in applying materiality judgments to accounting policy disclosures.

The amendments are intended to assist entities to formulate disclosures about accounting policies. They are useful as they:

- Replace the requirement for entities to disclose their "significant" accounting policies with the requirement to disclose their "material" accounting policies.
- Include guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Require entities to assess the materiality of accounting policy disclosures by considering the size of transactions, other events or conditions and the nature of those events or conditions.

###### **IAS 1 Presentation of Financial Statements - Classification of liabilities as current or non-current**

The IASB issued amendments to IAS 1 in 2020 and 2022, to explain how to classify liabilities as current or non-current. The amendments clarify:

- 1) What is meant by the right to defer payment.
- 2) That there should be a right to defer at the end of the reporting period.
- 3) That this classification is not affected by the likelihood that an entity exercises its right to defer.
- 4) That a liability's terms do not affect its classification, unless an embedded derivative in a convertible liability is itself an equity instrument.

The amendments are effective for annual periods beginning on or after January 1, 2024. The amendments are to be applied prospectively. Earlier application is permitted and must be disclosed. However, an entity that applies the 2020 amendments early is also required to apply the 2022 amendments, and vice versa.

The amendment will be effective for annual periods beginning on or after January 1, 2023.

Management will make the impact assessment once the standard will be enacted.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements

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(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

### **Note 2 - Summary of Main Accounting Policies (continued)**

#### **w) New standards, interpretations and amendments (continued)**

##### **b) New accounting pronouncements covering standards, interpretations and amendments that apply to annual periods beginning on or after January 1, 2023 (continued)**

###### **IAS 12 Deferred taxes related to assets and liabilities arising from a single transaction**

In May 2021, the IASB issued amendments to IAS 12, which reduce the scope of the initial recognition exception under IAS 12 so that it no longer applies to transactions that result in equal taxable and deductible temporary differences.

The amendments clarify that when payments that settle a liability are deductible for tax purposes, it is a matter of judgment having considered applicable tax law whether such deductions are attributable for tax purposes to the liability recognized in the financial statements and interest expense, or to the related asset and interest expense. This judgment is important to determine whether there are temporary differences in the initial recognition of assets and liabilities.

Also the amendments clarify that the initial recognition exception does not apply to transactions that give rise to equal taxable and deductible temporary differences on initial recognition. It only applies if recognizing a lease asset and a lease liability, or a decommissioning liability and a component of the decommissioning asset, give rise to taxable and deductible temporary differences that are not the same. However, the resulting deferred tax assets and liabilities may not be equal, for example if the entity cannot benefit from tax deductions, or if different tax rates apply to taxable and deductible temporary differences. In this case, an entity would need to account for the difference between the deferred tax asset and the deferred tax liability in the statement of net income.

The amendment will be effective for annual periods beginning on or after January 1, 2023. Management will make the impact assessment once the standard will be enacted.

###### **IFRS 16 Lease liabilities related to a sale and leaseback**

The amendment addresses the requirements of a seller/lessee to measure the lease liability on a sale and leaseback transaction.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

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#### **Note 2 - Summary of Main Accounting Policies (continued)**

##### **w) New standards, interpretations and amendments (continued)**

##### **b) New accounting pronouncements covering standards, interpretations and amendments that apply to annual periods beginning on or after January 1, 2023 (continued)**

##### **IFRS 16 Lease liabilities related to a sale and leaseback (continued)**

The amendment requires that after a sale and leaseback transaction, the seller/lessee applies paragraphs 29 to 35 of IFRS 16 to the leased right-of-use asset and paragraphs 36 to 46 of IFRS 16 to the corresponding lease liability. The seller/lessee applies paragraphs 36 to 46 of IFRS 16 by calculating the "lease payments" or "revised lease payments" in a manner that leaves the seller/lessee recognizing no gain or loss on its leased right-of-use assets. These requirements do not prevent the seller/lessee from recognizing in the statement of net income any gain or loss on a partial or total lease termination, as required by paragraph 46(a) of IFRS 16.

The amendment does not define the specific measurement requirements for lease liabilities arising from a subsequent lease. The initial measurement of the lease liability on a subsequent lease may result in the seller/lessee calculating "lease payments" that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller/lessee shall prepare and apply an accounting policy that produces information that is relevant and reliable, in accordance with IAS 8.

A seller/lessee can apply this amendment to annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted and should be disclosed. A seller/lessee can apply this amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions signed after the initial application date. This amendment does not apply to sale and leaseback transactions signed before the initial application date. The initial application date is the beginning of the annual reporting period when the entity first applied IFRS 16.

The amendment is effective for annual periods beginning on or after January 1, 2024. Management will make the impact assessment once the standard will be enacted.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements

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(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

### **Note 2 - Summary of Main Accounting Policies (continued)**

#### **w) New standards, interpretations and amendments (continued)**

##### **b) New accounting pronouncements covering standards, interpretations and amendments that apply to annual periods beginning on or after January 1, 2023 (continued)**

##### **IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - sale or contribution of assets between an investor and its associate or joint venture**

The amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) address an inconsistency between the requirements of IFRS 10 and IAS 28 (2011) in the treatment of the sale or provision of assets between an investor and its associate or joint venture.

The amendments were issued in September 2014, and state that when the transaction involves a business (whether or not in a subsidiary), all the gain or loss is recognized. A partial gain or loss is recognized when the transaction involves assets that do not constitute a business, even when the assets are in a subsidiary.

The date of mandatory application of these amendments is to be determined since the IASB is waiting for the results of its research project on accounting using the equity method. These amendments must be applied retrospectively, and early application is permitted, which must be disclosed.

The amendment is effective for annual periods beginning on or after January 1, 2024. Management will make the impact assessment once the standard will be enacted.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

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#### **Note 3 - Changes in Accounting Policies and Estimates**

##### **3.1) Change in determining the fair value of biological assets**

The Nova Austral Group during 2019 has reviewed its accounting policy for determining the fair value of biological assets, since, in recent years the salmon industry has developed and evolved its farming and marketing processes. In addition, the local industry has stabilized from the health point of view (ISA virus) and the Chilean market has globalized accessing new capital markets and in turn, there is the presence of more international actors. Previously, the market price less the estimated processing and sale costs for fattening fish over 1 kg was valued at fair value of live weight for the Salar Salmon. Thus, the fair value estimates for these assets were based on transaction prices at dates near to the closing of the financial statements. The loss or profit on the sale of these assets could vary from the calculation to fair values determined at the end of the period, from which the costs of harvesting, processing, packaging, distribution and sale were discounted.

Based on these financial statements, the Company has chosen to migrate to the valuation method detailed in note 2 n). This model values at fair value all the fattening fish in Fresh Water, that is, we must include fish less than 1 kg., where the value of the concession has also been incorporated as part of the risk of farming, in accordance with the definitions contained in IAS 41. For the above, a valuation model has been adopted that determines the adjustment of the fair value by applying a risk factor on the expected margin of the biomass of each fattening center. Changes in the fair value of biological assets are reflected in the income statement for the period. All biological assets are classified as current biological assets, as they are part of the normal farming cycle concluding with the harvest of the fish.

#### **Note 4 - Financial Risk Management**

The Company is exposed to different financial risks: credit risk, liquidity risk, cash flow interest rate risk and market risk.

##### **a) Credit risk**

###### **i) Risk of cash surplus investments**

The Company has not taken any risks in relation to cash surplus that has been kept as cash equivalents with no instruments that may represent a risk for cash surplus.

###### **ii) Credit risk**

As of the closing date of the periods presented in the consolidated financial statements, the Company have impairment of its customers in default.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

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(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 4 - Financial Risk Management (continued)**

##### **a) Credit risk (continued)**

##### **iii) Risk derived from sales**

The Company sales come from a highly diversified client portfolio, where clients are economically and geographically dispersed in countries with low sovereign risk rates (United States, European Union, mainly). In addition, credit operations are performed with clients that have a stable commercial relationship with the Company and a good payment history, together with a conservative credit policy. Therefore, the Company believes its commercial operations do not expose it to a high risk. Also the history of the Company shows no significant bad debts associated with exports and/or domestic sales.

The Company has a very conservative customer credit policy, whereby most of sales are made with advances against documents, together with a risk hedge via a credit insurance that includes a great portion of the portfolio, and hence hedging the risk of client insolvency.

##### **b) Liquidity risk**

Liquidity risk occurs due to the mismatch between the cash needs (for operating, financing expenses and debt amortizations and investments in assets) and the fund availability (that results from client collection, redemption of cash equivalents and financing from other financial entities). Currently, the Company manages liquidity risk in a very conservative and prudent manner, keeping enough cash in its accounts and having enough lines of credit to avoid risks associated with securities.

In 2022, a new interest capitalization was carried out by issuing new debt for ThUS\$29,237. This capitalization corresponds to 12% of interest on the ThUS\$200 NO0010795602 bond, which matured in May and in November 2022.

In addition, a waiver was requested for deferred payment of interest (2%) on the aforementioned bond that was due in November 2022, to be paid on March 31, 2023. This waiver was granted.

Due to operational and liquidity challenges, the Company requested and obtained a waiver to postpone the payment of interest on the credit line obtained from the DNB bank due in November and December 2022, as well as interest on the loan that the subsidiary "Piscicultura Tierra del Fuego S.A." secured from the same bank.

As this waiver was not renewed in March 2023, Nova Austral defaulted on the loans, and consequently a "cross default" on the bonds also occurred. This situation was promptly communicated to Nordic Trustee and was published on the Oslo Stock Exchange website on March 4, 2023.



## NOVA AUSTRAL S.A. AND SUBSIDIARIES

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#### Note 4 - Financial Risk Management (continued)

##### b) Liquidity risk (continued)

Capital and interest committed to the maturity of bank loans and other commitments are detailed below:

##### a) As of December 31, 2022

Financial Liabilities	Between 1 and 3 Months ThUS\$	Between 3 and 12 Months ThUS\$	Between 1 and 5 y Ears ThUS\$	Over 5 Years ThUS\$	Total ThUS\$
Bank loans	-	4,169	11,049	-	15,218
Bond in Norway	-	4,610	395,090	-	399,700
Trade payables and other accounts payable	913	66,213	-	-	67,126
Credit line	71,973	-	-	-	71,973
Accounts payable to related entities	17,218	-	-	-	17,218
<b>Total</b>	<b>90,104</b>	<b>74,992</b>	<b>406,139</b>	<b>-</b>	<b>571,235</b>

##### b) As of December 31, 2021

Financial Liabilities	Between 1 and 3 Months ThUS\$	Between 3 and 12 Months ThUS\$	Between 1 and 5 y Ears ThUS\$	Over 5 Years ThUS\$	Total ThUS\$
Bank loans	-	3,759	12,815	-	16,574
Bond in Norway	-	4,103	351,626	-	355,729
Trade payables and other accounts payable	913	65,190	-	-	66,103
Credit line	45,177	-	-	-	45,177
Accounts payable to related entities	10,512	-	-	-	10,512
<b>Total</b>	<b>56,602</b>	<b>73,052</b>	<b>364,441</b>	<b>-</b>	<b>494,095</b>

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 4 - Financial Risk Management (continued)

##### c) Market risk

##### i) Exchange rate risk

The Company operates worldwide; therefore, it is exposed to the foreign exchange rate risk, mainly the US dollar. The exchange rate risk derives from business transactions carried out in other currencies, mainly Chilean pesos. The currency balance of the Company indicates that much of its revenue, main costs (salmon feed) and the financial debt are expressed in US dollars where the financial match occurs naturally, hence lowering the exposure to this risk. Nevertheless, there is a significant portion of operation and process costs associated with operations in Chilean pesos such as, salaries and wages and local services. While this exposure is real, the Company does not consider it very relevant and has not performed peso/dollar hedge operations. Notwithstanding, the Company is constantly monitoring the peso/dollar exchange rate fluctuations while keeping in mind a potential hedge in the future.

As of December 31, 2022, the Group's consolidated classified statement of financial position shows a net liability in Chilean pesos for the amount of ThUS\$ 17,759, a net liability in Euros of ThUS\$ 689, therefore, a 5% increase in the exchange rate for these currencies would generate a foreign currency translation gain of ThUS\$ 935 in relation to Chilean pesos, and a gain of ThUS\$ 36 in relation to Euros. Likewise, a 5% decrease in the exchange rates generates a loss and increase of the same magnitude.

The table below presents the net exposure in the balance sheet by currency:

	<b>As of 12.31.2022 ThUS\$</b>	<b>As of 12.31.2021 ThUS\$</b>
Dollar, net liability	(163,936)	(121,312)
Chilean peso, net asset	(17,759)	(8,750)
Euros, net liability	(689)	(919)
Norwegian krone, net asset	-	-
Pound sterling, net asset	-	-
Danish krone, net asset	-	-
UF, net asset	-	-
Japanese yen, net liability	-	-

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 4 - Financial Risk Management (continued)

##### c) Market risk (continued)

##### i) Exchange rate risk (continued)

For a 5% increase in exchange rates, net assets vary in the amounts presented below:

<b>Exposure by Currency Effect Net Assets</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
Chilean Pesos, net assets	935	438
Euros, net liabilities	36	46
Norwegian krone, net assets	-	-
Punds, net assets	-	-
Danish krone, net assets	-	-
UF, net assets	-	-

##### ii) Interest rate risk

The group has its financial debt expressed in US dollars, Nova Austral S.A. with a non-current debt consisting of a bond maturing in November 2026, which was restructured in October 2020, divided into two tranches of ThUS \$ 200,000 and ThUS \$ 100,000, which include payments in kind (capitalization of interest) with a rate of 10% for the principal and a rate of 2% for the capitalization of the interests.

In 2022, a new interest capitalization was carried out by issuing new debt for ThUS\$29,237. This capitalization corresponds to 12% of interest on the ThUS\$200 NO0010795602 bond, which matured in May and in November 2022.

In addition, a waiver was requested for deferred payment of interest (2%) on the aforementioned bond that was due in November 2022, to be paid on March 31, 2023. This waiver was granted.

As of December 31, 2022, Nova Austral S.A. made use of its available credit line with the DNB bank for a capital of ThUS\$ 65,000, with an average disbursement rate of 8,99%, in the scenario of an interest rate sensitivity analysis, it can be observed that the effects on income of increasing or decreasing 5% per year would be ThUS\$ 296 of higher or lower expense, as applicable.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 4 - Financial Risk Management (continued)

##### c) Market risk (continued)

##### ii) Interest rate risk (continued)

Piscicultura Tierra del Fuego S.A., a Subsidiary, is exposed to the interest rate risk since its non-current financing has associated a fixed rate of 6,88% and a variable rate that is exposed to fluctuations via an increase in Libor. As of December 31, 2022, the Group has bank liabilities for the total amount of ThUS\$ 15,218 in US dollars. In a sensitivity analysis of variable interest rates on bank debt capitals scenario (no bond is taken into account as this is a fixed rate), it becomes clear that the effects on income of an annual 5% increase or decrease in Libor current as of the period closing would result in a higher or lower expense, as appropriate, for the amount of ThUS\$15.

##### iii) Sales price risk

Revenue from operating activities of the Company derives mainly from the sale of Atlantic salmon in all types, HON/HG salmon, Trim C/D/E fillets and portions, that as mentioned before, are mostly sold in foreign markets where prices are exposed to fluctuations in the world market as a result of worldwide supply and demand, terms of exchange agreed by the main producers and some political considerations and/or trade barriers. Our geographical, client and product diversification policy seek to minimize price volatility risks. We also know that prices have a direct influence on the valuation of biological assets that are affected by the Fair Value estimate based on expected sales prices and production costs of the Company. As of December 31, 2022, the Company had a total of 5,592 Tons (live weight of fish) as biological assets subject to Fair Value.

The table below presents the sales price sensitivity analysis, with a change in USD1 /net Kg:

	Negative USD 1 /Kg	Base	Positive USD 1 /Kg
Price adjustment US\$ x Kg	8.42	8.87	9.31
Effect on Biomass Fair Value ThUS	50,826	55,443	60,803
Effect on Income ThUS	(4,617)	-	5,360

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 5 - Cash and Cash Equivalents

Cash and cash equivalents correspond to cash balances in bank checking accounts and balances in hand.

As of December 31, 2022 and 2021, cash and cash equivalents are detailed as follows:

Classes of cash and cash equivalents	2022 ThUS\$	2021 ThUS\$
Cash in hand	1	1
Bank balances	449	3,163
<b>Total</b>	<b>450</b>	<b>3,164</b>

As of December 31, 2022 and 2021, balances by type of currency included in cash and cash equivalents are detailed as follows:

By type of currency	Currency	2022 ThUS\$	2021 ThUS\$
Cash and cash equivalents in	US dollar	95	2,989
Cash and cash equivalents in	Chilean peso	355	174
Cash and cash equivalents in	Euros	-	1
<b>Total</b>		<b>450</b>	<b>3,164</b>

The money deposited in the US dollar current account of the Norwegian DNB bank of the subsidiary Piscicultura Tierra del Fuego S.A. It is pledged without displacement under Law No. 20,190, on shares see Note 28.

#### Note 6 - Financial Instruments

##### a) Financial instruments by category according to IFRS 9

**December 31, 2022**

Assets	Amortized Cost	Assets at fair Value Through Profit or Loss	Total
	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalents	-	450	450
Trade receivables and accounts receivable, current	12,357	-	12,357
Accounts receivable from related entities, current	85	-	85
Accounts receivable from related entities, non- current	113,941	-	113,941
<b>Total</b>	<b>126,383</b>	<b>450</b>	<b>126,833</b>

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 6 - Financial Instruments (continued)

##### a) Financial instruments by category according to IFRS 9 (continued)

Liabilities	Liabilities at Fair Value Through Profit or Loss ThUS\$	Amortized Cost ThUS\$	Total ThUS\$
Other financial liabilities, current	-	75,905	75,905
Trade accounts payable and other accounts payable, current and non-current	-	71,973	71,973
Accounts payable to related entities, current	-	17,218	17,218
Other financial liabilities, non-current	-	406,139	406,139
<b>Total</b>	-	571,235	571,235

#### December 31, 2021

Assets	Amortized Cost ThUS\$	Assets at fair Value Through Profit or Loss ThUS\$	Total ThUS\$
Cash and cash equivalents	-	3,164	3,164
Trade receivables and accounts receivable, current	5,362	-	5,362
Accounts receivable from related entities, current	85	-	85
Accounts receivable from related entities, non-current	123,439	-	123,439
<b>Total</b>	128,886	3,164	132,050

Liabilities	Liabilities at Fair Value Through Profit or Loss ThUS\$	Amortized Cost ThUS\$	Total ThUS\$
Other financial liabilities, current	-	73,965	73,965
Trade accounts payable and other accounts payable, current and non-current	-	45,934	45,934
Accounts payable to related entities, current	-	10,512	10,512
Other financial liabilities, non-current	-	364,441	364,441
<b>Total</b>	-	494,852	494,852

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 6 - Financial Instruments (continued)

##### b) Financial instruments credit rating

The financial instruments of Nova Austral Group may be classified primarily in two large groups:

- i) Commercial credits with clients that in order to measure the associated level of risk are classified by the age of the debt and in which respect allowances for impairment are recorded; and
- ii) Financial investments that Nova Austral Group might make, as of December 31, 2022 and 2021, are no longer held.

<b>Assets</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
Trade receivables and accounts receivable	12,357	5,362
Accounts receivable from related entities	114,026	123,524
Total	<u>126,383</u>	<u>128,886</u>

Nova Austral Group performs sales operations with clients under an advance payment schedule or grants loans to clients in good credit standing. No financial instrument that has not yet matured has been renegotiated over the period.

##### c) Fair value estimate

As of December 31, 2022 and 2021, Nova Austral Group did not have financial instruments that had to be recorded at fair value.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 7 - Trade Receivables and other Accounts Receivable

a) Trade receivables and other accounts receivable are detailed as follows:

<b>Trade Receivables and other Accounts Receivable</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
<b>Trade Receivables:</b>		
Domestic	1,104	695
Foreign	11,268	4,103
Impairment of trade receivables	(563)	(115)
Total	<u>11,809</u>	<u>4,683</u>
<b>Other Accounts Receivable:</b>		
Other receivables	580	896
Impairment of other receivables	(544)	(689)
Total Other Accounts Receivable	<u>36</u>	<u>207</u>
Total	<u>11,845</u>	<u>4,890</u>

The fair value of trade receivables and other accounts receivable does not differ significantly from the carrying amount thereof.

b) As of December 31, 2022 and 2021, balances by currency included in trade receivables and other accounts receivable, gross current and non-current, are detailed as follows:

<b>Classification by type of Currency</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
US dollars	9,676	4,751
Euro	2,119	62
Chilean pesos	50	77
Total	<u>11,845</u>	<u>4,890</u>



## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 7 - Trade Receivables and other Accounts Receivable (continued)

c) Stratification of portfolio and provisions

- Domestic and foreign trade receivables:

Classification According to Maturity	2022			2021		
	Amount of not Renegotiated Portfolio ThUS\$	Impairment of Doubtful Accounts ThUS\$	Net trade Receivables ThUS\$	Amount of not Renegotiated Portfolio ThUS\$	Impairment of Doubtful Accounts ThUS\$	Net trade Receivables ThUS\$
On this day	9,431	-	9,431	2,367	-	2,367
From 1 to 30 Days	1,245	(320)	925	1,945	(4)	1941
From 31 to 60 Days	742	(20)	722	55	(4)	51
From 61 to 90 Days	322	-	322	23	-	23
From 91 to 120 Days	116	-	116	47	-	47
From 121 to 179 Days	55	-	55	153	(11)	142
From 180 to 210 Days	40	-	40	52	-	52
From 211 to 240 Days	53	(24)	29	18	(4)	14
From 241 to 270 Days	50	(1)	49	7	(7)	-
Over 271 Days	318	(198)	120	131	(85)	46
<b>Total</b>	<b>12,372</b>	<b>(563)</b>	<b>11,809</b>	<b>4,798</b>	<b>(115)</b>	<b>4,683</b>

- Other receivables:

Classification According to Maturity	2022			2021		
	Amount of not Renegotiated Portfolio ThUS\$	Impairment of Doubtful Accounts ThUS\$	Net trade Receivables ThUS\$	Amount of not Renegotiated Portfolio ThUS\$	Impairment of Doubtful Accounts ThUS\$	Net trade Receivables ThUS\$
On this day	-	-	-	56	-	56
From 1 to 30 Days	-	-	-	93	-	93
From 31 to 60 Days	-	-	-	-	-	-
From 61 to 90 Days	-	-	-	3	-	3
From 91 to 120 Days	-	-	-	2	-	2
From 121 to 179 Days	-	-	-	-	-	-
From 180 to 210 Days	-	-	-	1	-	1
From 211 to 240 Days	-	-	-	2	-	2
From 241 to 270 Days	-	-	-	-	-	-
Over 271 Days	580	(544)	36	739	(689)	50
<b>Total</b>	<b>580</b>	<b>(544)</b>	<b>36</b>	<b>896</b>	<b>(689)</b>	<b>207</b>

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 7 - Trade Receivables and other Accounts Receivable (continued)

- d) The movement of the allowance for impairment of trade receivables and other accounts receivable is detailed as follows:

<b>Movement of Allowance for Impairment</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
Beginning balance	804	2,181
Recovery of trade receivables impairment	-	(1,398)
Impairment for the period	303	21
Total	<u>1,107</u>	<u>804</u>

IFRS 9 requires that the Company records expected credit losses from all debt securities, loans and trade receivables, either on a 12-month basis or for life. The Company applied the simplified model and recorded expected losses in the lives of all trade receivables.

Once all collection efforts have been made, pre-judicial and judicial, assets are derecognized (written-off) against the provision that was recorded, Nova Austral S.A. and its Subsidiaries do not use the direct write-off method but the provision method for better control.

Historic renegotiations that are currently valid are not significant and the policy is to make a case by-case analysis to classify them according to a given risk if they are eligible for reclassification to pre-judicial collection accounts. If that is the case, a provision is recorded for overdue and soon to be due items.

There are no relevant guarantees for credit operations with clients that have a stable business relationship with the Company and a good payment history or with clients that pay in advance.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 8 - Balance and Transactions with Related Entities

- a) Related parties include the following entities and individuals:
- i) Shareholders that may exercise control.
  - ii) Subsidiaries and members of Subsidiaries.
  - iii) Parties that have interests in the entity for which reason they have a significant influence on it.
  - iv) Parties with joint control over the entity.
  - v) Associates.
  - vi) Interests in joint ventures.
  - vii) Key officers of the entity or its controlling entity.
  - viii) Close relatives of the individuals described above.
  - ix) A controlled or joint control company or a company on which the individuals mentioned in vii) and viii) above have a significant influence.

In general, transactions with related companies are not subject to special conditions. These operations comply with the provisions of Law No. 18.046 that regulates Corporations and the provisions of IAS 24.

Transfers of current and non-current funds between related companies, other than collection or payment of services, are structured as business accounts.

- b) Balances of accounts receivable from related entities as of each year closing are detailed as follows:

Entity	Relation	2022		2021	
		Current ThUS\$	Non- Current ThUS\$	Current ThUS\$	Non- Current ThUS\$
Nova Austral Spain S.L. (Ex - Global Polaris S.L.U.)	Parent	85	-	85	-
Albain Holdco SARL	Related to parent	-	113.941	-	119,721
Nova Austral Management Invest AS	Related to parent	-	-	-	3,718
<b>Total</b>		<b>85</b>	<b>113.941</b>	<b>85</b>	<b>123,439</b>

- c) As of each closing date, accounts payable to related entities are detailed as follows:

Entity	Relation	2022		2021	
		Current ThUS\$	Non- Current ThUS\$	Current ThUS\$	Non- Current ThUS\$
Trusal S.A.	Shareholder	17,218	-	10,512	-
<b>Total</b>		<b>17,218</b>	<b>-</b>	<b>10,512</b>	<b>-</b>

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 8 - Balance and Transactions with Related Entities (continued)

- c) As of each closing date, accounts payable to related entities are detailed as follows:(continued)

Since August 20, 2018, the Company maintains an account receivable from its parent Albain Holdco S.A.R.L., which bears an 8.35% annual interest. As of December 31, 2022, this debt amounts to ThUS\$113,941 (ThUS\$78,870 of principal and ThUS\$35,072 of interest). On October 17, 2022, the Parent Company Nova Austral Management Invest AS, extinguished the outstanding balance of the debt with Nova Austral S.A. through a novation agreement.

As of December 31, 2021, the account receivable from Albain Holdco S.A.R.L amounted to ThUS\$119,721 (ThUS\$91,676 of principal and ThUS\$28,045 of interest). As of the same date, the account receivable from Nova Austral Management Invest AS amounted to ThUS\$3,718 (ThUS\$3,356 of principal and ThUS\$362 of interest).

- d) Transactions between related parties

In 2022 and 2021, transactions with related entities performed by the Company and its Subsidiaries in the regular course of business are detailed as follows:

Entity	Relation	Description of Transaction	Amount of Transaction		Credit (Charge) to Income	
			2022 MUS\$	2021 MUS\$	2022 MUS\$	2021 MUS\$
Nova Austral Management Invest As	Parent	Accrued interest earned	226	284	226	284
		Collection of loans	3,944	-	-	-
Albain Holdco SARL	Related to Parent	Accrued interest	7,026	8,320	-	8,320
		Collection of loans	12,806	6,750	-	-
Trusal S.A.	Related to Parent	Purchase of finished products and food	(21,523)	(5,384)	-	-
		Leasing Concessions	(357)	(1,374)	-	-
		Farm operation services	(3,726)	(2,642)	-	-
		Payment	(18,658)	-	-	-
Compañía Salmonífera Dalcahue Ltda,	Shareholder of Subsidiary	Capital contribution in cash	(1,050)	(2,000)	-	-
		Invoice to pay	-	-	-	-
		Invoice payment	-	(68)	-	-

- e) Remunerations paid to key personnel of the Company in 2022 and 2021 are detailed as follows:

Details	2022 ThUS\$	2021 ThUS\$
Confidential payroll remunerations	1,396	1,581
Total	<u>1,396</u>	<u>1,581</u>

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 8 - Balance and Transactions with Related Entities (continued)

- f) As of December 31, 2022 and 2021, there are outstanding balances of compensation payable to Directors and/or Executives for ThUS\$22. In 2022, compensation to Directors and/or Executives amounted to ThUS\$28. In 2021, the Company's Directors did not receive any compensation.

#### Note 9 - Inventory

- a) As of December 31, 2022 and 2021, inventory is detailed as follows:

Details	2022 ThUS\$	2021 ThUS\$
Finished products	6,163	3,923
Materials and inputs	5,944	6,656
Fish feed	6,100	2,301
Inventory in process	50	97
Fair value of finished products	4,118	1,132
Total	<u>22,375</u>	<u>14,109</u>

- b) Inventory policy

The Group's inventory is measured at the lower between cost and net realization value.

- c) Inventory measurement policy:

The Company values its inventory as follows:

- i) Fresh and frozen salmon production cost is determined based on the last fair value of biological assets at the point of harvest (that represents the cost of raw materials that enter the processing plant), plus direct and indirect production costs at the Plant, such as manpower, variable and fixed costs that have been incurred to transform raw materials into finished products.
- ii) For acquired inventory cost (fish feed, materials and inputs), the acquisition cost includes the purchase price, import duties, transport and other costs attributable to the acquisition of goods.
- iii) No inventory items have been granted as guarantee.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

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#### Note 9 - Inventory (continued)

- d) As of December 31, 2022 and 2021, finished products net of impairment allowance, are detailed as follows:

Details	2022		2021	
	Ton	ThUS\$	Ton	ThUS\$
Whole fish	156	816	117	780
Fillet	231	1,392	15	198
Portions	605	3,749	135	2,518
By-product	120	206	278	427
Total	1,112	6,163	545	3,923

- e) Inventory recognized in cost of sales as of each closing year is detailed as follows:

Details	2022 ThUS\$	2021 ThUS\$
Cost of sales	<u>(71,110)</u>	<u>(92,616)</u>
Total	<u>(71,110)</u>	<u>(92,616)</u>

#### Note 10 - Biological Assets

Biological assets are measured at fair value less estimated costs at the point of sales, except when the fair value cannot be determined reliably pursuant to the definitions of IAS 41.

- a) Classification of biological assets

Biological assets held for fattening in sea water that will be harvested within the next twelve months, are classified as current biological assets and spawning fish, fry, fresh water smolts and fattening fish to be harvested after a twelve-month period, are classified as non-current biological assets.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 10 - Biological Assets (continued)

a) Classification of biological assets (continued)

As of each period closing, these assets are detailed as follows:

Details	Current	
	2022 ThUS\$	2021 ThUS\$
Salar salmon (*)	121,602	81,281
Eggs, fry and smolts	7,166	6,865
Total	128,768	88,146

(\*) As of December 31, 2022, the biological assets comprised of Salmon triggered a positive net effect of ThUS\$24,421 on the Group's income since biomass was valued at fair value. The foregoing results from the valuations of the period that triggered a credit to income in the amount of ThUS\$ 21,434, and ThUS\$ 2,987, corresponding to the fair value of biomass harvested and then sold as finished products, which increases the cost of sales during the realization period.

As of December 31, 2021, the biological assets comprised of Salmon triggered a positive net effect of ThUS\$21,816 on the Group's income since biomass was valued at fair value. The foregoing results from the valuations of the period that triggered the amount of ThUS\$21,091 that was credited to income and the amount of ThUS\$725 that was charged to income, corresponding to the fair value of biomass harvested and then sold as finished products, which increases the cost of sales during the realization period.

b) For 2022 and 2021, movements in biological assets are detailed as follows:

	2022 ThUS\$	2021 ThUS\$
Biological Assets at the beginning	88,146	51,362
Fattening and production increases	94,298	85,009
Harvest decreases	(70,806)	(69,316)
Extraordinary mortality and other write-offs	(4,304)	-
Biological Asset Fair Value	21,434	21,091
Balance at the end of the year	128,768	88,146

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 10 - Biological Assets (continued)

c) As of December 31, 2022 and 2021, biological assets are detailed as follows:

	<b>2022</b>				
	<b>Number of Units</b>	<b>Biomass Final Ton,</b>	<b>Cost of Production ThUS\$</b>	<b>Fair Value ThUS\$</b>	<b>Total Cost ThUS\$</b>
Salar salmon	5,592,366	12,479	66,159	55,443	121,602
Eggs, fry and smolts	9,436,913	316	7,166	-	7,166
<b>Total</b>	<b>15,029,279</b>	<b>12,795</b>	<b>73,325</b>	<b>55,443</b>	<b>128,768</b>

  

	<b>2021</b>				
	<b>Number of Units</b>	<b>Biomass Final Ton,</b>	<b>Cost of Production ThUS\$</b>	<b>Fair Value ThUS\$</b>	<b>Total Cost ThUS\$</b>
Salar salmon	5,599,463	6,580	45,430	34,009	79,439
Eggs, fry and smolts	8,034,118	469	8,707	-	8,707
<b>Total</b>	<b>13,633,581</b>	<b>7,049</b>	<b>54,137</b>	<b>34,009</b>	<b>88,146</b>

d) Movements of biological asset fair value adjustments are detailed as follows:

	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
Biological asset fair value initial balance	34,009	12,918
Increase in biological asset adjustment for the period	106,123	39,479
Less: Harvest fair value adjustments	(84,689)	(18,388)
<b>Total biological assets</b>	<b>55,443</b>	<b>34,009</b>

e) Sensitivity on the effect of non-observable variable fair value

The table below presents a sensitization with respect to the effect on income of fair value that would give rise to an increase or decrease in harvest (LW) biomass in water estimate weight variable as of the period closing.

<b>By Type of Currency</b>	<b>5% Decrease</b>	<b>Base</b>	<b>5% Increase</b>
Average harvest (LW) weight adjustment	4.78	5.03	5.28
Effect on biomass Fair Value ThUS\$	53,446	55,443	57,499
Effect on Income ThUS\$	(1,997)	-	2,056



## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 10 - Biological Assets (continued)

f) Guarantees

The entire biomass at fish farms specified in Note 28 is under a non-possessory pledge pursuant to Law No, 20,190 that regulates assets.

#### Note 11 - Other Non-financial Assets, Current

Current and Non-Current amounts in this category are detailed as follows:

##### Current

	2022 ThUS\$	2021 ThUS\$
Advance insurance	710	1,598
Advances to suppliers	808	930
DL 889 refund	-	265
Expenses paid in advance	3,717	7,461
Advances to personnel	2	-
Total	<u>5,237</u>	<u>10,254</u>

#### Note 12 - Intangible Assets other than Goodwill

a) The most important classes of intangible assets are detailed as follows:

	2022 ThUS\$	2021 ThUS\$
Indefinite-lived aquaculture concessions	4,472	4,472
Definite-lived aquaculture concessions	2,709	2,709
Concessions in process	3,961	2,866
Water rights	55	55
Software	925	918
Licenses	372	374
Amortization	(2,041)	(1,554)
Total	<u>10,453</u>	<u>9,840</u>

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

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(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 12 - Intangible Assets other than Goodwill (continued)

- b) Changes to Intangible assets other than Goodwill for the year ended December 31, 2022, were as follows:

2022	Definite lived Aquaculture Concessions MUS\$	Indefinite-lived Aquaculture Concessions MUS\$	Concessions in Process MUS\$	Water Rights MUS\$	Software MUS\$	Licenses MUS\$	Total MUS\$
Beginning balance	2,197	4,472	2,866	55	183	67	9,840
Additions	-	-	1,094	-	7	-	1,101
Divestitures	-	-	-	-	-	(2)	(2)
Amortizations	(338)	-	-	-	(110)	(38)	(486)
Ending balance	1,859	4,472	3,960	55	80	27	10,453

- c) Changes to Intangible assets other than Goodwill for the year ended December 31, 2021, were as follows:

2021	Definite lived Aquaculture Concessions MUS\$	Indefinite-lived Aquaculture Concessions MUS\$	Concessions in Process MUS\$	Water Rights MUS\$	Software MUS\$	Licenses MUS\$	Total MUS\$
Beginning balance	1,148	4,472	2,497	55	294	31	8,497
Additions	1,076	-	369	-	-	164	1,609
Divestitures	-	-	-	-	-	-	-
Amortizations	(27)	-	-	-	(111)	(128)	(266)
Ending balance	2,197	4,472	2,866	55	183	67	9,840

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 12 - Intangible Assets other than Goodwill (continued)

- d) As of December 31, 2022 and 2021, sea concessions are detailed as follows. From the 28 concessions the Company has in the 12<sup>th</sup> Region, 23 are indefinite and have no maturity date, while 5 concessions have a useful life of 25 renewable years for another 25 year-period.

Name	Center Code	Concession Cluster (Neighborhood)	Useful Life	Sector- Project Name
Pto. Prat	120008	44	Indefinite	Estero Eherhardt, northeast of Punta Prat
Riquelme	120023	45	Indefinite	Golfo Almirante Montt-Puerto Riquelme
Spiteful	120029	45	Indefinite	Golfo Almirante Montt-Bahia Sin Nombre Delano
Pto Bories	120036	45	Indefinite	Canal Señoret, Puerto Bories
Pta, Cuervo	120043	45	Indefinite	Canal Señoret- Al Sur de Punta Cuervo
Consuelo	120054	44	Indefinite	Estero Eberhardt- Punta Cajón
Escondida	120061	45	Indefinite	Golfo Almirante Montt, northwest of bahia humberto,
Demaistre	120062	45	Indefinite	Peninsula Antonio Varas, Canal Señoret, Pto, Demaistre
Mercedes	120063	45	Indefinite	Estancia Mercedes, Golfo Almirante Montt
Aracena 1	120067	56	Indefinite	Estero Staples, north of Caleta Hawkins, Isla Capitán Aracena
Aracena 4	120068	56	Indefinite	Estero sin nombre, north of Bahía Inman, Isla Capitán Aracena
Aracena 2	120069	56	Indefinite	Estero Staples, south of Isla Harrison,
Aracena 5	120070	56	Indefinite	Bahía Inmán, Isla Capitán Aracena
Aracena 3	120071	56	Indefinite	Estero Staples, south of Isla Harrison,
Aracena 8	120085	54A	Indefinite	Ensenada Petite, Isla Capitán Aracena
Aracena 6	120087	55	Indefinite	Canal sin nombre, Península Greenough, Isla Capitán Aracena
Aracena 10	120088	54B	Indefinite	Seno Lyell, northeast of Bahía Kempe, Isla Capitán Aracena
Aracena 9	120089	54A	Indefinite	Seno Petite, Bahía Mazarredo, Isla Capitán Aracena
Aracena 11	120090	55	Indefinite	Estero Staples, northeast of Caleta Sholl, Isla Capitán Aracena
Aracena 12	120091	54A	Indefinite	Caleta Cascada, Isla Capitán Aracena, Seno Petite,
Aracena 13	120092	56	Indefinite	Estero sin nombre, southeast of Isla Peak, Isla Capitan Aracena
Aracena 14	120096	55	Indefinite	Canal sin nombre, north of Caleta Sholl, Isla Capitán Aracena
Aracena 15	120097	54B	Indefinite	Seno Lyell, Caleta Stokes, Isla Capitán Aracena
Cockburn 23	120123	58	Definite	Seno Brujo, Sur Peninsula Rolando
Cockburn 14	120124	57	Definite	Seno Chasco, Norte Peninsula Brecknock
Cockburn 3	120126	57	Definite	Noroeste Peninsula Brecknock, Canal Cockburn,
Cockburn 13	120127	57	Definite	Puerto Consuelo, Seno Chasco
Aracena 19	120128	54B	Definite	Isla Capitán Aracena-Seno Lyell

Some concessions of Nova Austral are currently situated in a national park; nevertheless, the Company operates normally and complies with the applicable laws and regulations.

The 28 concessions have been granted as Mortgage as explained in Note 28.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 12 - Intangible Assets other than Goodwill (continued)

- d) As of December 31, 2022 and 2021, sea concessions are detailed as follows. From the 28 concessions the Company has in the 12<sup>th</sup> Region, 23 are indefinite and have no maturity date, while 5 concessions have a useful life of 25 renewable years for another 25 year-period.(continued)

The subsidiary Salmenes Porvenir SpA operates 3 concessions leased from its parent company Trusal S.A. located in the 12th region. On January 25, 2023, the partners of the subsidiary Salmenes Porvenir SpA. decided to dissolve the company. Therefore, these concessions will be written-off during this the year.

Name	Center Code	HAS	Useful Life	Sector - Project Name
Navarro 2	120216	16.00	12.31.2027	Estero Navarro
Navarro 3	120215	16.00	12.31.2027	Estero Navarro
Isla Juan	120169	5.55	12.31.2027	Seno Skyring

#### Note 13 - Property, Plant and Equipment

- a) As of December 31, 2022 and 2021, the items of property, plant and equipment are detailed as follows:

Property, Plant and Equipment as of 12,31,2022	Gross Value ThUS\$	Cumulative Depreciation ThUS\$	Net Value ThUS\$
Land	3,807	-	3,807
Buildings and constructions	47,324	(6,852)	40,472
Plant machinery and equipment	35,013	(13,090)	21,923
Fixed installations and accessories	65,964	(45,183)	20,781
Other PPE	2,759	(2,259)	500
Use rights	1,464	(811)	653
Works in progress	1,885	-	1,885
Total	158,216	(68,195)	90,021

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 13 - Property, Plant and Equipment (continued)

- a) As of December 31, 2022 and 2021, the items of property, plant and equipment are detailed as follows: (continued)

Property, Plant and Equipment as of 12,31,2021	Gross Value ThUS\$	Cumulative Depreciation ThUS\$	Net Value ThUS\$
Land	3,807	-	3,807
Buildings and constructions	47,252	(5,672)	41,580
Plant machinery and equipment	33,193	(9,811)	23,382
Fixed installations and accessories	63,438	(38,995)	24,443
Other PPE	2,700	(2,026)	674
Use rights	1,315	(423)	892
Works in progress	4,501	-	4,501
<b>Total</b>	<b>156,206</b>	<b>(56,927)</b>	<b>99,279</b>

- b) For the years ended December 31, 2022 and 2021, movements of property, plant and equipment are detailed as follows:

Year 2022	Beginning Balance 01.01.2022 ThUS\$	Additions ThUS\$	Addition ThUS\$	Other Increases (Decreases) ThUS\$	Derecog- nition ThUS\$	Depreciation ThUS\$	Ending Balance 31.12.2022 ThUS\$
Land	3,807	-	-	-	-	-	3,807
Buildings and constructions	41,580	-	73	-	(10)	(1,171)	40,472
Machinery and equipment	23,382	-	1,820	-	(1)	(3,278)	21,923
Fixed installations and accessories	24,443	-	2,526	-	(451)	(5,737)	20,781
Other PPE	674	-	58	-	(38)	(194)	500
Use rights	892	-	-	-	-	(239)	653
Works in progress	4,501	4,043	(6,659)	-	-	-	1,885
<b>Total</b>	<b>99,279</b>	<b>4,043</b>	<b>(2,182)</b>	<b>-</b>	<b>(500)</b>	<b>(10,619)</b>	<b>90,021</b>

Year 2021	Beginning Balance 01.01.2021 ThUS\$	Additions ThUS\$	Addition ThUS\$	Other Increases (Decreases) ThUS\$	Derecog- nition ThUS\$	Depreciation ThUS\$	Ending Balance 31.12.2021 ThUS\$
Land	3,823	-	-	-	(16)	-	3,807
Buildings and constructions	42,673	-	68	-	-	(1,161)	41,580
Machinery and equipment	25,811	-	371	-	-	(2,800)	23,382
Fixed installations and accessories	27,667	-	2,021	-	(453)	(4,792)	24,443
Other PPE	724	-	177	-	-	(227)	674
Use rights	916	-	432	-	-	(456)	892
Works in progress	5,113	2,457	(3,069)	-	-	-	4,501
<b>Total</b>	<b>106,727</b>	<b>2,457</b>	<b>-</b>	<b>-</b>	<b>(469)</b>	<b>(9,436)</b>	<b>99,279</b>

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 13 - Property, Plant and Equipment (continued)

c) Insurance:

The Company and its Subsidiaries have taken out insurance policies to cover the risks to which goods are exposed in the processing facilities (building and machinery) and sea water farming centers (pontoons, cages, nets and floating structures) and also insurance policies for sea biomass, inventory of finished products, rolling equipment and transport of merchandise. Nova Austral S.A. and Subsidiaries consider that these insurance policies adequately cover the risks normally associated with their activity.

d) PPE subject to guarantee or restrictions

The assets in this category have been granted as mortgage and pledged by the Company and subsidiaries, as explained in Note 28.

No items of property, plant and equipment have been retired from active use and not classified as held for sale according to IFRS 5.

#### Note 14 - Current Income Tax and Deferred Taxes

a) Income tax

As of December 31 of each year, Nova Austral S.A. does not record an income tax provision as it is exempt from this tax according to Decree Law No. 18392, as well as its subsidiary Piscicultura Tierra del Fuego S.A. according to Tierra del Fuego Law No. 19149.

As of December 31, 2022, the subsidiary Comercial Austral S.A. has established an income tax provision for ThUS\$165. In 2021, there was no income tax provision, due to tax losses. The subsidiaries Pesquera Cabo Pilar S.A. and Salmones Porvenir S.p.A. obtained tax losses in 2022 and 2021.

b) Current tax assets (liabilities)

Item	2022 ThUS\$	2021 ThUS\$
Navarino law bonus (*)	8,543	11,943
Tax credit remainder	2,948	4,143
Training expenses	73	53
Monthly provisional payments	614	724
Income tax provision	(165)	(244)
Total	<u>12,013</u>	<u>16,619</u>

(\*) The total bonuses withheld amounts of ThUS\$8,124 (ThCh\$6,953,429). See explanation in the note on Contingencies and Encumbrances.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 14 - Current Income Tax and Deferred Taxes (continued)

c) Deferred taxes

As of December 31, 2022 and 2021, deferred tax assets are detailed as follows:

Deferred Taxes Relating to:	2022		2021	
	Assets	Liabilities	Assets	Liabilities
Fair value	-	4,649	-	5,067
Application of IFRS 16	306	272	371	356
Vacation accrual	6	-	2	-
Allowance for doubtful accounts	62	-	1	-
Advance revenue	13	-	12	-
Tax loss	1,018	-	2,050	-
Indirect expenses on biological asset	-	66	-	-
Value concessions	-	187	-	189
<b>Total</b>	<b>1,405</b>	<b>5,174</b>	<b>2,436</b>	<b>5,612</b>
<b>Deferred tax assets (liabilities), net</b>		<b>3,769</b>	<b>-</b>	<b>3,176</b>

Deferred taxes correspond to the amount of tax on gains to be paid (liabilities) or recovered (assets) by Nova Austral S.A. and Subsidiaries in future periods and that relate to temporary differences between the fiscal or tax base and the carrying amount of some assets and liabilities.

d) In 2022 and 2021, the movements of deferred tax assets and liabilities are detailed as follows:

Deferred Tax Classification	2022		2021	
	Deferred Tax Assets ThUS\$	Deferred Tax Liabilities ThUS\$	Deferred Tax Assets ThUS\$	Deferred Tax Liabilities ThUS\$
Beginning balance	2,436	5,612	3,882	225
Movements of the period				
Fair value	-	(418)	-	5,067
Application of IFRS 16	(65)	(84)	371	356
Advance income	1	-	(24)	-
Other provisions	65	-	(93)	-
Inventory valuation	-	-	(1,585)	-
Tax loss	(1,032)	-	(115)	-
Indirect biological costs	-	66	-	-
Value concessions	-	(2)	-	(36)
<b>Total changes for the period</b>	<b>(1,031)</b>	<b>(438)</b>	<b>(1,446)</b>	<b>5,387</b>
<b>Sub-total</b>	<b>1,405</b>	<b>5,174</b>	<b>2,436</b>	<b>5,612</b>
<b>Ending balance</b>		<b>3,769</b>	<b>-</b>	<b>3,176</b>

Tax losses likely to be imputed to future profits are not subject to the statute of limitations, as stated in the Chilean laws and regulations.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 14 - Current Income Tax and Deferred Taxes (continued)

e) Income tax expenses are detailed as follows:

	(Charge) Credit	
	2022 ThUS\$	2021 ThUS\$
Deferred tax of the year effect	(594)	(6,869)
Income tax	(165)	(243)
Additional tax	(182)	(26)
Art, 21 sole tax expense	-	(113)
Income tax (expense)	(941)	(7,251)

f) Reconciliation of income tax expense using the legal rate and income tax expense using the effective rate is detailed as follows:

	Rate	Taxes as of 2022 ThUS\$	Rate	Taxes as of 2021 ThUS\$
	%		%	
Profit (loss) before tax		(50,465)		(43,061)
Total tax at legal rate income	27.00	13,626	27.00	11,626
Other adjustments to taxes	28.60	(14,433)	43.84	(18,877)
Total tax income (expense) at effective rate	1.60	(807)	16.84	(7,251)

#### Note 15 - Other Financial Liabilities, Current and Non-Current

As of December 31, 2022 and 2021, the borrowings of Nova Austral S.A. and Subsidiaries involving financial institutions and the public (Bonds) are detailed as follows:

a) Current

Interest bearing loans	Currency	2022 ThUS\$	2021 ThUS\$
Maturing in less than 12 months	USD	68,786	68,786
Interest	USD	7,247	5,307
Deferred expense by effective rate	USD	(128)	(128)
Total		75,905	73,965

The RCF maintained with the DNB bank requires compliance with a covenant where the ratio between the indebtedness base and the sum of the valuation of inventories, biomass and accounts receivable maturing in less than 45 days is less than 0.5. Said covenant has uncompleted as of December 31, 2022.



## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 15 - Other Financial Liabilities, Current and Non-Current (continued)

a) Current (continued)

Due to operational and liquidity challenges, the Company requested and obtained a waiver to postpone the payment of interest on the credit line obtained from the DNB bank due in November and December 2022, as well as interest on the loan that the subsidiary "Piscicultura Tierra del Fuego S.A." secured from the same bank.

As this waiver was not renewed in March 2023, Nova Austral defaulted on the loans, and consequently a "cross default" on the bonds also occurred. This situation was promptly communicated to Nordic Trustee and was published on the Oslo Stock Exchange website on March 4, 2023.

b) Non-Current

Interest Bearing Loans	Currency	2022 ThUS\$	2021 ThUS\$
Maturing in greater than 12 months	USD	406,446	364,876
Deferred expense by effective rate	USD	(307)	(435)
<b>Total</b>		<b>406,139</b>	<b>364,441</b>

c) As of December 31, 2022 and 2021, the loans of Nova Austral S.A. and Subsidiaries are detailed as follows:

**As of December 31, 2022**

Institution	Type	Debtor	Currency	Current ThUS\$	Non- Current ThUS\$	Total ThUS\$
Nordic Trustee	Bonus	Nova Austral S.A.	USD	-	395,089	395,089
	Interest payable	Nova Austral S.A.	USD	4,610	-	4,610
DNB Bank ASA	Line of Credit	Nova Austral S.A.	USD	65,000	-	65,000
	Interest payable	Nova Austral S.A.	USD	2,126	-	2,126
	Loan	Piscicultura Tierra del Fuego S.A.	USD	3,786	11,357	15,143
	Interest payable	Piscicultura Tierra del Fuego S.A.	USD	511	-	511
	Deferred expense from effective rate	Piscicultura Tierra del Fuego S.A.	USD	(128)	(307)	(435)
<b>Total</b>				<b>75,905</b>	<b>406,139</b>	<b>482,044</b>

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 15 - Other Financial Liabilities, Current and Non-Current (continued)

- c) As of December 31, 2022 and 2021, the loans of Nova Austral S.A. and Subsidiaries are detailed as follows: (continued)

##### As of December 31, 2021

Institution	Type	Debtor	Currency	Current	Non-Current	Total
				ThUS\$	ThUS\$	ThUS\$
Nordic Trustee	Bonus	Nova Austral S.A.	USD	-	351,626	351,626
	Interest payable	Nova Austral S.A.	USD	4,103	-	4,103
DNB Bank ASA	Line of Credit	Nova Austral S.A.	USD	65,000	-	65,000
	Interest payable	Nova Austral S.A.	USD	1,103	-	1,103
	Loan	Piscicultura Tierra del Fuego S.A.	USD	3,786	13,250	17,036
	Interest payable	Piscicultura Tierra del Fuego S.A.	USD	102	-	102
	Deferred expense from effective rate	Piscicultura Tierra del Fuego S.A.	USD	(129)	(435)	(564)
<b>Total</b>				<b>73,965</b>	<b>364,441</b>	<b>438,406</b>

- d) Maturities of other financial liabilities, non-current, are detailed as follows:

##### As of December 31, 2022

Institution	Currency	Maturity	Expiration	Non-Current			Total
				1 to 2 years	2 to 3 years	3 to 4 years	
				ThUS\$	ThUS\$	ThUS\$	ThUS\$
Nordic Trustee	USD	12.00%	26.11.2026	-	-	395,089	395,089
DNB Bank ASA	USD	6.877%	25.05.2026	3,786	3,786	3,478	11,050
<b>Total</b>				<b>3,786</b>	<b>3,786</b>	<b>398,567</b>	<b>406,139</b>

##### As of December 31, 2021

Institution	Currency	Maturity	Expiration	Non-Current			Total
				1 to 2 years	2 to 3 years	3 to 4 years	
				ThUS\$	ThUS\$	ThUS\$	ThUS\$
Nordic Trustee	USD	12.00%	26.11.2026	-	-	351,626	351,626
DNB Bank ASA	USD	6.129%	25.05.2026	3,786	3,786	5,243	12,815
<b>Total</b>				<b>3,786</b>	<b>3,786</b>	<b>356,869</b>	<b>364,441</b>

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 15 - Other Financial Liabilities, Current and Non-Current (continued)

- e) Nova Austral S.A. has mortgages and non-possessory pledges in favor of Nordic Trustee ASA with respect to the public bond it has in Norway, while its Subsidiary Piscicultura Tierra del Fuego S.A. has mortgages and non-possessory pledges in favor of DNB Bank SAS with respect to the loan received in 2018. See both in Note 28.
- f) A waiver was requested to postpone payment of principal and interest on the loan that the subsidiary Piscicultura Tierra del Fuego S.A. secured from DNB bank. As this waiver was not renewed in March 2023, a cross default occurred, in addition to defaults on other loans.
- g) A significant portion of the non-current long-term debt consists of a bonds: the first one has semiannual interest payments commencing in May 2022 and semiannual principal repayments commencing in May 2024, and an interest rate of 10%; and the second with the 100% of the principal payment will be paid upon maturity of the bond in November 2026. This debt is not subject to any covenant but only to a restriction on the distribution of dividends until the bond maturity in November 2026.
- h) The movement of current and non-current financial liabilities is as follows:

	As of December 2021 ThUS\$	Cash Flow ThUS\$	Accrued Interest ThUS\$	Other non- Monetary Movements ThUS\$	As of December 2022 ThUS\$
Loans and credits	433,099	(1,893)	43,591	-	474,797
Interest	5,307	(4,266)	6,206	-	7,247
<b>Total</b>	<b>438,406</b>	<b>(6,159)</b>	<b>49,797</b>	<b>-</b>	<b>482,044</b>

	As of December 2020 ThUS\$	Cash Flow ThUS\$	Accrued Interest ThUS\$	Other non- Monetary Movements ThUS\$	As of December 2021 ThUS\$
Loans and credits	377,799	17,465	37,835	-	433,099
Interest	4,338	(5,300)	6,269	-	5,307
<b>Total</b>	<b>382,137</b>	<b>12,165</b>	<b>44,104</b>	<b>-</b>	<b>438,406</b>

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 16 - Trade Payables and Other Accounts Payable, Current and Non-Current

The items included in this category are detailed as follows:

Trade Payables and other Accounts Payable, Current and Non-Current	Corriente		No Corriente	
	2022 ThUS\$	2021 ThUS\$	2022 ThUS\$	2021 ThUS\$
Suppliers	61,446	36,935	-	-
Invoices to be received	9,476	7,407	-	-
Personnel withholdings	268	339	-	-
Withholdings payable	30	134	-	-
Lease contract obligations	170	251	582	757
Other accounts payable	1	111	-	-
<b>Total</b>	<b>71,391</b>	<b>45,177</b>	<b>582</b>	<b>757</b>

#### Note 17 - Provisions for Employee Benefits

The balance of employee benefits provision that was classified as current and corresponds to the vacation accrual, is detailed as follows:

a) The items included in this category are detailed as follows:

Employee Benefits Provision	2022 ThUS\$	2021 ThUS\$
Vacation	1,686	1,365
<b>Total</b>	<b>1,686</b>	<b>1,365</b>

b) The movements of employee benefits provision are detailed as follows:

Movements	2022 ThUS\$	2021 ThUS\$
Beginning balance	1,365	1,687
Vacation days used	(776)	(1,470)
Cost of service, current	1,097	1,148
<b>Total</b>	<b>1,686</b>	<b>1,365</b>

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Nota 18 - Other Non-Financial Liabilities, Current

The items included in this category are detailed as follows:

Item	2022 ThUS\$	2021 ThUS\$
Deferred revenue from smolt sales	85	85
Other payables (*)	750	1,800
Total	835	1,885

(\*) Account payable to Compañía Salmonifera Dalcahue Ltda. (In September 2021 Nova Austral S.A. and Comercial Austral S.A. bought from Compañía Salmonifera Dalcahue Ltda. its stake in Piscicultura Tierra del Fuego S.A., which is why said Company ceased to be a related company in the year 2021).

#### Note 19 - Equity

The objective of Nova Austral S.A. and Subsidiaries in managing equity is to safeguard the ability to continue as a going concern in order to generate returns to the shareholders, benefits to other stakeholders and keep an optimal structure to reduce capital cost.

The Company makes investments according to the growth plans and optimization of its operations.

The object of the Company is to efficiently manage the working capital by adequately managing the accounts receivable, focusing on the implementation of effective controls on credit granting and collection management.

In relation to suppliers, the Company seeks to establish long term relations, especially with strategic suppliers such as, feed, fuel suppliers, effectively managing the agreed payment terms.

#### a) Issued and paid capital

As of December 31, 2022 and 2021, the issued and paid capital of the Company amounting to ThUS\$1,000 divided in subscribed and paid shares of stock, is detailed as follows:

The shareholders are detailed as follows:

2020 Company	Subscribed Shares	Paid Shares	Subscribed Shares %	Paid Shares %
Nova Austral Spain S.L (Ex -Global Polaris S.L.U.)	44,733	44,733	99.998	99.998
Albain Holdco S.A.R.L.	1	1	0.002	0.002
Total	44,734	44,734	100.00	100.00

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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#### Note 19 - Equity (continued)

##### a) Issued and paid capital (continued)

As of December 31, 2022 and 2021, the subscribed and paid capital is detailed as follows:

Description	2022 ThUS\$	2021 ThUS\$
Subscribed and paid capital	1,000	1,000
Total	<u>1,000</u>	<u>1,000</u>

In 2022 and 2021, the following capital increases and reductions have been materialized:

- i) On September 24, 2021, Nova Austral S.A. purchased 48,602 shares of Piscicultura Tierra del Fuego S.A. from Compañía Salmonífera Dalcahue Ltda., in the amount of US\$3,799,922, which represents 99.99969% of all shares. In the same instrument, Comercial Austral S.A. purchased 1 share of Piscicultura Tierra del Fuego S.A. for US\$78, obtaining 0.00031% representation of the company.
- ii) On February 13, 2020, Nova Austral S.A. in conjunction with Trusal S.A. formed a new company named Salmones Porvenir SpA., in which both have a 50% stake, with a capital of US \$ 1,000 divided into one thousand registered shares of equal value and without par value, but with the control by Nova Austral S.A. in making strategic and operational decisions.
- iii) On February 7, 2019, Nova Austral S.A. acquires 199 shares of the company Pesquera Cabo Pilar S.A. for a price of ThUS\$5,871, at a rate of US\$29,500 per share. The foregoing represents 99.5% of the total shares of the purchased company. By the same legal instrument Comercial Austral S.A. acquired 1 share of Sociedad Pesquera Cabo Pilar S.A. for the value of US\$29,500 obtaining 0.5% of the company. The transaction was recorded as an acquisition of assets in accordance with IFRS 3, since the acquired assets consisted exclusively of concessions not authorized for commercial exploitation that were recorded as Intangibles other than Goodwill (see Note 12 b).
- iv) On August 21, 2018 the shareholders approved a capital reduction in the amount of US\$117,900 million and agreed to pay such reduction to the shareholders via the assignment and transfer of a portion of the claim against Albain Holdco S.á.r.l. for the amount of ThUS\$194,335 and a portion of the claim against Nova Austral Management Investment AS for the amount of ThUS\$10,664, thus resulting in a capital for the amount of ThUS\$1,000 divided in 44,734 shares.
- v) On March 14, 2018, the partners of Global Polaris S.L.U. agreed to change the legal name of the company to Nova Austral Spain S.L.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 19 - Equity (continued)

##### b) Retained earnings

In 2022 and 2021, movements in the retained earnings account are detailed as follows:

Description	2022 ThUS\$	2021 ThUS\$
Beginning balance	(136,041)	(78,881)
Gains for the year	(51,738)	(56,804)
Other comprehensive income loss of subsidiary interest	-	(356)
Ending balance	<u>(187,779)</u>	<u>(136,041)</u>

##### c) Other reserves

The movement during the years 2022 and 2021 is as follows:

Description	2022 ThUS\$	2021 ThUS\$
Beginning balance	-	(79)
Foreign Currency Translation subsidiary Pesquera Cabo Pilar S.A.	-	79
Ending balance	<u>-</u>	<u>-</u>

##### d) Non-controlling interests

Corresponds to the participation of minority investors in the equity of Comercial Austral S.A. equivalent to 0.46% in 2022 and 2021 of participation, to Piscicultura Tierra del Fuego S.A. equivalent to 0.00% in 2021 and 15.00% in 2020, to Pesquera Cabo Pilar S.A. equivalent to 0.5% in 2022 and 2021, and in Salmones Porvenir SpA equivalent to a 50% stake, according to the following detail:

Company	Non-Controlling					
	Participation		Equity		Income	
	2022 %	2021 %	2022 ThUS\$	2021 ThUS\$	2022 ThUS\$	2021 ThUS\$
Comercial Austral S.A.	0.46	0.46	10	8	2	29
Piscicultura Tierra del Fuego S.A.	0.00	0.00	-	-	-	(461)
Pesquera Cabo Pilar S.A.	0.50	0.50	(2)	(2)	-	-
Salmones Porvenir S.p.A	50.00	50.00	4,946	4,054	892	6,924
<b>Total</b>			<u>4,954</u>	<u>4,060</u>	<u>894</u>	<u>6,492</u>

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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#### Note 20 - Income from Operating Activities

Income from operating activities is detailed as follows:

<b>Income</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
Atlantic salmon	79,988	81,490
Smolt	3,100	3,365
Maquila service	4,152	4,762
Waste	731	317
Total	<u>87,971</u>	<u>89,934</u>

#### Note 21 - Costs of Sales

<b>Costs of Sales</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
Atlantic salmon	71,110	98,482
Smolt	3,451	2,749
Maquila service	5,746	5,535
Net realizable value	-	(5,866)
Total	<u>80,307</u>	<u>100,900</u>

#### Note 22 - Other Gains

This category is detailed as follows:

<b>Other Gains</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
Navarino Law 20% Bonus	<u>3,257</u>	<u>8,038</u>
Total	<u>3,257</u>	<u>8,038</u>



## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 23 - Other Revenue (Expenses) by Function

This category is detailed as follows:

<b>Other Expenses by Function</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
Early Harvest - Skyring 2 Center	(10,339)	-
Recovery of insurance	1,865	1,292
Extraordinary mortality and others	(5,373)	(168)
Expenses of unauthorized and resting centers	(10,990)	(3,229)
Expenses for claims, losses, others	-	(4,601)
Write-offs of fixed assets	(467)	321
Inventory write-offs	51	(1,386)
Other non-operating revenue (expenses)	398	110
Total expenses	<u>(24,855)</u>	<u>(7,661)</u>

#### Note 24 - Administrative and Distribution Expenses

These categories are detailed as follows:

##### 1) Distribution Expenses

	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
Export freights	5,628	6,466
Domestic freight	1,930	2,361
Shipping expenses	65	82
Cold storage services	464	499
Commission	2	160
Other expenses	654	172
Total	<u>8,743</u>	<u>9,740</u>

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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#### Note 24 - Administrative and Distribution Expenses (continued)

##### 1) Distribution Expenses (continued)

	2022 ThUS\$	2021 ThUS\$
Personnel expenses	4,199	3,834
Lease and patents	390	441
Outsourced services	1,406	1,454
Legal services	328	277
Lease obligation expenses	35	427
Other administrative expenses	1,270	1,689
Total	<u>7,628</u>	<u>8,122</u>

#### Note 25 - Finance Expenses and Finance Income

This category is detailed as follows:

##### 1) Finance Expenses

	2022 ThUS\$	2021 ThUS\$
Interest expense, bank loans	5,699	4,484
Bond interest	43,970	39,286
Suppliers interest	1,320	626
Expenses for lease obligations	44	56
Other finance expenses	496	1,092
Total	<u>51,529</u>	<u>45,544</u>

##### 2) Finance Income

	2022 ThUS\$	2021 ThUS\$
Loan interest to related company	7,253	8,604
Other	40	40
Total	<u>7,293</u>	<u>8,644</u>

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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#### Note 26 - Foreign Currency Translation

This category is detailed as follows:

##### (Charges)/Credits to Assets

	<u>(Change) / Credit</u>	
	<u>2022</u>	<u>2021</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
Accounts receivable	(5,322)	(772)
Other assets	479	-
Total assets	<u>(4,843)</u>	<u>(772)</u>

##### (Charges)/Credits to Liabilities

	<u>(Change) / Credit</u>	
	<u>2022</u>	<u>2021</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
Suppliers	2,860	170
Other liabilities	2,200	1,076
Total liabilities	<u>5,060</u>	<u>1,246</u>
Total foreign currency translation	<u>217</u>	<u>474</u>

#### Note 27 - Business Evolution (Non Audited)

The production of antibiotic-free salmon (Nova Austral's critical competitive advantage) has continued in 2022 and will remain Nova Austral's objective in the future. In 2022, the aquamarine fattening centers and the Nova Austral processing plant operated normally, with an emphasis on the continuous improvement of quality standards. Due to this, the BAP and ASC certifications were obtained for the fattening and harvesting centers in 2022.

Despite a reduced harvest in 2022, Nova Austral has supplied its customers without interruption. In 2022, Nova Austral completed sowing in all its aquamarine centers. Consequently, it is expected to have harvests every month of 2023. Nova Austral also expects to complete sowing in all its fattening centers with self-produced smolts in 2023, which will be harvested in 2024 and early 2025. Regarding ongoing litigation detailed in Note 28, (due to events that occurred in 2019 under the previous Management), the Company's external legal counsel estimates their results to be uncertain. Therefore, these financial statements do not include any provisions for them.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 27 - Business Evolution (Non Audited) (continued)

From a financial point of view, at the end of the 2022 fiscal year, the Company had an equity deficit of USD 188 million, due to losses over the last three years (USD 52 million in 2022, USD 51 million in 2021 and USD 81 million in 2020). To resolve this situation, in 2022, Nova Austral had the support of its Shareholders, from whom it received USD16.7 million (between January and October 2022). This capital contribution allowed the Company to offset part of the negative operating cash flow for the year 2022. To finance its future operations and cash flows for the year 2023, the Company has conducted a corporate restructuring through which its current shareholders will cede control to the Company's bondholders. Through this restructuring process, it is expected to receive additional USD 20 million during the first half of 2023 from the new Shareholders.

#### Note 28 - Contingencies and Liens

##### a) Current Liens

As of this date, the following guarantees constituted by the Company in favor of the persons indicated in each case are in force:

##### Mortgage on aquaculture concessions

Concession	Type of Lien
Aracena 1	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Aracena 2	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Aracena 3	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Aracena 4	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Aracena 5	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Aracena 6	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Aracena 7-11	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### Note 28 - Contingencies and Liens (continued)

##### a) Current liens (continued)

##### Mortgage on aquaculture concessions (continued)

Concession	Type of Lien
Aracena 8	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Aracena 9	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Aracena 10	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Aracena 12	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Aracena 13	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Aracena 14	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Aracena 15	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Aracena 19	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Bahía Escondida	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Cockburn 3	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Cockburn 13	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Cockburn 14	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Cockburn 23	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020

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#### Note 28 - Contingencies and Liens (continued)

##### a) Current liens (continued)

##### Mortgage on aquaculture concessions (continued)

Concession	Type of Lien
Mercedes	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Puerto Bories	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Puerto Consuelo	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Puerto Demaistre	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Puerto Prat	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Puerto Riquelme	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Punta Cuervos	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020
Spiteful	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.372-2020

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#### Note 28 - Contingencies and Liens (continued)

##### a) Current liens (continued)

##### Mortgage on Marine Equipment

Marine Equipment	Type of Lien
"Alimentador Magallanes I"	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.373-2020
"Alimentador Magallanes II"	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.373-2020
"Alimentador Magallanes III"	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.373-2020
"Alimentador Magallanes IV"	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.373-2020
"Alimentador Magallanes V"	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.373-2020
"Alimentador Magallanes VI"	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.373-2020
"Magallanes Siete"	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.373-2020
"Magallanes Ocho"	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.373-2020
"Magallanes Nueve"	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.373-2020
"Magallanes Diez"	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel, and recorded under repertoire number 8.373-2020

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

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#### Note 28 - Contingencies and Liens (continued)

##### a) Current liens (continued)

#### Non-possessory pledge pursuant to Law No. 20.190, on Assets

Assets	Type of Lien
All the Machinery and Equipment of the Porvenir Process Plant, located in Avenida Santa María n/n.	Nonpossessory pledge on behalf of Nordic Trustee ASA granted by public deed dated October 8, 2020, at the Santiago Notary of Mr. Roberto Antonio Cifuentes Allel and recorded under repertoire number 8.369-2020.

#### Non-possessory pledge pursuant to Law No. 20.190, on Biomass

Biomass	Type of Lien
All biomass located in the farm sites in Aracena 10, Aracena 1, Aracena 12, Aracena 14, Aracena 15, Aracena 19, Aracena 4, Aracena 5, Aracena 6, Cockburn 13, Cockburn 14 and Cockburn 23.	Non-possessory pledge in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Eduardo Avello Concha, and recorded under repertoire number 8.368-2020.
All biomass located in the farm sites Aracena 13, Aracena 3, Aracena 9, Aracena 11, Aracena 2, Aracena 8, Puerto Bories, Punta Cuervo, Puerto Pratt, Consuelo, Spiteful, Riquelme, Demistre, Escondida, Mercedes and Cockburn 3	Nonpossessory pledge on behalf of Nordic Trustee ASA granted by public deed dated October 8, 2020, at the Santiago Notary of Mr. Roberto Antonio Cifuentes Allel and recorded under repertoire number 8.367-2020.
The total fish population and those that will be incorporated at the farm site Cockburn 3.	Nonpossessory pledge on behalf of Ewos Chile Alimentos Limitada granted by public deed dated February 7, 2022, at the Santiago Notary of Mr. Francisco Javier Leiva Carvajal and recorded under repertoire number 1.455-2022.
All present and future biomass located in the aquaculture centers Cockburn 13, Aracena 9 and Aracena 2.	Nonpossessory pledge granted by public deed dated March 3, 2023, at the Santiago Notary of Mr. Roberto Antonio Cifuentes Allel on behalf of Comercializadora Nutreco Chile Limitada, which was recorded under number 1,455-2022.



## NOVA AUSTRAL S.A. AND SUBSIDIARIES

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#### Note 28 - Contingencies and Liens (continued)

##### a) Current Liens (continued)

##### Mortgage on Real Estate

Real Estate Property	Type of Lien
Porvenir Processing Plant domiciled at Avenida Santa María no number, with a surface area of 891.50 m <sup>2</sup> .	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of July 24, 2017, granted at the Office of the Notary Public in Santiago Mr. Eduardo Avello Concha, registration number 25.035- 2017.
Property located at Alberto Fuentes w/Avenida Santa María, city of Porvenir, with a surface of 9,820 m <sup>2</sup> .	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of July 24, 2017, granted at the Office of the Notary Public in Santiago Mr. Eduardo Avello Concha, registration number 25.035- 2017.
Property called Lote Uno, with a surface of 20,050.20 m <sup>2</sup> .	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of July 24, 2017, granted at the Office of the Notary Public in Santiago Mr. Eduardo Avello Concha, registration number 25.035- 2017
Property called Lote Dos, with a surface of 20,050.20 m <sup>2</sup> .	Mortgage in favor of Nordic Trustee ASA executed by means of a public deed of July 24, 2017, granted at the Office of the Notary Public in Santiago Mr. Eduardo Avello Concha, registration number 25.035- 2017.

Real Estate Property	Type of Lien
Property called Lote 24 D, located in Porvenir, in the Region of Magallanes and Chilean Antarctic kilometer 42, route Y-65 with a Surface of 39.15 hectares approximately, recorded on page 258, number 413 of the Property Register of the Real Estate Commission Administrator of year 2017 in Tierra del Fuego.	Mortgage in favor of DNB Bank ASA, as the Guarantee Agent, executed by means of a public deed of May 23, 2018, granted at the Office of the Notary Public in Santiago Mr. Eduardo Avello Concha, registration number 15.553-2018.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

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#### Note 28 - Contingencies and Liens (continued)

##### a) Current Liens (continued)

##### Mortgage on Real Estate (continued)

Water use Rights	Type of Lien
Consumptive right of use of surface and flowing waters that may be exercised on a permanent and continuous basis, i.e., 150 liters of water per second from Chorrillo or Rogers Rivers in Tierra del Fuego Province. Such right is recorded on page 7, number 8, of the Water Rights Register of the Real Estate Commission Administrator of year 2017 in Tierra del Fuego	Mortgage in favor of DNB Bank ASA, as the Guarantee Agent, executed by means of a public deed of May 23, 2018, granted at the Office of the Notary Public in Santiago Mr. Eduardo Avello Concha, registration number 15.553-2018.

##### Non-possessory pledge pursuant to Law No. 20.190, on Shares

Shares	Type of Lien
2,162 shares issued by Comercial Austral S.A. and owned by the Company.	Non-possessory pledge in favor of Nordic Trustee ASA executed by means of a public deed of October 8, 2020, granted at the Office of the Notary Public in Santiago Mr. Roberto Antonio Cifuentes Allel and recorded under repertoire number 8.365-2020.
500 Series A Shares issued by Salmenes Porvenir SpA and owned by the Company	Nonpossessory pledge on behalf of Nordic Trustee ASA granted by public deed dated October 8, 2020, at the Santiago Notary of Mr. Roberto Antonio Cifuentes Allel and recorded under repertoire number 8.366-2020.
29,687 shares issued by Piscicultura Tierra del Fuego S.A. and owned by the Company and Comercial Austral S.A.	Non-possessory pledge on behalf of DNB Bank ASA granted by public deed dated May 23, 2018, at the Santiago Notary of Mr. Roberto Antonio Cifuentes Allel and recorded under repertoire number 15,555-2018. This pledge was also modified by public deed on September 16, 2021, granted at this same Notary office, under repertoire number 14,737-2021, to modify the owners of the pledged shares, as a result of the divestiture by Salmonifera Dalcahue Limitada of shares in said company, Piscicultura Tierra del Fuego S.A.
199,332 shares issued by Piscicultura Tierra del Fuego S.A. and owned by the Company	Non-possessory pledge on behalf of DNB Bank ASA granted by public deed dated September 16, 2021, at the Santiago Notary of Mr. Roberto Antonio Cifuentes Allel and recorded under repertoire number 14,737-2021, corrected by public deed granted at this same Notary office on December 15, 2021, under repertoire number 19,164-2021.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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#### Note 28 - Contingencies and Liens (continued)

##### a) Current Liens (continued)

##### Non-possessory pledge pursuant to Law No. 20.190, on Shares (continued)

##### Bond and Solidarity co-debt

<b>Warranty</b>	<b>Type of Lien</b>
Bail and joint co-debtor in accordance with article 1,511 and following of the Civil Code, without limitation of amount.	Bond and joint and several co-debtor constituted in favor of Nordic Trustee ASA constituted by public deed dated July 24, 2017, granted at the Santiago Notary by Mr. Eduardo Avello Concha, under repertoire number 25.039-2017, referred to Comercial Austral as joint co-debtor in the debt held by its parent company Nova Austral S.A.

  

<b>Money</b>	<b>Type of Lien</b>
Money deposited in checking accounts of BCI, Santander and Banco Estado banks.	Non possessory pledge on behalf of Nordic Trustee ASA granted by public deed dated October 8, 2020, at the Santiago Notary of Mr. Roberto Antonio Cifuentes Allel and recorded under repertoire number 8.370-2020. Notwithstanding the prohibition to encumber and dispose according to this clause, as long as the guaranteed obligations have not been declared due or due in advance by virtue of the Agreement between the Creditors and the guarantors Nova Austral S.A. and Comercial Austral S.A., the guarantors will be expressly authorized to operate the Bank Accounts and make use of the pledged funds freely, in the ordinary course of their business, without informing, giving notice or requesting any authorization from the Guarantee Agent.

  

<b>Money</b>	<b>Type of Lien</b>
Cash deposited in the Piscicultura Tierra del Fuego S.A. Company's checking accounts in DNB bank.	Non-possessory pledge in favor of DNB Bank ASA, as the Guarantee Agent, executed by means of a public deed of May 23, 2018, granted at the Office of the Notary Public in Santiago Mr. Eduardo Avello Concha, registration number 15.556-2018.

  

<b>Future PPE</b>	<b>Type of Lien n</b>
Property and equipment intended to be part of an aquaculture system for water recirculation to be acquired by the Company under a contract dated March 16, 2018, executed with a foreign company called Billund Aquakulturservice A/S Property.	Non-possessory pledge in favor of DNB Bank ASA, as the Guarantee Agent, executed by means of a public deed of May 23, 2018, granted at the Office of the Notary Public in Santiago Mr. Eduardo Avello Concha, registration number 15.557-2018.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

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#### Note 28 - Contingencies and Liens (continued)

##### a) Current Liens (continued)

##### Non-possessory pledge on money under Law No. 20.190 (continued)

Future Biomass	Type of Lien
All future biomass (eggs, fry and smolts) of salmon species that will be sown, developed and harvested at the Aquaculture Plant owned by the Company.	Non-possessory pledge on behalf of DNB Bank ASA, as the Guarantee Agent, executed by public deed dated May 23, 2018, which was granted at the Santiago Notary Public's Office of Mr. Eduardo Avello Concha, recorded under number 15.559-2018.
Rights in Contract	Type of Lien
Rights in an Atlantic salmon smolt supply and production agreement, the <i>Smolt Production and Supply Master Agreement</i> , executed by the Company and Nova Austral S.A.	Non-possessory pledge on behalf of DNB Bank ASA, as the Guarantee Agent, executed by public deed dated May 23, 2018, which was granted at the Santiago Notary Public's Office of Mr. Eduardo Avello Concha, recorded under number 15.571-2018.

##### b) Ongoing litigation

As part of the normal course of business, the Company is involved in certain litigation and legal matters. Among others, the Company has been notified and/or is a party to the following trials:

##### Nova Austral S.A.

##### Tax procedures

##### a) Settlements N ° 1 to 26 issued by the SII

On July 30, 2020, the Directorate of Large Taxpayers ("DGC") of the SII issued summons No. 56. Through it, the SII reviewed Nova Austral's monthly VAT returns for the periods from July 2017 to December 2019 (30 months).

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

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#### **Note 28 - Contingencies and Liens (continued)**

##### **b) Ongoing litigation (continued)**

###### **Nova Austral S.A. (continued)**

###### **Tax procedures (continued)**

##### **b) Settlements N ° 1 to 26 issued by the SII (continued)**

According to summons No. 56, Nova Austral used a greater VAT tax credit than due, which resulted in lower payment of VAT during the periods reviewed. The foregoing is based on the provisions of Law No. 18.392 ("Navarino Law"), -applicable to Nova Austral as a taxpayer domiciled in a preferential area-, which grants VAT exemptions to purchases made by Nova Austral from suppliers located outside the territory of the benefit.

Summons No. 56 requires Nova Austral to submit supporting information on the accuracy of VAT returns and the correct determination of the tax, based on the VAT tax credit and debit declared in the challenged periods.

On August 14, 2020, Nova Austral requested one extra month to respond to summons No. 56, which was granted by the SII. The response was submitted on October 2, 2020. Subsequently, on December 28, a complement to this response was submitted, including additional information.

On January 11, 2021, the SII issued Settlements No. 1 to 26 accepting the use of ThUS \$ 6,018 (ThCLP \$ 5,150,266) as a VAT tax credit. Accordingly, a difference of ThUS \$ 11,338 (ThCLP \$ 9,703,598) was charged as outstanding VAT, which leads to a total outstanding VAT balance of ThUS \$ 24,195 (ThCLP \$ 20,707,749), as a result of the application of legal readjustments.

Later, on July 8, 2021, Nova Austral filed a Hierarchical Appeal against the SII Resolution, which was not resolved by the SII within the term established for this purpose.

For this reason, Nova Austral filed a tax claim against Settlements No. 1 to 26 before the Tax and Customs Court of the Magellan and Chilean Antarctica Region. On October 20 2021, the court declared the claim admissible and granted the SII a period to respond. The SII submitted its response on November 11, 2021.

Currently, this court case is in the evidentiary stage. Some evidences are still to be rendered.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

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### **Note 28 - Contingencies and Liens (continued)**

#### **b) Ongoing litigation (continued)**

##### **Nova Austral S.A. (continued)**

#### **i) Proceedings initiated by the National Fisheries and Aquaculture Service (“Sernapesca”) against Nova Austral**

##### **a) Case C-24-2019 filed before the Civil and Criminal Court of First Instance of Porvenir**

On July 11, 2019, Sernapesca filed a claim against Nova Austral before the Civil and Criminal Court of First Instance of Porvenir requesting payment of a fine between 50 and 3,000 Monthly Tax Units for alleged breach of Article 86 of the Fisheries Law and articles 32B and 32C of the Regulation on Measures for the Protection, Control and Eradication of High-Risk Diseases in Hydrobiological Species. The claim was based on the fact that during a transport of a salmon harvest from the Cockburn 3 Salmon Farm, there was a blood runoff from the transporting barge.

Nova Austral submitted its response on September 30, 2021. A Response and Conciliation Hearing has been set for April 27, 2023.

Given the current procedural status of this trial, to date it is not possible to estimate a probability of payment.

##### **b) Case C-351-2020 filed before the Second Civil Court of First Instance of Punta Arenas**

On February 19, 2020, Sernapesca filed a claim against Nova Austral before the Second Civil Court of First Instance of Punta Arenas, based on an alleged breach of the Fisheries Law related to the daily extraction of dead salmon from the Cockburn 3 aquaculture farm.

On February 13, 2023, the Court declared itself incompetent to continue hearing the case. The procedure is finished.

## NOVA AUSTRAL S.A. AND SUBSIDIARIES

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#### Note 28 - Contingencies and Liens (continued)

##### b) Ongoing litigation (continued)

###### Nova Austral S.A. (continued)

##### i) Proceedings initiated by the National Fisheries and Aquaculture Service (“Sernapesca”) against Nova Austral (continued)

##### c) Environmental damage claim filed by the State Defense Council against Nova Austral S.A.

Environmental damage claim No. D-7-2022, filed before the Third Environmental Court, for alleged damage on the seabed, fauna and water column surrounding the Cockburn 14, Cockburn 23, Aracena 10 and Aracena 14 aquaculture centers.

On November 4, 2022, the Chilean State Defense Council (“CDE”) filed a lawsuit before the Third Environmental Court based in Valdivia on behalf of the State of Chile for environmental damage against Nova Austral.

The lawsuit is based on the same environmental breaches for which the Chilean Environmental Agency applied a fine to the Aracena 14 center, and revoked the Environmental Qualification Resolutions (permits) of the Cockburn 14, Cockburn 23 and Aracena 10 centers in sanctioning procedures D- 091-2019, D-093-2019, D-094-2019 and D-143-2021.

As described in the claim, the infractions consisted of an overproduction of salmon that would have led to an anoxic (no oxygen) environment in the water column and the seabed within a maritime area protected in the Alberto de Agostini National Park, in addition to an artificial alteration of the seabed in the Aracena 14 center aimed at hiding the effects of the overproduction.

As an objective of this lawsuit, the State Defense Council has requested the Environmental Court to impose the following environmental reparation measures on Nova Austral:

- i) Closure of the activities of the Cockburn 14, Cockburn 23, Aracena 10 and Aracena 14 aquaculture centers;
- ii) The preparation –at the expense of Nova Austral- of an environmental diagnostic study in the areas affected by the alleged environmental damage, specially, its scope and term;
- iii) The preparation and execution of an Environmental Mitigation, Recovery and Compensation Plan, based on the aforementioned environmental study, in order to restore the basic properties of the damaged components. If this is not possible, mitigating the damages as far as possible;

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

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#### **Note 28 - Contingencies and Liens (continued)**

##### **b) Ongoing litigation (continued)**

###### **Nova Austral S.A. (continued)**

##### **i) Proceedings initiated by the National Fisheries and Aquaculture Service (“Sernapesca”) against Nova Austral (continued)**

##### **c) Environmental damage claim filed by the State Defense Council against Nova Austral S.A. (continued)**

As an objective of this lawsuit, the State Defense Council has requested the Environmental Court to impose the following environmental reparation measures on Nova Austral: (continued)

- iv) The preparation of a plan for dissemination and enhancement of the measures, plans and studies described above, through an online digital platform, which also reports on compliance with them and their progress, among other information;
- v) Any other measure eventually determined by the Court; and
- vi) Pay the costs of the procedure.

On November 9, 2022, the Environmental Court declared the claim admissible.

On January 23, 2023, the claim was notified to Nova Austral.

On February 6, 2023, the claim was responded by Nova Austral.

Given the current procedural status of this trial, to date it is not possible to estimate a probability of payment.



## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

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#### **Note 28 - Contingencies and Liens (continued)**

##### **b) Ongoing litigation (continued)**

###### **Nova Austral S.A. (continued)**

###### **Environmental procedures**

###### **i) Proceedings initiated by the National Fisheries and Aquaculture Service (“Sernapesca”) against Nova Austral (continued)**

###### **c) Environmental damage claim filed by the State Defense Council against Nova Austral S.A. (continued)**

Complaint for alleged breach of the Fishing Law committed in the Aracena 9 aquaculture center:

On October 29, 2019, Nova Austral was notified a complaint by Sernapesca for alleged breach of articles 63 and 113 of the Fisheries Law; articles 6, 7, 8 and 15 of Supreme Decree 129 of 2013; and article 2 of Supreme Decree 319 of 2001.

The complaint has not yet been submitted to the competent court, therefore, it is not possible to estimate a probability of payment.

On August 19, 2019, the SMA initiated the following sanctioning procedures against Nova Austral:

###### **d) Procedure D-091-2019 (Aracena 10)**

Through Exempt Resolution No. 1 / D-091-2019 dated August 19, 2019, the SMA filed the following charges against Nova Austral, as the owner of the Aracena 10 salmon farm:

###### **i) Inadequate waste management**

During Sernapesca technical personnel’s inspections to Aracena 10, several parts of farming structures from previous production cycles were found on the seabed. This breach was estimated by the SMA as minor. Currently, Nova Austral is executing a Compliance Program. If this program is completed satisfactorily, the sanctioning procedure will come to an end without any penalties.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

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### **Note 28 - Contingencies and Liens (continued)**

#### **b) Ongoing litigation (continued)**

##### **Nova Austral S.A. (continued)**

##### **Environmental procedures (continued)**

#### **i) Proceedings initiated by the National Fisheries and Aquaculture Service (“Sernapesca”) against Nova Austral (continued)**

##### **d) Procedure D-091-2019 (Aracena 10) (continued)**

##### **ii) Overproduction**

During the 2016-2017 production cycle, Nova Austral allegedly exceeded the maximum levels of production authorized by Environmental Qualification Resolution No. 71/2003 (“RCA 71/2003”) for the Aracena 10 aquaculture center.

This breach was classified by the SMA as serious, considering the alleged concurrence of the circumstances established in letters “a”, “d” and “i” of number 2 of article 36 of Law 20,147 that establishes the Organic Law of the Superintendency of the Environment (“LO-SMA”).

As a result of this sanctioning procedure, on July 6, 2022, the SMA imposed as sanction for overproduction the revocation of the Environmental Qualification Resolution of Aracena 10. On July 27, 2022, Nova Austral filed a claim before the Third Environmental Court, which is in process and awaiting judgment.

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#### **Note 28 - Contingencies and Liens (continued)**

##### **b) Ongoing litigation (continued)**

###### **Nova Austral S.A. (continued)**

###### **Environmental procedures (continued)**

###### **ii) Sanctioning procedures initiated by the Superintendency of the Environment (“SMA”) against Nova Austral**

###### **a) Procedure D-093-2019 (Cockburn 14):**

Through Exempt Resolution No. 1 / D-093-2019 dated August 19, 2019, the SMA filed charges against Nova Austral, as the owner of the Cockburn 14 salmon fattening center, for allegedly exceeding the maximum level of production authorized by Environmental Qualification Resolution No. 54/2010 (“RCA 54/2010”) during the 2015-2017 production cycle.

According to the SMA, this breach was serious, given the alleged concurrence of the circumstances established in letters “a”, “d” and “i” of number 2 of article 36 of the LO-SMA.

In August 2021, some background information was submitted by Nova Austral to the procedure (reports and measurements requested by the SMA). The SMA granted Nova Austral a period to present observations on the background information added, which was done in September 2021.

As a result of this sanctioning procedure, on July 6, 2022, the SMA imposed as sanction the revocation of the Environmental Qualification Resolution of Cockburn 14. On July 27, 2022, Nova Austral filed a claim before the Third Environmental Court, which is in process and awaiting judgment.

###### **b) Procedure D-094-2019 (Cockburn 23):**

Through Exempt Resolution No. 1 / D-094-2019 dated August 19, 2019, the SMA filed charges against Nova Austral, as owner of the Cockburn 23 salmon fattening center, for allegedly exceeding the maximum level of production authorized by Environmental Qualification Resolution No. 78/2010 (“RCA 78/2010”) during the 2016-2017 production cycle,

According to the SMA, this breach was serious, given the alleged concurrence of the circumstances established in letters “a”, “d” and “i” of number 2 of article 36 of the LO-SMA.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

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(Translation of Consolidated Financial Statements originally issued in Spanish - See Note 2b)

#### **Note 28 - Contingencies and Liens (continued)**

##### **b) Ongoing litigation (continued)**

###### **Nova Austral S.A. (continued)**

###### **Environmental procedures (continued)**

###### **ii) Sanctioning procedures initiated by the Superintendency of the Environment (“SMA”) against Nova Austral (continued)**

###### **b) Procedure D-094-2019 (Cockburn 23) (continued)**

In August 2021, some background information was submitted by Nova Austral to the procedure (reports and measurements requested by the SMA). The SMA granted Nova Austral a period to present observations on the background information added, which was done in September 2021.

As a result of this sanctioning procedure, on July 6, 2022, the SMA imposed as sanction the revocation of the Environmental Qualification Resolution of Cockburn 23. On July 27, 2022, Nova Austral filed a claim before the Third Environmental Court, which is in process and awaiting judgment.

###### **c) Procedure D-100-2019 (Aracena 19)**

Through Exempt Resolution No. 1 / D-100-2019 dated August 19, 2019, the SMA filed the following charges against Nova Austral, as the owner of the Aracena 19 salmon fattening center (“CES Aracena 19”):

- i) Inadequate management of dead salmon at CES Aracena 19 during the 2013-2015 and 2016-2018 production cycles. This beach was considered as minor by the SMA.
- ii) Inadequate solid waste management (household-like garbage collection in big bags used for salmon feed transport, storage of these big bags in the center after use, storage of disused materials on the platform and storage of rafts decommissioned from other centers. This beach was considered as minor by the SMA.
- iii) Opening of a silage platform in the security parapet. This beach was considered as minor by the SMA.
- iv) Breach of preventive measures established in the Company's contingency plans. This beach was considered as minor by the SMA.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

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#### **Note 28 - Contingencies and Liens (continued)**

##### **b) Ongoing litigation (continued)**

###### **Nova Austral S.A. (continued)**

###### **Environmental procedures (continued)**

##### **ii) Sanctioning procedures initiated by the Superintendency of the Environment (“SMA”) against Nova Austral (continued)**

###### **c) Procedure D-100-2019 (Aracena 19) (continued)**

- v) Failure to deliver information: The SMA alleged that Nova Austral refused to send the daily control log of dead salmon subjected to silage at the CES Aracena 19 for the 2016-2018 production cycle, although such information had been by the Company. This breach considered as very serious by the SMA, for alleged concurrence of the circumstances established in letters “d” and “e” of number 1 of article 36 of the LO-SMA.

On September 6, 2021, the SMA fined Nova Austral for 1,941.2 Monthly Tax Units. On September 27, 2021, Nova Austral filed a claim in appeal before the Third Environmental Court, challenging the fine imposed. This appeal proceeding is still in process.

###### **d) Procedure D-143-2021 (Aracena 14):**

Through Exempt Resolution No. 1/ D-143-2021 dated July 1, 2021, the SMA filed charges against Nova Austral, as owner of the Aracena 14 salmon fattening center (“CES Aracena 14”), for alleged artificial alteration of the water column and seabed, including hiding of sediment, under the cage raft area between March and June 2019, without the corresponding authorization, which was confirmed by the SMA (anaerobic testing results).

This breach considered as very serious by the SMA, for alleged concurrence of the circumstances established in letters “d” and “e” of number 1 and letters “a” and “i” of number 2 of article 36 of the LO-SMA.

On July 6, 2022, the SMA fined Nova Austral at 1,300 Annual Tax Units. On July 27, 2022, Nova Austral filed a claim against this resolution before the Third Environmental Court, which is pending judgment.

Given the current procedural status of these proceedings, to date it is not possible to estimate a probability of payment.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

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#### **Note 28 - Contingencies and Liens (continued)**

##### **b) Ongoing litigation (continued)**

###### **Nova Austral S.A. (continued)**

###### **Environmental procedures (continued)**

##### **iii) Criminal investigation conducted by the Public Prosecutor against Nova Austral S.A.**

- a) Case 2010021453-K of the Local Prosecutor's Office of Punta Arenas and the Criminal Court of First Instance of Porvenir for fraud on subsidies and water pollution

On July 5, 2019, the Punta Arenas Prosecutor's Office initiated an investigation against Nova Austral S.A. and all those who are responsible for alleged crimes of fraud on subsidies, document falsification, tax criminal offenses and criminal offenses provided for in the Fisheries Law. This investigation commenced after a report published by the newspaper "El Mostrador".

As a result of this investigation, the following criminal cases were initiated: (i) Case 1900711979-0, for alleged fraud on subsidies, sanctioned by article 470 No. 8 of the Chilean Criminal Code; and (ii) Case 1901089225-5, for alleged water pollution, sanctioned by article 136 of the Fisheries Law. Subsequently, on July 12, 2019, Sernapesca filed a claim for the same events, which was grouped into the ongoing investigations.

On April 24, 2020, the State Defense Council (hereinafter "CDE") filed a criminal claim for alleged fraud on subsidies against four former Nova Austral employees (Nicos Nicolaidis, Drago Covacich, Arturo Schofield and Rigoberto Garrido), and one employee in office (Isaac Ollivet-Besson). This claim led to criminal investigation 2010021453-K. Subsequently, on June 1, 2020, the CDE added to this case the alleged crime of water pollution, based on the same events investigated by the Public Prosecutor.

On July 3, 2020, the Criminal Court of Porvenir accepted the request for grouping the Prosecutor's investigations, consequently, only investigation 2010021453-K, remains for both crimes.

The events investigated consist of: (i) the alleged introduction of sand into the seabed under Nova Austral farming centers to force them to produce the necessary aerobic conditions to obtain authorizations for development of new farming cycles; and (ii) alleged fraud in requesting benefits under the "Navarino" Law through delivery of false records of salmon sowing, harvesting and mortality in several aquaculture centers of Nova Austral.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

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#### **Note 28 - Contingencies and Liens (continued)**

##### **b) Ongoing litigation (continued)**

###### **Nova Austral S.A. (continued)**

###### **Environmental procedures (continued)**

##### **iii) Criminal investigation conducted by the Public Prosecutor against Nova Austral S.A. (continued)**

- a) Case 2010021453-K of the Local Prosecutor's Office of Punta Arenas and the Criminal Court of First Instance of Porvenir for fraud on subsidies and water pollution (continued)

To date, the Criminal Court of First Instance of Porvenir has granted the following precautionary measures on Nova Austral assets, at the request of the CDE:

- On May 22, 2020, the Court ordered withholding of Nova Austral's bonuses corresponding to the commercial period September to December 2019 granted under the Navarino Law, which were pending payment by the Regional Treasury of the Magellan Region. These bonuses total ThUS \$ (8,124) (ThCLP \$ 6,953,429).
- On July 9, 2020, the Court ordered lien on Nova Austral's real property located in the Magellan Region.
- On March 22, 2022, the Public Prosecutor formalized a criminal investigation for water pollution against Nova Austral before the Criminal Court of Porvenir. The Prosecutor also formalized a criminal investigation against the individuals involved in the fraud on subsidies and water pollution who worked for the Company (currently and in the past). The Court granted a 5-month period to conclude the investigation, which may be extended at the request of the Public Prosecutor.
- On May 14, 2022, the "ATAP" indigenous community, represented by its president, Ms. Haydee Del Carneb Águila Caro and the Kawésqar community "Grupos Familiares Nómades del Mar", represented by its president, Ms. Leticia Isabel Caro Kogler, filed a claim for the criminal offense of water pollution, sanctioned in article 136 of the Fisheries Law, including degradation of the sea bed, water contamination and loss of biodiversity (derived from sowing of fingerlings), against Arturo Schofield Muga, Drago Covacich Mckay, Nicos Nicolaides Bussiemi, Rigoberto Garrido Arriagada, Isaac Aaron Ollivet-Besson Osorio and the legal person Nova Austral S.A.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

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### **Note 28 - Contingencies and Liens (continued)**

#### **b) Ongoing litigation (continued)**

##### **Nova Austral S.A. (continued)**

##### **Environmental procedures (continued)**

#### **iii) Criminal investigation conducted by the Public Prosecutor against Nova Austral S.A. (continued)**

- a) Case 2010021453-K of the Local Prosecutor's Office of Punta Arenas and the Criminal Court of First Instance of Porvenir for fraud on subsidies and water pollution (continued)

To date, the Criminal Court of First Instance of Porvenir has granted the following precautionary measures on Nova Austral assets, at the request of the CDE: (continued)

- On May 16, 2022, the complaint was declared admissible and assigned case number 150-2020 in the Criminal Court of First Instance of Porvenir.
  - On August 30, 2022, a hearing was held to increase the term of the investigation, which was extended for 4 more months.
  - On August 30, 2022, a hearing was held to increase the term of the investigation, which was extended for 5 more months.
  - Currently the case and the investigation term are in progress.
  - Given the current procedural status of this proceeding, to date it is not possible to estimate a probability of payment.
- a) **Charges against Nova Austral, owner of the Aracena 12 salmon fattening center, for having exceeded the maximum authorized production levels.**

Accusation of exceeding the maximum production levels authorized by Environmental Qualification Resolution No. 120/2003 in the Aracena 13 aquaculture center during the 2019-2021 production cycle.

This infringement was qualified as serious by the SMA. On March 17, 2023, Nova Austral submitted an environmental compliance program to the SMA.

To date, this case is pending decision by the SMA.



## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

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#### **Note 28 - Contingencies and Liens (continued)**

##### **b) Ongoing litigation (continued)**

###### **Nova Austral S.A. (continued)**

###### **Environmental procedures (continued)**

##### **iii) Criminal investigation conducted by the Public Prosecutor against Nova Austral S.A. (continued)**

##### **b) Charges against Nova Austral, owner of the Aracena 1 salmon fattening center, for having exceeded the maximum authorized production levels.**

Accusation of exceeding the maximum production levels authorized by Environmental Qualification Resolution No. 22/2001 in the Aracena 1 aquaculture center during the 2019-2021 production cycle.

This infringement was qualified as serious by the SMA. Nova Austral submitted an environmental compliance program.

To date, this case is pending decision by the SMA.

##### **b) Cabo Pilar**

###### **a) Case C-4-2019 filed before the Court of First Instance and Guarantee of Cabo de Hornos**

On July 12, 2019, Sernapesca filed a complaint with the Cabo de Hornos Court of Letters and Guarantee against Cabo Pilar, requesting that the latter be ordered to pay a fine of between 3 to 300 Monthly Tax Units, founded in which during 2 inspections carried out by the Maritime Authority of Puerto Williams, the installation and realization of physical works was detected in the aquaculture concessions called Picton 1, Picton 2 and Picton 3 owned by Cabo Pilar, which were subject to a precautionary measure and consequently a total suspension of its operations.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

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#### **Note 28 - Contingencies and Liens (continued)**

##### **b) Current trials (continued)**

###### **Nova Austral S.A. (continued)**

##### **ii) Penalty procedures initiated by the Superintendency of the Environment (“SMA”) against Nova Austral (continued)**

###### **Investigation carried out by the Public Ministry against Nova Austral S.A. (continued)**

###### **b) Cabo Pilar (continued)**

###### **b) Appeal for protection filed by Cabo Pilar before the Santiago Court of Appeals**

On December 9, 2019, the final first instance sentence was passed and Cabo Pilar was sentenced to pay the amount of 40 Unidades Tributarias Mensuales (UTA).

On August 30, 2021, Cabo Pilar informed the court that the fine had been paid, therefore, the contingency was concluded.

On August 3, 2019, Cabo Pilar filed an appeal for protection before the Court of Appeals of Santiago, against the Undersecretariat of the Armed Forces (“SFFA”), for possible illegal and arbitrary actions that it would have incurred when issuing Resolutions N° 1873, N° 1874, N° 1875 and N° 1876, all dated June 26, 2019 (the “Expiry Resolutions”), by means of which the expiration was declared due to lack of operation of 4 Cabo Pilar-owned aquaculture concessions (the “Concessions”).

On May 27, 2021, the Santiago Court of Appeals ruled in favor of Cabo Pilar. The Court of Appeals annulled resolutions 1,874, 1,875, 1,876, and 1,877, considering that the SFFA acted illegally by declaring the expiration of the concessions due to lack of operation, considering that the term to begin operations was suspended due to a precautionary in place and imposed upon said concessions.

The SFFA presented an appeal before the Supreme Court. The Supreme Court has not yet ruled on the case.

The Santiago Court of Appeals rejected a protection appeal filed by Cabo Pilar.

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### Notes to the Consolidated Financial Statements

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#### **Note 28 - Contingencies and Liens (continued)**

##### **b) Ongoing litigation (continued)**

###### **Nova Austral S.A. (continued)**

###### **Environmental procedures (continued)**

##### **iii) Criminal investigation conducted by the Public Prosecutor against Nova Austral S.A. (continued)**

###### **b) Tierra del Fuego Pisciculture (continued)**

###### **a) Case C-38-2017 filed before the Civil and Criminal Court of First Instance of Porvenir (continued)**

On July 20, 2017, the General Water Directorate, through the Director of the Mallegan and Chilean Antarctica Region, filed a claim against Nova Austral before Civil and Criminal Court of First Instance of Porvenir for alleged breach of articles 32, 41 and 171 of the Water Code, under the charge of carrying out unauthorized works in the "Chorrillo Rogers" stream.

Nova Austral has not yet been notified of this claim.

Under 172 of the Water Code, if the aforementioned infractions are proved, a fine between 100 and 1,000 Annual Tax Units will be applied.

On August 24, 2021, the case was closed by the Court.

###### **a) Citación N° 52 SII**

On October 14, 2021, the SII notified "Back to Back Loans" Audit No. 26 requesting background information on the 2019 and 2020 business years.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

Notes to the Consolidated Financial Statements

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### **Note 28 - Contingencies and Liens (continued)**

#### **b) Ongoing litigation (continued)**

##### **Nova Austral S.A. (continued)**

##### **Environmental procedures (continued)**

#### **iii) Criminal investigation conducted by the Public Prosecutor against Nova Austral S.A. (continued)**

The Internal Revenue Service (SII) required some background information in connection with the determination of the Net Taxable Income of Piscicultura Tierra del Fuego for the 2019 FY for CLP\$1,266,049,190. The SII also required background information on the origin of certain expenses deducted during the same fiscal year. Consequently, the SII issued Charge No. 76 and Exempt Resolution No. 59, which modified the tax loss result declared by Piscicultura Tierra del Fuego for the 2019 FY, lowering it by CLP\$113,674,198. Settlement 76 rejected certain tax expenses for the same year and determined a Single Tax (under article 21 of the Income Tax Law) amounting to CLP\$41,672,443, which remained at CLP\$81,011,229, after the application of legal adjustments and interest. On October 14, 2022, Piscicultura Tierra del Fuego filed a Voluntary Administrative Appeal against Settlement 76 and Resolution 59.

Currently, this appeal is awaiting judgment by the Administrative and Tax Procedure Office of the Punta Arenas Regional Office of the Internal Revenue Service. The Company estimates it likely that the SII will accept the position of Piscicultura Tierra del Fuego, at least partially.

#### **d) Labor and civil lawsuits**

Nova Austral S.A.

To date, there are 14 civil lawsuits pending judgment, whose amount and probability of loss is still uncertain.

There are also 9 labor lawsuits in which Nova Austral S.A. is the main defendant and 35 labor lawsuits in which Nova Austral S.A. was jointly and severally sued. The amount and probability of loss of these labor lawsuits is still uncertain.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

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#### **Note 29 - Environment**

Any operation whose main purpose is to minimize environmental impact and protect and improve the environment is considered an environmental activity.

The Group, aware of the importance it has; the environment, the safety of people, the satisfaction of its customers and guarantee the quality and safety of its products, defines and promotes the development of its activities by applying good process practices, committed to food safety, health and safety occupational nature of our workers and the identification of significant environmental aspects attributable to our processes, in order to establish control measures to prevent contamination as a result of their activities and associated services and the preservation of biodiversity.

Expenses for compliance with environmental regulations charged as part of the cost of the biological asset necessary for its normal operation, which are later transferred to results through cost of sale, amount to ThUS\$1,257 (2021 ThUS\$603) and basically correspond to expenses originated by the preparation of environmental reports (INFA), studies of currents, depth, oxygenation and algae content in the centers.

Likewise, there have been no other expenses that have been necessary to cover environmental actions, or contingencies related to the protection and improvement of the environment.

## **NOVA AUSTRAL S.A. AND SUBSIDIARIES**

### Notes to the Consolidated Financial Statements

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#### **Note 30 - Subsequent Events**

On January 25, 2023, the partners of Salmones Porvenir SpA dediced to liquidate the Company after the final inventory of finished products is sold. It is estimated that the outstanding accounts and taxes payable will be settled by June 2023, so that all the contracts associated with the Joint Venture can be terminated.

On April 25, 2023, the Company's debt restructuring proposal was approved, which will result in a change in control of the Company. The Norwegian investment fund Altor will leave ownership of Nova Austral, and a group of bondholders will become the largest shareholders once the due diligence process, they are carrying out is completed. The share transfer should materialize no later than June 2023.

Between December 31, 2022 and the date of issuance of these Consolidated Financial Statements, there are no other significant subsequent events that could affect the financial position and results of the Company.