

Consolidated Financial Statements

NOVA AUSTRAL S.A. AND SUBSIDIARIES

Puerto Montt, Chile

As of December 31, 2020 and 2019



EY Chile
Concepción 120,
Oficina 906,
Puerto Montt

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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.

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, 2020 and 2019, 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.



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

Basis for a Qualified Opinion

As a result of the contingency (Covid -19) and the mobility restrictions that the country is facing, Nova Austral S.A. Management was unable to carry out the physical inventory as of December 31, 2020 of its inventory of materials and supplies in the Porvenir warehouse, located on the Island of Tierra del Fuego in Patagonia. Consequently, we were not able to participate in the physical and / or remote observation and neither were we satisfied with the existence of these, through other audit procedures. These inventories amount to USD Th\$ 3,799 as of December 31, 2020, which represents 1% of the Company's total consolidated assets. Consequently, we were unable to determine whether it was necessary to make any additional adjustment and / or disclosure in these consolidated financial statements regarding the existence of such assets.

Qualified Opinion

In our opinion, except for the possible effects in 2020 of the matter described in the previous paragraph "Basis for a qualified opinion", the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Nova Austral S.A. and subsidiaries as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

Puerto Montt, April 30, 2021

Francisco Avendaño U.
EY Audit SpA

Consolidated Financial Statements

NOVA AUSTRAL S.A. AND SUBSIDIARIES

As of December 31, 2020 and 2019

(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, 2020 and 2019

(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)

ASSETS	Note	2020 ThUS\$	2019 ThUS\$
Current Assets			
Cash and cash equivalents	(5)	1,756	13,161
Other financial assets, current	(6)	3,000	3,000
Other non-financial assets, current	(12)	27,832	25,085
Trade receivables and other accounts receivable, current	(8)	14,426	19,091
Accounts receivable from related companies, current	(9)	79	79
Inventory	(10)	22,762	52,382
Biological assets, current	(11)	51,362	76,961
Tax assets, current	(15)	1,177	122
Total current assets		122,394	189,881
Non-Current Assets			
Intangible assets other than goodwill	(13)	8,497	13,300
Property, plant and equipment	(14)	106,727	113,717
Accounts receivable, non-current		433	-
Accounts receivable from related companies, non-current	(9)	121,585	117,953
Deferred tax assets	(15)	3,657	357
Total non-current assets		240,899	245,327
Total Assets		363,293	435,208

The accompanying notes from 1 to 31 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)

LIABILITIES AND EQUITY	Note	2020 ThUS\$	2019 ThUS\$
Current Liabilities			
Other financial liabilities, current			
Trade accounts payable and other accounts payable, current	(16)	51,745	46,240
Accounts payable to related entities, current	(17)	51,827	63,915
Employee benefit provisions, current	(9)	2,264	418
Other non-financial liabilities, current	(18)	1,687	1,298
	(19)	1,426	1,200
Total current liabilities		108,949	113,071
Non-Current Liabilities			
Other financial liabilities, non-current	(16)	330,392	317,878
Trade accounts payable and other accounts payable, non-current	(17)	902	547
Total non-current liabilities		331,294	318,425
Total liabilities		440,243	431,496
Equity			
Issued capital	(20)	1,000	1,000
Retained earnings	(20)	(78,881)	(1,025)
Other reserves	(20)	(79)	(70)
Equity attributable to the owners of the Parent		(77,960)	(95)
Non-controlling interests	(20)	1,010	3,807
Total equity		(76,950)	3,712
Total Liabilities and Equity		363,293	435,208

The accompanying notes from 1 to 31 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)

Statements of Income by Function	Note	2020 ThUS\$	2019 ThUS\$
Revenue from operating activities	(21)	145,326	129,258
Cost of sales	(22)	<u>(149,808)</u>	<u>(118,755)</u>
Gross profit (loss) before Fair Value		(4,482)	10,503
Biological asset growth of the period fair value credited to income	(11)	(72)	19,201
Harvested and sold biological asset fair value credited to income		<u>(19,130)</u>	<u>(8,672)</u>
 Gross profit (loss) after Fair Value		 (23,684)	 21,032
Other gains	(23)	16,745	24,385
Other expenses by function	(24)	(16,774)	(2,499)
Distribution costs	(25)	(13,336)	(8,629)
Administrative expenses	(25)	(14,678)	(13,931)
Finance expenses	(26)	(41,443)	(31,342)
Finance income	(26)	8,914	9,061
Foreign currency translation	(27)	<u>89</u>	<u>(499)</u>
 Profit (loss) before tax		 (84,167)	 (2,422)
Income tax	(15)	<u>3,134</u>	<u>215</u>
Profit (Loss) for the year		<u>(81,033)</u>	<u>(2,207)</u>
 Profit Attributable to:			
Profit (Loss) attributable to the parent		(77,856)	(1,844)
Profit (Loss) attributable to non-controlling interests	(20)	<u>(3,177)</u>	<u>(363)</u>
Profit (Loss) for the year		<u>(81,033)</u>	<u>(2,207)</u>
 Statements of Comprehensive Income			
Profit (Loss)		(81,033)	(2,207)
Other comprehensive income		<u>(9)</u>	<u>(459)</u>
Total comprehensive income		<u>(81,042)</u>	<u>(2,666)</u>
 Comprehensive Income attributable to the parent		 (77,865)	 (2,303)
Comprehensive Income attributable to non-controlling interests	(20)	<u>(3,177)</u>	<u>(363)</u>
Total Comprehensive Income		<u>(81,042)</u>	<u>(2,666)</u>

The accompanying notes from 1 to 31 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, 2020 and 2019

(In thousands of US dollars)

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

	Issued Capital	Foreign Currency Translation Reserve	Retained Earnings (Losses)	Equity Attributable to the Owners of the Parent	Non- Controlling Interests	Total Equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current year beginning balance 01.01.2020	1,000	(70)	(1,025)	(95)	3,807	3,712
Changes in equity						
Profit (loss) for the year	-	-	(77,856)	(77,856)	(3,177)	(81,033)
Other comprehensive income	-	(9)	-	(9)	-	(9)
Comprehensive Income	-	(9)	(77,856)	(77,865)	(3,177)	(81,042)
Transfers and other changes increase (decrease)	-	-	-	-	380	380
Total changes in equity	-	-	(77,856)	(77,865)	(2,797)	(80,662)
Current year ending balance 12.31.2020	1,000	(79)	(78,881)	(77,960)	1,010	(76,950)
Current year beginning balance 01.01.2019	1,000	-	1,208	2,208	2,399	4,607
Changes in equity						
Profit (loss) for the year	-	-	(1,844)	(1,844)	(363)	(2,207)
Other comprehensive income	-	(70)	(389)	(459)	-	(459)
Comprehensive Income	-	(70)	(2,233)	(2,303)	(363)	(2,666)
Transfers and other changes increase (decrease)	-	-	-	-	1,771	1,771
Total changes in equity	-	(70)	(2,233)	(95)	1,408	(895)
Current year ending balance 12,31,2019	1,000	(70)	(1,025)	(95)	3,807	3,712

The accompanying notes from 1 to 31 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)

	2020	2019
	ThUS\$	ThUS\$
Cash flows provided by (used in) operating activities		
Proceeds from sale of goods or rendering of services	154,066	135,728
Proceeds from premiums and services, annuities and other benefits from subscribed policies	1,107	558
Other proceeds from operating activities	15,248	21,736
Payments to suppliers for supplying goods and services	(143,655)	(135,612)
Payments to and on behalf of employees	(22,612)	(17,886)
Payment of premiums and services, annuities and other obligations derived from the subscribed policies	(2,451)	(1,948)
Income taxes reimbursed (paid)	8,129	14,497
Other cash inflows (outflows)	<u>(1,042)</u>	<u>(671)</u>
Net cash flows (used in) provided by operating activities	<u>8,790</u>	<u>16,402</u>
Cash flows provided by (used in) investing activities		
Loans to related entities	(1,360)	-
Additions to property, plant and equipment	(4,546)	(22,217)
Additions to intangible assets	(1,383)	(4,030)
Other cash inflows (outflows)	<u>-</u>	<u>109</u>
Net cash flows provided by (used in) investing activities	<u>(7,289)</u>	<u>(26,138)</u>
Cash flows provided by (used in) financing activities		
Inflows from loans	12,143	36,000
Loan from related entities	5,282	-
Loan payments	(3,786)	(4,786)
Interest paid	(16,969)	(26,995)
Increase in subsidiary capital	-	1,376
Factoring payments	(8,212)	-
Other cash inflows (outflows)	<u>(1,421)</u>	<u>(3,354)</u>
Net cash flows provided (used in) by financing activities	<u>(12,963)</u>	<u>2,241</u>
Net Increase (Decrease) in cash and cash equivalents, before the effect of changes in the exchange rate	(11,462)	(7,495)
Effects of Changes in the Exchange rate on Cash and Cash Equivalents		
	<u>57</u>	<u>1,109</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(11,405)	(6,386)
Cash and Cash Equivalents at the Beginning of the Period	<u>16,161</u>	<u>22,547</u>
Cash and Cash Equivalents at the end of the Period	<u>4,756</u>	<u>16,161</u>

The accompanying notes from 1 to 31 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, 2020 and 2019

(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 Freire 130, Piso 5, Puerto Montt, 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, 2020 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, 2020 and 2019

(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, 2020, and as of December 31, 2019.
- Consolidated Statements of Comprehensive Income for the years ended December 31, 2020 and 2019.
- Consolidated Statements of Changes in Equity as of December 31, 2020 and as of December 31, 2019.
- Consolidated Statements of Cash Flows for the years ended December 31, 2020 and 2019.

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, 2020, were approved by the Board at meeting held on April 28, 2021.

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, 2020 and 2019

(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, 2020 and 2019

(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					
	2020			2019		
	Direct	Indirect	Total	Direct	Indirect	Total
Comercial Austral S.A.	99.54%	-	99.54%	99.54%	-	99.54%
Piscicultura Tierra del Fuego S.A.	85.00%	-	85.00%	71.07%	-	71.07%
Pesquera Cabo Pilar S.A.	99.50%	0.50%	100.00%	99.50%	0.5%	100.00%
Salmones Porvenir S.p.A.	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, 2020 and 2019

(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, 2020 and 2019

(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, 2020 and 2019

(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	2020 US\$	2019 US\$
Chilean peso	0.0014	0.0013
Euro	0.8141	0.8918
Unidad de fomento	<u>40.8894</u>	<u>37.8101</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

As of December 31, 2020 and 2019

(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.
- 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.

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Note 2 - Summary of Significant Accounting Principles (continued)

i) Financial instruments (continued)

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.

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 S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

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Note 2 - Summary of Significant Accounting Principles (continued)

i) Financial instruments (continued)

iii) Hedge accounting (continued)

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, 2020 and 2019, 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".

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, 2020 and 2019, 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.

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 (continued)

v) Cash flow hedges (continued)

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, 2020 and 2019, the Company and its Subsidiaries do not have hedge instruments.

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, 2020 and 2019, the Company and its Subsidiaries do not have hedge instruments.

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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 (continued)

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, 2020 and 2019, 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.
- 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.

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As of December 31, 2020 and 2019

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Note 2 - Summary of Significant Accounting Principles (continued)

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.

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.

NOVA AUSTRAL S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

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Note 2 - Summary of Significant Accounting Principles (continued)

j) Property, plant and equipment (continued)

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

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.

NOVA AUSTRAL S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

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Note 2 - Summary of Significant Accounting Principles (continued)

I) Intangible assets (continued)

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.

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.

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Notes to the Consolidated Financial Statements

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Note 2 - Summary of Significant Accounting Principles (continued)

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
- 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.

NOVA AUSTRAL S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

(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

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 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.

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)

ii) Lessee (continued)

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.

Treatment under IAS 17

In the comparative period, as a lessee, the Nova Austral group classified leases that transfer substantially all the risks and benefits of ownership as finance leases.

Assets held under other leases were classified as operating leases and they were not recognized in the Consolidated Statement of Financial Position. Payments made under operating leases were recognized on income on a straight-line basis over the term of the contract. The lease incentives received were recognized as an integral part of the total lease expense during the term of the contract.

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.

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Note 2 - Summary of Significant Accounting Principles (continued)

m) Leases (continued)

iii) When an entity of the Group is the lessor (continued)

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

As of December 31, 2020 and 2019 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.

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.

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Note 2 - Summary of Significant Accounting Principles (continued)

n) Biological assets (continued)

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.

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.

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Note 2 - Summary of Significant Accounting Principles (continued)

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 2020 and 2019 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.

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.

NOVA AUSTRAL S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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Note 2 - Summary of Significant Accounting Principles (continued)

o) Income tax and deferred taxes (continued)

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.

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.

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)

q) Trade payables and other accounts payable (continued)

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, 2020 and 2019, 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.

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 S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

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Note 2 - Summary of Significant Accounting Principles (continued)

t) Recognition of revenue (continued)

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 Incoterms 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.

v) Revenue from dividends

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

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Note 2 - Summary of Significant Accounting Principles (continued)

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 applied certain standards, interpretations and amendments for the first time, which are effective for annual periods beginning on or after January 1, 2020.

The standards, interpretations and amendments to IFRS that went into effect as of the date of the financial statements, as well as their nature and impact, are detailed below:

Standards and Interpretations		Date of Mandatory Application
Conceptual framework	Conceptual Framework (revised)	January 1, 2020

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Note 2 - Summary of Significant Accounting Principles (continued)

w) New Standards, Interpretations and Amendments (continued)

Conceptual Framework (revised)

The IASB issued the Conceptual Framework (revised) in March 2018. It incorporates new concepts, provides updated definitions and recognition criteria for assets and liabilities, and clarifies some important concepts.

Changes to the Conceptual Framework may affect the application of IFRS when no standard applies to a particular transaction or event. The revised Conceptual Framework goes into effect for periods that begin on or after January 1, 2020.

Amendments		Date of Mandatory Application
IFRS 3	Definition of a business	January 1, 2020
IAS 1 and IAS 8	Definition of material	January 1, 2020
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	January 1, 2020
IFRS 16	COVID-19-Related Rent Concessions	January 1, 2020

IFRS 3 Business Combinations - Definition of a business

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether or not an acquired set of activities and assets is a business. The IASB clarifies the minimum requirements to define a business; eliminates assessment of whether market participants are able to replace any missing elements; includes guidance to assist entities in assessing whether an acquired project is substantive; narrows the definition of a business and of products; and introduces an optional fair value concentration test.

The amendments must be applied to the business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period that begins on or after January 1, 2020. Therefore, entities do not have to revisit transactions occurred in prior periods. Early application is permitted and must be disclosed.

Since amendments apply prospectively to transactions or other events that occur on or after the first application date, most entities will probably not be affected by these amendments on transition. However, entities considering the acquisition of a set of activities or assets after applying the amendments must, in the first place, update their accounting policies in a timely manner.

The amendments could be relevant in other areas of IFRS (for example, they may be relevant where a parent loses control of a subsidiary and has early adopted the sale or contribution of assets between an investor and its associate or joint venture) (Amendments to IFRS 10 and IAS 28).

The amendment is applicable for the first time in 2020, however, it does not have an impact on the financial statements of Nova Austral S.A. and Subsidiaries.

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Notes to the Consolidated Financial Statements

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Note 2 - Summary of Significant Accounting Principles (continued)

w) New Standards, Interpretations and Amendments (continued)

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, to align the definition of “material” in all standards and clarify certain aspects of the definition. The new definition establishes that information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments must be applied prospectively. Early application is permitted and must be disclosed.

Although it is not expected that the amendments to the definition of material will have a significant effect on an entity’s financial statements, the introduction of the term “obscure” in the definition could impact the way judgments of materiality are made in practice, increasing the importance of how information is communicated and organized in the financial statements.

The amendment is applicable for the first time in 2020, however, it does not have an impact on the financial statements of Nova Austral S.A. and Subsidiaries.

IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform

In September 2019, the IASB issued amendments to IFRS 9, IAS 39, and IFRS 7, finalizing Phase I of the project to address the effects of the reform to interbank offered rates (IBORs) in financial reporting.

The amendments provide temporary exceptions that allow hedge accounting to continue over the period of uncertainty before existing interest rate benchmarks are replaced by alternative interest risk free rates.

The amendments must be applied retrospectively. Any previously discontinued hedge relationship, however, will not be reincorporated with the application of these amendments, and a hedge relationship cannot be designated using the benefit of retrospective assessment. Early application is permitted and must be disclosed.

The amendment is applicable for the first time in 2020, however, it does not have an impact on the financial statements of Nova Austral S.A. and Subsidiaries.

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Note 2 - Summary of Significant Accounting Principles (continued)

w) New Standards, Interpretations and Amendments (continued)

IFRS 16 COVID-19-Related Rent Concessions

In May 2020, the IASB issued an amendment to IFRS 16 Leases to provide relief to lessees applying IFRS 16 guidance in connection with lease modifications and rent concessions that occur as a direct consequence of COVID-19 pandemic. The amendment does not apply to lessors.

As a practical expedient, a lessee may opt to not assess whether COVID-19-related rent concession -an exemption provided by a lessor- is a lease modification. A lessee that applies the exemption will recognize changes in lease payments derived from COVID-19-related rent concessions as it would recognize changes under IFRS 16 as if such changes were not lease modifications.

A lessee will apply this practical expedient retroactively and recognize the cumulative effect of the amendment initial application as an adjustment to the initial balance of retained earnings (or another equity component, as appropriate) at the beginning of the annual reporting period in which the lessee applies the amendment for the first time.

The amendment is applicable for the first time in 2020, however, it does not have an impact on the financial statements of Nova Austral S.A. and Subsidiaries.

a) Standards, interpretations and amendments, which have already been issued but are not yet mandatory and have not been adopted in advance

The standards, interpretations, improvements and amendments to IFRS that have been issued, but have not yet come into effect as of the date of these financial statements, are detailed below. The Company has not applied these standards in advance:

Standards and Interpretations		Date of Mandatory Application
IFRS 17	Insurance Contracts	January 1, 2023

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Notes to the Consolidated Financial Statements

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Note 2 - Summary of Significant Accounting Principles (continued)

w) New Standards, Interpretations and Amendments (continued)

a) Standards, interpretations and amendments, which have already been issued but are not yet mandatory and have not been adopted in advance (continued)

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new insurance contract specific accounting standard that addresses recognition, measurement, presentation, and disclosure issues. After going into effect, it will supersede IFRS 4 Insurance Contracts issued in 2005. The new standard applies to all kinds of insurance contracts, regardless of the type of entity that issues them, as well as certain guarantees and financial instruments with specific discretionary participation features.

Some exceptions within the scope might be applied.

IFRS 17 will be effective for periods beginning on or after January 1, 2023, and comparative figures are required. Early application is permitted if the entity also applies IFRS 9 Financial Instruments on or before IFRS 17 first application.

Amendments		Date of Mandatory Application
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2	January 1, 2021
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
IAS 1	Classification of liabilities as current or non-current	January 1, 2023
IFRS 10 and IAS 28	Consolidated Financial Statements - sales or contributions of assets between and investor and its associates or joint ventures	To be determined

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate benchmark Reform - Phase 2

In August 2020, the IASB issued the Interest Rate Benchmark Reform - Phase 2 that comprises amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Thus, the IASB finalizes its work to address the effects of the reform to interbank offered rates (IBORs) in financial reporting.

The amendments provide temporary exemptions that address the effects on financial reporting when interest rate benchmarks (IBORs) are replaced with alternative interest risk free rates.

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Notes to the Consolidated Financial Statements

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Note 2 - Summary of Significant Accounting Principles (continued)

w) New Standards, Interpretations and Amendments (continued)

a) Standards, interpretations and amendments, which have already been issued but are not yet mandatory and have not been adopted in advance (continued)

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate benchmark Reform - Phase 2 (continued)

The amendments are mandatory and early application is permitted. A hedge relationship must be resumed if the hedge relationship was solely discontinued because of the changes implemented by the interest rate benchmark reform and thus, it would have not been discontinued if Phase II of the project had been applied then. While amendments must be applied retrospectively, an entity is not required to restate prior periods.

IFRS 3 Reference to the Conceptual Framework

In May 2020, the IASB issued amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. 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 will be effective for periods beginning on or after January 1, 2022 and must be applied retrospectively. Early application is permitted if, at the same time or earlier, an entity also applies all the amendments contained in the amendments to the References to the Conceptual Framework of IFRS Standards issued in March 2018.

The amendments will provide consistency in financial information and avoid possible confusion due to having more than one version of the Conceptual Framework in use.

Nova Austral S.A. and Subsidiaries will carry out the evaluation of the impact of the amendment once it becomes effective.

IAS 16 Property, plant and equipment: Proceeds before intended use

This amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any sale while bringing the asset to the location and conditions necessary for the asset to be capable of operating as intended by Management. Instead, an entity will recognize the proceeds from a sale and cost of these elements in the income for the period, in accordance with the applicable Standards.

The amendment will be effective for periods beginning on or after January 1, 2022. The amendment shall be applied retrospectively only to the elements of property, plant and equipment available for use on or after the beginning of the first period presented in the financial statements of the entity applying the amendment for the first time.

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Notes to the Consolidated Financial Statements

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Note 2 - Summary of Significant Accounting Principles (continued)

w) New Standards, Interpretations and Amendments (continued)

a) Standards, interpretations and amendments, which have already been issued but are not yet mandatory and have not been adopted in advance (continued)

IAS 37 Onerous contracts - Cost of fulfilling a contract

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify the costs that an entity should include when assessing whether a contract is onerous or triggers losses.

The amendment is effective for periods beginning on or after January 1, 2022. The amendment shall be applied retrospectively to existing contracts at the beginning of the annual reporting period in which the entity applies the amendment for the first time (date of initial application). Early application is permitted and must be disclosed.

The amendments are intended to provide clarity and help to ensure a consistent application of the standard. Entities that have previously applied the incremental cost approach, will see an increase in provisions to reflect the inclusion of costs directly related to the contract activities, while entities that have previously recognized allowances for contractual losses based on the previous standard guidance, IAS 11 Construction Contracts, shall exclude the indirect cost allocation from their provisions.

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

In June 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classification of liabilities as current or non-current.

The amendments are effective for periods beginning on or after January 1, 2023. Entities must carefully evaluate whether any aspect of the amendments might suggest that the terms of their existing loan agreements should be renegotiated. In this context, it is worth noting that amendments shall be applied retrospectively.

NOVA AUSTRAL S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

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Standards, interpretations and amendments, which have already been issued but are not yet mandatory and have not been adopted in advance (continued)

- a) **Standards, interpretations and amendments, which have already been issued but are not yet mandatory and have not been adopted in advance (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 recognized between the requirements of IFRS 10 and those of IAS 28 (2011) in the treatment of the sale or contribution of assets between an investor and its associate or joint venture. Amendments issued in September 2014 establish that when the transaction involves a business (found in a subsidiary or not), a complete profit or loss is recognized. A partial profit or loss is recognized when the transaction involves assets that do not constitute a business, even when the assets are found in a subsidiary. The date of mandatory application of these amendments is yet to be determined, because the IASB is waiting for the results of its investigation project on the accounting using the equity method. The amendments must be applied retrospectively. Early adoption is permitted, which must be disclosed.

The Company's Management estimates that the adoption of the standards, interpretations and amendments described above will not have a significant impact on the Company's Financial Statements for their first-adoption period.

Nova Austral S.A. and Subsidiaries will carry out the evaluation of the impact of the amendment once it becomes effective.

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As of December 31, 2020 and 2019

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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.

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Notes to the Consolidated Financial Statements

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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.

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.

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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)

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 October 2020, the Bond was restructured in Norway, divided into two tranches, of ThUS \$200,000 and ThUS \$100,000, maturing as of 11/26/2026, For the first tranche, the payment of interest begins in May 2022 and payment of capital from November 2024. For the second tranche, the payment of 2% of the interest will be made every six months, capitalizing 10% of this, paid its principal as of the maturity date of the bond. See detail in Note 16.

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

a) As of December 31, 2020

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	330	3,786	17,036	-	21,152
Bond in Norway	-	2,120	545,506	-	547,626
Trade payables and other accounts payable	33,714	11,018	-	-	44,732
Credit line	51,060	1,661	-	-	52,721
Accounts payable to related entities	2,264	-	-	-	2,264
Total	87,368	18,585	562,542	-	668,495

b) As of December 31, 2019

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	716	5,122	28,150	2,603	36,591
Factoring loan	8,219	-	-	-	8,219
Bond in Norway	8,594	18,494	310,038	-	337,126
Trade payables and other accounts payable	11,035	23,195	-	-	34,230
Credit line	47,419	16,496	547	-	64,462
Accounts payable to related entities	418	-	-	-	418
Total	76,401	63,307	338,735	2,603	481,046

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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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, 2020 the consolidated classified statement of financial position of the Group shows a net asset in Chilean pesos for the amount of ThUS\$ 20,156, a net liability in Euros for the amount of ThUS\$783, a net asset in Norwegian krone for the amount of ThUS\$1,044, therefore, a 5 per cent increase in the exchange rate of these currencies would trigger foreign currency translation gain (loss) for the amount of ThUS\$ 1,008 in relation to the Chilean peso, in relation to Euros (ThUS\$39), in relation to Norwegian krone (ThUS\$52), in relation to Pound sterling(ThUS\$ 20), in relation to Danish krone ThUS\$0, in relation to UF ThUS\$0, ThUS\$0, in relation to the Japanese yen ThUS\$0. Also, a 5% decrease in exchange rates triggers a gain (loss) of a similar amount.

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

	As of 12.31.2020 ThUS\$	As of 12.31.2019 ThUS\$
Dollar, net liability	(96,185)	(141,112)
Chilean peso, net asset	20,156	133,396
Euros, net liability	783	7,083
Norwegian krone, net asset	1,044	645
Pound sterling, net asset	-	392
Danish krone, net asset	-	348
UF, net asset	-	271
Japanese yen, net liability	-	2

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As of December 31, 2020 and 2019

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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:

Exposure by Currency Effect Net Assets	2020 ThUS\$	2019 ThUS\$
Chilean Pesos, net assets	1,008	(6,670)
Euros, net liabilities	(39)	(354)
Norwegian krone, net assets	(52)	(32)
Punds, net assets	-	(20)
Danish krone, net assets	-	(17)
UF, net assets	-	(14)

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. The first tranche capitalizes interest until November 2021, starting the payment of these in May 2022. The second tranche pays 2% of the capitalized interest semi-annually in cash, and 100% of the payment of its principal upon maturity of the bond. This debt is not subject to any covenant, it only has a restriction for the distribution of dividends. This financial debt structure is not exposed to additional rate variations and we do not see implicit rate risk in the current structure of this liability.

During 2020 Nova Austral S.A. made use of its available credit line with the DNB bank for a capital of ThUS \$ 43,750, with an average disbursement rate of 6.0%, in the scenario of an interest rate sensitivity analysis, it can be observed that the The effects on results of increasing or decreasing 5% per year would be ThUS \$ 125 of higher or lower expense, as appropriate.

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% and a variable rate that is exposed to fluctuations via an increase in Libor. As of December 31, 2020, the Group has bank liabilities for the total amount of ThUS\$22,822 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\$72.

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Note 4 - Financial Risk Management (continued)

c) Market risk (continued)

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, 2020, the Company had a total of 6,324 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	5.90	6.90	7.90
Effect on Biomass Fair Value ThUS	6,098	12,918	19,675
Effect on Income ThUS	(6,820)	-	6,757

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, 2020 and 2019, cash and cash equivalents are detailed as follows:

Classes of cash and cash equivalents	2020 ThUS\$	2019 ThUS\$
Cash in hand	2	2
Bank balances	1,754	13,159
Total	1,756	13,161

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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

Note 5 - Cash and Cash Equivalents (continued)

As of December 31, 2020 and 2019, balances by type of currency included in cash and cash equivalents are detailed as follows:

By type of currency	Currency	2020 ThUS\$	2019 ThUS\$
Cash and cash equivalents in	US dollar	1,667	6,196
Cash and cash equivalents in	Chilean peso	86	1,335
Cash and cash equivalents in	Euros	3	4
Total		1,756	7,535

Nota 6 - Other Financial Assets, Current

a) As of December 31, 2020 and 2019, other current financial assets are detailed as follows:

By type of currency	Currency	2020 ThUS\$	2019 ThUS\$
Cash in checking accounts	US dollar	3,000	3,000
Total		3,000	3,000

The money deposited in the checking account of US dollars currency of the DNB Norway bank of the subsidiary Piscicultura Tierra del Fuego S.A. is in pledge without displacement under Law No. 20.190 on shares, see Note 29.

Note 7 - Financial Instruments

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

December 31, 2020	Loans and Accounts Receivable ThUS\$	Assets at fair Value Through Profit or Loss ThUS\$	Total ThUS\$
Assets			
Cash and cash equivalents	-	1,756	1,756
Other financial assets, current	-	3,000	3,000
Trade receivables and accounts receivable, current	14,426	-	14,426
Accounts receivable from related entities, current	79	-	79
Accounts receivable from related entities, non- current	121,585	-	121,585
Total	136,090	4,756	140,846

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Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

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

Note 7 - Financial Instruments (continued)

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

December 31, 2020	Liabilities at Fair Value Through Profit or Loss ThUS\$	Other Financial Liabilities ThUS\$	Total ThUS\$
Liabilities			
Other financial liabilities, current	-	51,745	51,745
Trade accounts payable and other accounts payable, current and non-current	-	51,827	51,827
Accounts payable to related entities, current and non-current	-	2,264	2,264
Other financial liabilities, non-current	-	330,392	330,392
Total	-	436,228	436,228

December 31, 2019	Loans and Accounts Receivable ThUS\$	Assets at fair Value Through Profit or Loss ThUS\$	Total ThUS\$
Assets			
Cash and cash equivalents	-	13,161	13,161
Other financial assets, current	-	3,000	3,000
Trade receivables and accounts receivable, current	19,091	-	19,091
Accounts receivable from related entities, current	79	-	79
Accounts receivable from related entities, non-current	117,953	-	117,953
Total	137,123	16,161	153,284

Liabilities	Liabilities at fair value Through Profit or loss ThUS\$	Other Financial Liabilities ThUS\$	Total ThUS\$
Other financial liabilities, current	-	46,240	46,240
Trade accounts payable and other accounts payable, current and non-current	-	63,915	63,915
Accounts payable to related entities, current and non-current	-	418	418
Other financial liabilities, non-current	-	317,878	317,878
Total	-	428,451	428,451

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Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

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

Note 7 - 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, 2020 and 2019, are no longer held.

Current Assets	2020 ThUS\$	2019 ThUS\$
Trade receivables and accounts receivable	14,426	19,091
Accounts receivable from related entities, current	<u>121,664</u>	<u>118,032</u>
Total	<u>136,090</u>	<u>137,123</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, 2020 and 2019, 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, 2020 and 2019

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

Note 8 - Trade Receivables and other Accounts Receivable

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

Trade Receivables and other Accounts Receivable	2020 ThUS\$	2019 ThUS\$
Trade Receivables:		
Domestic	692	810
Foreign	12,061	18,366
Impairment of trade receivables	(533)	(433)
Total	<u>12,220</u>	<u>18,743</u>
Other Accounts Receivable:		
Other receivables	3,854	1,996
Impairment of other receivables	(1,648)	(1,648)
Total Other Accounts Receivable	<u>2,206</u>	<u>348</u>
Total	<u>14,426</u>	<u>19,091</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, 2020 and 2019, balances by currency included in trade receivables and other accounts receivable, gross current and non-current, are detailed as follows:

Classification by type of Currency	2020 ThUS\$	2019 ThUS\$
US dollars	13,353	18,468
Euro	795	2,629
Chilean pesos	278	75
Total	<u>14,426</u>	<u>21,172</u>

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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As of December 31, 2020 and 2019

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

Note 8 - Trade Receivables and other Accounts Receivable (continued)

c) Stratification of portfolio and provisions

- Domestic and foreign trade receivables:

Classification according to maturity	2020			2019		
	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	2,003	(45)	1,958	15,332	(62)	15,270
From 1 to 30 Days	6,271	(55)	6,216	2,817	(12)	2,805
From 31 to 60 Days	3,998	(6)	3,992	217	(2)	215
From 61 to 90 Days	-	-	-	-	-	-
From 91 to 120 Days	12	(6)	6	339	(6)	333
From 121 to 179 Days	3	(1)	2	60	(1)	59
From 180 to 210 Days	53	(7)	46	43	(7)	36
From 211 to 240 Days	-	-	-	-	-	-
From 241 to 270 Days	-	-	-	45	(20)	25
Over 271 Days	413	(413)	-	323	(323)	-
Total	12,753	(533)	12,220	19,176	(433)	18,743

- Other receivables:

Classification according to maturity	2020			2019		
	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	2,207	(1)	2,206	349	(1)	348
From 1 to 30 Days	-	-	-	-	-	-
From 31 to 60 Days	-	-	-	-	-	-
From 61 to 90 Days	-	-	-	-	-	-
From 91 to 120 Days	-	-	-	-	-	-
From 121 to 179 Days	-	-	-	-	-	-
From 180 to 210 Days	-	-	-	-	-	-
From 211 to 240 Days	-	-	-	-	-	-
From 241 to 270 Days	-	-	-	-	-	-
Over 271 Days	1,647	(1,647)	-	1,647	(1,647)	-
Total	3,854	(1,648)	2,206	1,996	(1,648)	348

NOVA AUSTRAL S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

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

Note 8 - 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:

Movement of Allowance for Impairment	2020 ThUS\$	2019 ThUS\$
Beginning balance	2,084	2,089
Recovery of trade receivables impairment	-	(165)
Impairment for the period	100	157
Total	<u>2,184</u>	<u>2,081</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, 2020 and 2019

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

Note 9 - 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	2020		2019	
		Current ThUS\$	Non- Current ThUS\$	Current ThUS\$	Non- Current ThUS\$
Nova Austral Spain S.L. (Ex - Global Polaris S.L.U.)	Parent	79	-	79	-
Albain Holdco SARL	Related to parent	-	118,151	-	109,795
Nova Austral Management Invest AS	Related to parent	-	3,434	-	8,158
Total		79	121,585	79	117,953

- c) Accounts payable to related entities as of each year closing are detailed as follows:

Entity	Relation	2020		2019	
		Current ThUS\$	Non- Current ThUS\$	Current ThUS\$	Non- Current ThUS\$
Trusal S.A.	Shareholder	2,196	-	-	-
Compañia Salmonífera Dalcahue Ltda,	Shareholder of subsidiary	68	-	418	-
Total		2,264		418	

NOVA AUSTRAL S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

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

Note 9 - Balance and Transactions with Related Entities (continued)

d) Transactions between related parties

In 2020 and 2019, 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	
			2020 ThUS\$	2019 ThUS\$	2020 MUS\$	2019 MUS\$
Nova Austral Management Invest As	Parent	Préstamo recibido	2,700	-	-	-
		Intereses pagados	(81)	-	(81)	-
		Intereses ganados devengados	558	620	558	620
		Cobro préstamo otorgado, con disminución capital	5,282	-	-	-
		Regularización deuda	-	336	-	-
Albain Holdco SARL	Related to Parent	Préstamo	-	-	-	-
		Intereses devengados	8,356	8,332	8,356	8,332
Trusal S.A.	Related to Parent	Facturas recibidas	2,196	-	-	-
Compañía Salmonífera Dalcahue Ltda,	Shareholder of Subsidiary	Aporte de capital en efectivo	380	-	-	-
		Facturas por pagar	258	418	(258)	-
		Pago de facturas	(612)	1,376	-	-

e) Remunerations paid to key personnel of the Company in 2020 and 2019 are detailed as follows:

Details	2020 ThUS\$	2019 ThUS\$
Confidential payroll remunerations	<u>2,216</u>	<u>2,352</u>
Total	<u><u>2,216</u></u>	<u><u>2,352</u></u>

f) As of December 31, 2020 and 2019, there are no balances payable to or receivable from directors and/or executives of the Company.

NOVA AUSTRAL S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

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

Note 10 - Inventory

- a) As of December 31, 2020 and 2019, inventory is detailed as follows:

Details	2020 ThUS\$	2019 ThUS\$
Finished products	15,928	25,286
Materials and inputs	9,188	8,777
Fish feed	2,952	3,047
Inventory in process	154	1,946
Fair value of finished products	407	13,326
Net realizable value	(5,867)	-
Total	22,762	52,382

- 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.
- d) As of December 31, 2020 and 2019, finished products net of impairment allowance, are detailed as follows:

Details	2020		2019	
	Ton	ThUS\$	Ton	ThUS\$
Whole fish	458	3,192	1,757	9,090
Fillet	256	2,734	1,147	10,553
HG	172	5,987	-	-
Portions	204	3,519	418	5,446
By-product	355	496	276	197
Total	1,445	15,928	3,598	25,286

NOVA AUSTRAL S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

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

Note 10 - Inventory (continued)

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

Details	2020 ThUS\$	2019 ThUS\$
Cost of sales	(147,877)	(118,755)
Total	<u>(147,877)</u>	<u>(118,755)</u>

Note 11 - 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.

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

Details	Current	
	2020 ThUS\$	2019 ThUS\$
Salar salmon (*)	45,597	75,608
Eggs, fry and smolts	5,765	1,353
Total	<u>51,362</u>	<u>76,961</u>

(*) As of December 31, 2020, the biological assets comprised of Salmon triggered a positive net effect of ThUS\$19,202 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\$72 that was credited to income and the amount of ThUS\$19,130 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.

As of December 31, 2019, a net positive effect of ThUS\$10,529 resulted from valuations made over the year that generated a credit to income amounting to ThUS\$19,201 and a higher cost of sales associated to the fair value harvested and sold during the year for the amount of (ThUS\$8,672).

NOVA AUSTRAL S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

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

Note 11 - Biological Assets (continued)

b) For 2020 and 2019, movements in biological assets are detailed as follows:

	2020	2019
	ThUS\$	ThUS\$
Biological Assets at the beginning	76,961	84,389
Fattening and production increases	33,100	57,149
Harvest decreases	(65,260)	(83,779)
Extraordinary mortality and other write-offs	(6,357)	-
Biological Asset Fair Value	12,918	19,202
Balance at the end of the year	51,362	76,961

c) As of December 31, 2020 and 2019, biological assets are detailed as follows:

	2020				
	Number of Units	Biomass Final Ton,	Cost of Production ThUS\$	Fair Value Adjustment ThUS\$	Total Cost ThUS\$
Salar salmon	1,926,862	6,324	32,679	12,918	45,597
Eggs, fry and smolts	6,637,257	337	5,765	-	5,765
Total	8,564,119	6,661	38,444	12,918	51,362

	2019				
	Number of Units	Biomass Final Ton,	Cost of Production ThUS\$	Fair Value Adjustment ThUS\$	Total Cost ThUS\$
Salar salmon	3,880,741	12,046	56,406	19,202	75,608
Eggs, fry and smolts	496,634	52	1,353	-	1,353
Total	4,377,375	12,098	57,759	19,202	76,961

NOVA AUSTRAL S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

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

Note 11 - Biological Assets (continued)

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

	2020	2019
	ThUS\$	ThUS\$
Biological asset fair value initial balance	19,202	16,429
Increase in biological asset adjustment for the period	11,442	48,798
Less: Harvest fair value adjustments	<u>(17,726)</u>	<u>(46,025)</u>
Total biological assets and inventory	<u>12,918</u>	<u>19,202</u>

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.

By type of currency	5%	Base	5%
	Decrease		Increase
Average harvest (LW) weight adjustment	5.64	5.94	6.24
Effect on biomass Fair Value ThUS\$	11,220	12,918	15,259
Effect on Income ThUS\$	<u>(1,698)</u>	<u>-</u>	<u>2,341</u>

f) Guarantees

The entire biomass at fish farms specified in Note 29 is under a non-possessory pledge pursuant to Law No, 20,190 that regulates assets.

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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Note 12 - Other Non-financial Assets, Current

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

Current

	2020 ThUS\$	2019 ThUS\$
Advance insurance	1,151	393
Advances to suppliers	494	628
Navarino Law 20% Bonus (*)	19,264	19,205
VAT credit	3,871	3,014
DL 889 refund	702	247
Expenses paid in advance	2,172	1,516
Advances to personnel	83	82
Insurance receivables	95	-
Total	<u>27,832</u>	<u>25,085</u>

(*) Total encumbered grants amount to ThUS\$ 9,780 (ThCh\$ 6,953,429), See explanation in Note 29 "Contingencies and Liens".

Note 13 - Intangible Assets other than Goodwill

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

	2020 ThUS\$	2019 ThUS\$
Indefinite-lived aquaculture concessions	4,472	9,211
Definite-lived aquaculture concessions	1,391	2,906
Concessions in process	2,497	1,267
Water rights	55	55
Software	918	773
Licenses	210	201
Amortization	(1,046)	(1,113)
Total	<u>8,497</u>	<u>13,300</u>

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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Note 13 - Intangible Assets other than Goodwill (continued)

- b) Changes to Intangible assets other than Goodwill for the year ended December 31, 2020, were as follows:

2020	Definite lived Aquaculture Concessions	Indefinite- lived Aquaculture Concessions	Concessions in Process	Water Rights	Software	Licenses	Total
	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$
Beginning balance	2,907	9,211	1,266	55	773	201	14,413
Additions	-	-	1,231	-	145	9	1,385
Divestitures	(1,516)	(4,739)	-	-	-	-	(6,255)
Amortizations	(243)	-	-	-	(624)	(179)	(1,046)
Ending balance	1,148	4,472	2,497	55	294	31	8,497

- c) Changes to Intangible assets other than Goodwill for the year ended December 31, 2019, were as follows:

2019	Definite lived Aquaculture Concessions	Indefinite- lived Aquaculture Concessions	Concessions in Process	Water Rights	Software	Licenses	Total
	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$
Beginning balance	1,205	4,472	955	55	570	167	7,424
Additions	1,702	4,739	311	-	203	34	6,989
Divestitures	-	-	-	-	-	-	-
Amortizations	(496)	-	-	-	(472)	(145)	(1,113)
Ending balance	2,411	9,211	1,266	55	301	56	13,300

- (*) On February 7, 2019, the company acquired the subsidiary Pesquera Cabo Pilar S.A., which generated the record of an addition to the value of the concessions of finite useful life for 1,375 and indefinite for ThUS \$ 4,739, which were written off in 2020. (See note 20 a), due to the fact that the Undersecretariat for the Armed Forces notified the Company that the four aquaculture concessions had expired.

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 13 - Intangible Assets other than Goodwill (continued)

- d) As of December 31, 2020 and 2019, sea concessions are detailed as follows. From the 28 concessions the Company has in the 12th 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	Península 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 Península Rolando
Cockburn 14	120124	57	Definite	Seno Chasco, Norte Península Brecknock
Cockburn 3	120126	57	Definite	Noroeste Península 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 29.

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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Note 13 - Intangible Assets other than Goodwill (continued)

- e) Additionally, the subsidiary Pesquera Cabo Pilar S.A. It has 4 concessions that the company has located in the XII region, which have a useful life of 40 years) which were written off in full.

Name	Center Code	HAS	Vida Util	Sector- Project Name
PICTON 1	120035	3,13	written off	Paso Picton
PICTON 2	120039	3,05	written off	Paso Picton
PICTON 3	120040	3,16	written off	Paso Picton
PICTON 4	120057	3,10	written off	Canal Beagle

Note 14 - Property, Plant and Equipment

- a) As of December 31, 2020 and 2019, the items of property, plant and equipment are detailed as follows:

Property, Plant and Equipment as of 12,31,2020	Gross Value ThUS\$	Cumulative Depreciation ThUS\$	Net Value ThUS\$
Land	3,823	-	3,823
Buildings and constructions	47,183	(4,510)	42,673
Plant machinery and equipment	32,822	(7,011)	25,811
Fixed installations and accessories	61,870	(34,203)	27,667
Other PPE	2,523	(1,799)	724
Use rights	1,401	(485)	916
Works in progress	5,113	-	5,113
Total	154,735	(48,008)	106,727

Property, Plant and Equipment as of 12,31,2019	Gross Value ThUS\$	Cumulative Depreciation ThUS\$	Net Value ThUS\$
Land	3,823	-	3,823
Buildings and constructions	30,357	(3,499)	26,858
Plant machinery and equipment	20,589	(4,489)	16,100
Fixed installations and accessories	71,155	(43,165)	27,990
Other PPE	2,347	(1,681)	666
Use rights	1,493	(485)	1,008
Works in progress	37,272	-	37,272
Total	167,036	(53,319)	113,717

(*) As of January 1, 2019, the category "Use Rights" generated by the entry into force of IFRS 16, which is composed mainly of property under lease, is created.

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As of December 31, 2020 and 2019

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

Note 14 - Property, Plant and Equipment (continued)

- b) For the years ended December 31, 2020 and 2019, movements of property, plant and equipment are detailed as follows:

Year 2020	Beginning Balance	Additions	Addition	Other Increases (Decreases)	Derecog- nition	Depreciation	Ending Balance
	01.01.2020 ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	31.12.2020 ThUS\$
Land	3,823	-	-	-	-	-	3,823
Buildings and constructions	26,858	-	16,828	-	-	(1,013)	42,673
Machinery and equipment	16,100	-	12,235	-	-	(2,524)	25,811
Fixed installations and accessories	27,990	-	7,759	-	(2)	(8,080)	27,667
Other PPE	666	-	280	-	(2)	(220)	724
Use rights	1,008	739	-	-	-	(831)	916
Works in progress	37,272	14,075	(37,102)	(6,924)	(2,208)	-	5,113
Total	113,717	14,814	-	(6,924)	(2,212)	(12,668)	106,727

Year 2019	Beginning Balance	Additions	Addition	Other Increases (Decreases)	Derecog- nition	Depreciatin	Ending Balance
	01.01.2019 ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	31.12.2019 ThUS\$
Land	3,823	-	-	-	-	-	3,823
Buildings and constructions	12,591	-	14,725	-	-	(458)	26,858
Machinery and equipment	7,250	-	10,047	(3)	-	(1,194)	16,100
Fixed installations and accessories	30,719	-	3,270	-	(2)	(5,997)	27,990
Other PPE	835	-	127	-	(56)	(240)	666
Use rights	-	1,493	-	-	-	(485)	1,008
Works in progress	39,991	25,659	(28,169)	(166)	(43)	-	37,272
Total	95,209	27,152	-	(169)	(101)	(8,374)	113,717

- 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.

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Note 14 - Property, Plant and Equipment (continued)

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 29.

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

e) Capitalization of interest

The subsidiary Piscicultura Tierra del Fuego S.A. in accordance with IAS 23, it has capitalized interests in property, plant and equipment:

	2020 ThUS\$	2019 ThUS\$
Activated financial cost	3,385	2,148
Average capitalized interest rate	<u>8.52%</u>	<u>8.59%</u>

Note 15 - 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.

The subsidiary Comercial Austral S.A. did not constitute a provision for income tax for the year 2020 for obtaining a tax loss and in 2019 it constituted a provision of ThUS\$64. The subsidiary Pesquera Cabo Pilar S.A. has presented tax loss in 2020 and 2019, and the subsidiary Salmones Porvenir SpA. has presented tax loss in 2020.

b) Current tax assets (liabilities)

Item	2020 ThUS\$	2019 ThUS\$
Training expenses	54	-
Monthly provisional payments (PPM)	1,123	127
Art.21 provision	-	(5)
Total	<u>1,177</u>	<u>122</u>

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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Note 15 - Current Income Tax and Deferred Taxes (continued)

c) Deferred taxes

As of December 31, 2020 and 2019, deferred tax assets are detailed as follows:

Deferred Taxes Relating to:	2020		2019	
	Assets	Liabilities	Assets	Liabilities
Vacation accrual	5	-	5	-
Allowance for doubtful accounts	91	-	152	-
Advance revenue	36	-	6	-
Tax Loss	2,165	-	407	-
Inventory valuation	1,585	-	-	-
Value concessions	-	225	-	213
Total	3,882	225	570	213
Deferred tax assets (liabilities), net	3,657	-	357	-

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 2020 and 2019, the movements of deferred tax assets and liabilities are detailed as follows:

Deferred Tax Classification	2020		2019	
	Deferred Tax Assets ThUS\$	Deferred Tax Liabilities ThUS\$	Deferred Tax Assets ThUS\$	Deferred Tax Liabilities ThUS\$
Beginning balance	570	213	171	-
Movements of the period				
Allowance for doubtful accounts	(61)	-	(4)	-
Advance income	30	-	-	-
Other provisions	-	-	(4)	-
Inventory valuation	1,585	-	-	-
Tax loss	1,758	-	407	-
Value concessions	-	12	-	213
Total changes for the period	3,312	12	399	213
Sub-total	3,882	225	570	213
Ending balance	3,657	-	357	-

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, 2020 and 2019

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

Note 15 - Current Income Tax and Deferred Taxes (continued)

e) Income tax expenses are detailed as follows:

	(Charge) Credit	
	2020 ThUS\$	2019 ThUS\$
Deferred tax of the year effect	3,311	407
Prior year income regularization	-	42
Additional tax	(70)	(186)
Art, 21 sole tax expense	(107)	(48)
Income tax (expense) income	3,134	215

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 2020	Rate	Taxes as of 2019
	%	ThUS\$	%	ThUS\$
Profit (loss) before tax		(84,167)		(2,422)
Total tax at legal rate income	27.00	22,725	27.00	654
Other adjustments to taxes	23.28	(19,591)	18.12	(439)
Total tax income (expense) at effective rate	3.72	3,134	8.87	215

Note 16 - Other Financial Liabilities, Current and Non-Current

As of December 31, 2020 and 2019, 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	2020 ThUS\$	2019 ThUS\$
Maturing in less than 12 months	USD	47,535	44,790
Interest	USD	4,338	3,419
Deferred expense by effective rate	USD	(128)	(1,969)
Total		51,745	46,240

NOVA AUSTRAL S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

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

Note 16 - Other Financial Liabilities, Current and Non-Current (continued)

b) Non-Current

Interest bearing loans	Currency	2020 ThUS\$	2019 ThUS\$
Maturing in less than 12 months	USD	330,955	319,643
Deferred expense by effective rate	USD	(563)	(1,765)
Total		330,392	317,878

c) As of December 31, 2020 and 2019, the loans of Nova Austral S.A. and Subsidiaries are detailed as follows:

As of December 31, 2020

Institution	Type	Debtor	Currency	Current ThUS\$	Non- Current ThUS\$	Total ThUS\$
Nordic Trustee	Bonus	Nova Austral S.A.	USD	-	313,919	313,919
	Interest payable	Nova Austral S.A.	USD	3,558	-	3,558
DNB Bank ASA	Line of Credit	Nova Austral S.A.	USD	43,750	-	43,750
	Interest payable	Nova Austral S.A.	USD	650	-	650
	Loan	Piscicultura Tierra del Fuego S.A.	USD	3,786	17,036	20,822
	Interest payable	Piscicultura Tierra del Fuego S.A.	USD	(128)	(691)	(819)
	Deferred expense from effective rate	Piscicultura Tierra del Fuego S.A.	USD	129	128	257
Total				51,745	330,392	382,137

In October 2020, the Bond was restructured in Norway, dividing it into two tranches, of ThUS \$ 200,000 and ThUS \$ 100,000 respectively, with a maturity date as of 11/26/2026, which includes payments in cash and payments in kind (capitalization of interest). The first tranche capitalizes interest until November 2021, beginning the semiannual payment of these as of May 2022 and as of November 2024 semiannual principal payments. The second tranche pays 2% of the interest in cash every six months and the difference is capitalized until the maturity of the bond and 100% of the principal payment will be paid upon maturity of the bond. With a rate of 10% for interest and an additional 2% for capitalizable interest.

NOVA AUSTRAL S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

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

Note 16 - Other Financial Liabilities, Current and Non-Current (continued)

- c) As of December 31, 2020 and 2019, the loans of Nova Austral S.A. and Subsidiaries are detailed as follows: (continued)

As of December 31, 2019

Institution	Type	Debtor	Currency	Current ThUS\$	Non- Current ThUS\$	Total ThUS\$
Nordic Trustee	Bond	Nova Austral S.A.	USD	-	300,000	300,000
	Interest payable	Nova Austral S.A.	USD	2,406	-	2,406
	Deferred expense by effective rate	Nova Austral S.A.	USD	(1,841)	(1,074)	(2,915)
DNB Bank ASA	Credit line	Nova Austral S.A.	USD	33,000	-	33,000
	Interest payable	Piscicultura Tierra del Fuego S.A.	USD	810	-	810
	Loan	Piscicultura Tierra del Fuego S.A.	USD	3,571	19,643	23,214
	Interest payable	Piscicultura Tierra del Fuego S.A.	USD	203	-	203
	Deferred expense by effective rate	Piscicultura Tierra del Fuego S.A.	USD	(128)	(691)	(819)
CHL Renta Total FIP	Factoring loan	Comercial Austral S.A.	USD	8,219	-	8,219
Total				46,240	317,878	364,118

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

As of December 31, 2020

Institution	Currency	Maturity	1 to 2 years	2 to 3 years ThUS\$	2 to 3 years ThUS\$	3 to 4 years ThUS\$	Total ThUS\$
Nordic Trustee	USD	12.00%	26.11.2026	-	-	313,356	313,356
DNB Bank ASA	USD	6.2065%	25.05.2026	3,786	3,786	9,464	17,036
Total				3,786	3,786	322,820	330,392

As of December 31, 2019

Institution	Currency	Maturity	1 to 2 years	2 to 3 years ThUS\$	2 to 3 years ThUS\$	3 to 4 years ThUS\$	Total ThUS\$
Nordic Trustee	USD	8.25%	05.26.2021	298,926	-	-	298,926
DNB Bank ASA	USD	8.25%	05.25.2021	6,452	7,143	5,357	18,952
Total				305,378	7,143	5,357	317,878

NOVA AUSTRAL S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

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

Note 16 - 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 29.
- f) The loan with the DNB bank held by the subsidiary Piscicultura Tierra del Fuego S.A. it is subject to compliance covenants which is detailed as follows:

Covenants Name	Demands	Obtained	State
Stockholders' equity ratio	It is greater than 25% at any time	34.64%	Compliance
Debt service coverage ratio	It is higher than 1.25 times from the first quarter of 2020 to 2022 and 1.10 times thereafter	-0.75	Non-compliance (*)
Labour capital	Positive at all times	6,651	Compliance
Leverage ratio	Minor by 4.5 times always, as of December 31, 2020	-4.82	Non-compliance (*)

(*) Piscicultura Tierra del Fuego S.A., has obtained a waiver with DNB bank for December 31, 2020 to remedy the breach of the covenants.

- 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 2019 ThUS\$	Cash Flow ThUS\$	Accrued Interest ThUS\$	Other non- Monetary Movements ThUS\$	As of December 2020 ThUS\$
Loans and credits	352,480	8,357	16,962	-	377,799
Interest	3,419	(16,970)	17,889	-	4,338
Total	355,899	(8,613)	34,851	-	382,137

	As of December 2019 ThUS\$	Cash Flow ThUS\$	Accrued Interest ThUS\$	Other non- Monetary Movements ThUS\$	As of December 2020 ThUS\$
Loans and credits	319,315	31,214	1,951	-	352,480
Interest	2,796	(26,995)	27,618	-	3,419
Total	322,111	4,219	29,569	-	355,899

NOVA AUSTRAL S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

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Note 17 - 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	
	2020 ThUS\$	2019 ThUS\$	2020 ThUS\$	2019 ThUS\$
Suppliers	42,320	50,636	-	-
Invoices to be received	8,183	7,245	-	-
Personnel withholdings	352	1,502	-	-
Withholdings payable	650	1,911	-	-
Lease contract obligations	144	502	902	547
Other accounts payable	178	2,119	-	-
Total	51,827	63,915	902	547

Note 18 - Employee Benefits Provision

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	2020 ThUS\$	2019 ThUS\$
Vacation	1,687	1,298
Total	1,687	1,298

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

Movements	2020 ThUS\$	2019 ThUS\$
Beginning balance	1,298	1,225
Vacation days used	(285)	(996)
Cost of service, current	674	1,069
Total	1,687	1,298

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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Nota 19 - Other Non-Financial Liabilities, Current

The items included in this category are detailed as follows:

Item	2020 ThUS\$	2019 ThUS\$
Deferred revenue from smolt sales	1,426	1,200
Total	<u>1,426</u>	<u>1,200</u>

Note 20 - 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, 2020 and 2019, 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	<u>44,734</u>	<u>44,734</u>	<u>100.00</u>	<u>100.00</u>

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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Note 20 - Equity (continued)

a) Issued and paid capital (continued)

As of December 31, 2020 and 2019, the subscribed and paid capital is detailed as follows:

Description	2020 ThUS\$	2019 ThUS\$
Subscribed and paid capital	<u>1,000</u>	<u>1,000</u>
Total	<u>1,000</u>	<u>1,000</u>

In 2020 and 2019, the following capital increases and reductions have been materialized:

- i) On February 13, 2020, Nova Austral S.A. in conjunction with Trusal S.A. formed a new company named Salmenes 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.
- ii) 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).
- iii) 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.
- iv) 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.

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Note 20 - Equity (continued)

b) Retained earnings

In 2020 and 2019, movements in the retained earnings account are detailed as follows:

Description	2020 ThUS\$	2019 ThUS\$
Beginning balance	(1,025)	1,208
Gains for the year	(77,856)	(1,844)
Other comprehensive income loss of subsidiary interest	-	(389)
Ending balance	<u>(78,881)</u>	<u>(1,025)</u>

c) Other reserves

The movement during the years 2020 and 2019 is as follows:

Description	2020 ThUS\$	2019 ThUS\$
Beginning balance	(70)	-
Foreign Currency Translation subsidiary Pesquera Cabo Pilar S.A.	(9)	(70)
Ending balance	<u>(79)</u>	<u>(70)</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 2020 and 2019 of participation, to Piscicultura Tierra del Fuego S.A. equivalent to 15.00% in 2019 and 28.93% in 2020, to Pesquera Cabo Pilar S.A. equivalent to 0.5% in 2019 and 2020, and in Salmones Porvenir SpA equivalent to a 50% stake, according to the following detail:

Company	Non-controlling					
	Participation		Equity		Income	
	2020 %	2019 %	2020 ThUS\$	2019 ThUS\$	2020 ThUS\$	2019 ThUS\$
Comercial Austral S.A.	0.46	0.46	(21)	4	(24)	(5)
Piscicultura Tierra del Fuego S.A.	15.00	28.93	3,903	3,799	(276)	(357)
Pesquera Cabo Pilar S.A.	0.50	0.50	(2)	4	(6)	(1)
Salmones Porvenir S.p.A.	50.00	-	(2,870)	-	(2,871)	-
Total			<u>1,010</u>	<u>3,807</u>	<u>(3,177)</u>	<u>(363)</u>

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Note 21 - Income from Operating Activities

Income from operating activities is detailed as follows:

Income	2020 ThUS\$	2019 ThUS\$
Atlantic salmon	138,997	121,939
Smolt	1,599	4,512
Maquila service	4,608	1,956
Waste	122	851
Total	145,326	129,258

Note 22 - Costs of Sales

Costs of Sales	2020 ThUS\$	2019 ThUS\$
Atlantic salmon	136,943	106,664
Smolt	3,363	10,574
Maquila service	3,636	1,517
Net realizable value	5,866	-
Total	149,808	118,755

Note 23 - Other Gains

This category is detailed as follows:

Other Gains	2020 ThUS\$	2019 ThUS\$
Navarino Law 20% Bonus	14,425	23,627
Insurance recovery	1,404	616
Other Sales	300	66
Other Income	616	76
Total	16,745	24,385

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Note 24 - Other Expenses by Function

This category is detailed as follows:

Other Expenses by Function	2020 ThUS\$	2019 ThUS\$
Impairment of concessions	5,905	-
Dismantling costs	2,225	-
Fines	5,747	1,270
Disallowed expenses	1,874	-
Extraordinary mortality and other	915	636
Damage, shrinkage and other expenses	1	-
PPE write-off	21	87
Provision for obsolescence of materials and equipment	-	23
Other non-sales expenses	86	483
Total expenses	<u>16,774</u>	<u>2,499</u>

Note 25 - Administrative and Distribution Expenses

These categories are detailed as follows:

1)	Distribution Expenses	2020 ThUS\$	2019 ThUS\$
	Export freights	10,104	6,745
	Shipping expenses	578	229
	Cold storage services	2,358	1,420
	Commission	252	230
	Other expenses	44	5
	Total	<u>13,336</u>	<u>8,629</u>
2)	Distribution Expenses	2020 ThUS\$	2019 ThUS\$
	Personnel expenses	4,341	4,348
	Lease and patents	562	728
	Outsourced services	3,447	2,259
	Legal services	2,870	2,985
	Client impairment	100	(8)
	Other administrative expenses	3,358	3,506
	Total	<u>14,678</u>	<u>13,931</u>

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Note 26 - Finance Expenses and Finance Income

This category is detailed as follows:

Finance Expenses	2020 ThUS\$	2019 ThUS\$
Interest expense, bank loans	2,751	1,230
Factoring interest	161	810
Bond interest	31,380	26,590
Suppliers interest	1,393	881
Expenses for lease obligations	478	526
Bond restructuring cost	3,145	-
Line of credit	1,188	-
Interest on loan to related company	82	-
Other finance expenses	865	1,305
Total	<u>41,443</u>	<u>31,342</u>
Finance Income	2020 ThUS\$	2019 ThUS\$
Loan interest to related company	8,914	8,952
Other	-	109
Total	<u>8,914</u>	<u>9,061</u>

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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Note 27 - Foreign Currency Translation

This category is detailed as follows:

(Charges)/Credits to Assets

	<u>(Change) / Credit</u>	
	<u>2020</u>	<u>2019</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
Accounts receivable	(439)	(1,650)
Other assets		-
Total assets	<u>(439)</u>	<u>(1,650)</u>

(Charges)/Credits to Liabilities

	<u>(Change) / Credit</u>	
	<u>2020</u>	<u>2019</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
Suppliers	281	1,128
Other liabilities	247	23
Total liabilities	<u>528</u>	<u>1,151</u>
Total foreign currency translation	<u>89</u>	<u>(499)</u>

Note 28 - Presentation of expenses by Nature

The composition of these expenses is as follows:

	<u>2020</u>	<u>2019</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
Salaries	19,478	17,176
Depreciation	11,837	7,870
Amortization	213	268
Total	<u>31,528</u>	<u>25,314</u>

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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Note 29 - Contingencies and Liens

a) Current Liens

To date, guarantees given by the Company in favor of the persons indicated below are detailed as follows:

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 Cifuentes A., registration 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 Cifuentes A., registration 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 Cifuentes A., registration 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 Cifuentes A., registration 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 Cifuentes A., registration 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 Cifuentes A., registration 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 Cifuentes A., registration number 8.372-2020

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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Note 29 - 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, registration 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, registration 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, registration 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, registration 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, registration 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, registration 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, registration 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, registration 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, registration 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, registration 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, registration 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, registration 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, registration number 8.372-2020

NOVA AUSTRAL S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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Note 29 - 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, registration 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, registration 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, registration number 8.372-2020
Puerto Demaistre	Mortgage 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 8.372-2020
Puerto Prat	Mortgage 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 8.372-2020
Puerto Riquelme	Mortgage 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 8.372-2020
Punta Cuervos	Mortgage 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 8.372-2020
Spiteful	Mortgage 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 8.372-2020

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Note 29 - 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, registration 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, registration 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, registration 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, registration 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, registration 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, registration 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, registration 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, registration 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, registration 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, registration number 8.373-2020

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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Note 29 - 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
Divisible group of property comprised of the biomass situated 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 farm sites.	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, registration 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.

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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Note 29 - Contingencies and Liens (continued)

a) Current Liens (continued)

Mortgage on Real Estate

Real Property	Type of Lien
Porvenir Processing Plant domiciled at Avenida Santa María sin número, with a surface area of 891.50 square meters.	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 c/Avenida Santa María, city of Porvenir, with a surface of 9,820 square meters.	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 square meters.	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 square meters.	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 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 29 - 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. 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.

Bond and Solidarity co-debt:

Warranty	Type of Lien
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 October 8, 2020, 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.

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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Note 29 - Contingencies and Liens (continued)

a) Current Liens (continued)

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

Money	Type of Lien
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.

Money	Type of Lien
Cash deposited in the Piscicultura Tierra del Fuego.	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.
S.A. Company's checking accounts in DNB bank.	

Future PPE	Type of Lien
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 29 - Contingencies and Liens (continued)

a) Current Liens (continued)

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

Future Biomass	Type of Lien
All future biomass (eggs, fry and smolts) of salmon species that will be sown, developed and bred at the Farming Plant owned by the Company.	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 15.559-2018.
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 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 15.571-2018.

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Note 29 - Contingencies and Liens (continued)

b) Current trials

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 part of:

Nova Austral S.A.

Tax procedures

a) Citation No. 7 issued by the Internal Revenue Service (“SII”)

On March 23, 2020, the Department of Large Taxpayers (“DGC”) of the SII issued citation No. 7. Through it, the SII observed the composition of Nova Austral's capital at the time of carrying out the capital reduction operation in 2018, for ThUS \$ 117,900. Among the operations observed, citation No. 7 questioned the capital increase operations that occurred in 2006 and 2012, for ThUS \$ 17,800 (CLP \$ 12,654,958) and ThUS \$ 1,005 respectively.

Given that both capital increases were paid through the capitalization of accumulated profits in Nova Austral, these should be considered as a distribution of profits and not as part of the capital for tax purposes.

Nova Austral responded to citation No. 7, dated May 28, 2020. Additionally, it presented a supplemental response, dated July 15. Through this last presentation, Nova Austral agreed to the observations related to the capitalization of profits and requested the issuance of the payment with the corresponding taxes.

Given that the Company's shareholders, at the date of the capital decrease, were companies without domicile or residence in Chile, Nova Austral Spain S.L. and Albain Holdco S.a.r.l., the return of said capitalized profits resulted in additional Withholding Tax, at a rate of 35%.

On July 20, 2020, the SII issued the tax draft according to the following detail:

Additional Tax owed:	ThUS \$ 2,671
Interest:	ThUS \$ 1,001
Fine:	ThUS \$ 801

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Note 29 - Contingencies and Liens (continued)

b) Current trials (continued)

Nova Austral S.A. (continued)

Tax procedures (continued)

a) Citation No. 7 issued by the Internal Revenue Service (“SII”) (continued)

On July 22 and August 14, Nova Austral requested the SII to waive the interest and penalties related to the tax bill issued by the SII. Thus, on August 17, the SII granted a remission of 80% of the interest and penalties, leaving these at ThUS \$200 and ThUS \$160, respectively.

After obtaining the forgiveness of interest and penalties, the taxes were paid. Consequently, this procedure is concluded.

b) Settlements N ° 1 to 26 issued by the SII.

On July 30, 2020, the Directorate of Large Taxpayers (“DGC”) of the SII issued citation No. 56. Through it, the SII observed Nova Austral's Sales and Service Tax (“VAT”) returns corresponding to the periods from July 2017 to December 2019 (30 periods).

According to citation No. 56, Nova Austral would have used a VAT tax credit higher than the corresponding one, which would have resulted in a lower payment of this tax in the periods observed. The foregoing is based on the provisions of Law No. 18.392 (“Navarino Law”), -applicable to Nova Austral, in its capacity as taxpayer domiciled in a preferential territorial area-, which grants VAT-exempt operations treatment to purchases made by Nova Austral from its suppliers located outside the territory of the benefit.

Citation No. 56 requires Nova Austral to present the supporting information that accounts for the accuracy of its VAT returns and correct determination of the tax, based on the tax credit and debit declared in the questioned periods.

On August 14, 2020, Nova Austral requested an extension of one month to respond to citation No. 56. which was granted by the SII. The response to citation No. 56 was evacuated by Nova Austral on October 2, 2020. Subsequently, on December 28, a complement to the response was presented, where additional information was provided to the SII.

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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Note 29 - Contingencies and Liens (continued)

b) Current trials (continued)

Nova Austral S.A. (continued)

Tax procedures (continued)

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

On January 11, 2021, the DGC issued Settlements No. 1 to 26, for which the use of ThUS \$ 7,244 (CLP \$ 5,150,266) was validated as a tax credit and a difference in VAT amounting to ThUS \$ 13,149 was determined (ThCh \$ 9,703,598), which due to the application of the legal adjustments generates a total debt of ThUS \$ 29,127 (ThCh \$ 20,707,749).

The deadlines to challenge settlements N ° 1 to 26 are currently pending, which expire on February 23, 2021, in the case of the Voluntary Administrative Replenishment, and on April 29, 2021, in the case of the tax claim.

At the same time, the possibility of requiring Nova Austral suppliers to request the refund of the VAT paid incorrectly for the disputed operations whose deduction was not accepted by the SII is being analyzed.

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

a) Case C-1371-2019 filed before the First Court of First Instance of Punta Arenas

On July 25, 2019, Sernapesca filed a complaint with the First Court of First Instance of Punta Arenas against Nova Austral, requesting the court to apply a sanction equivalent to the payment of a fine of between 500 to 3,000 Monthly Tax Units and the suspension of Nova Austral operations for up to two consecutive production cycles in the farm sites referred to below (*), based on the delivery by Nova Austral of unreliable information to the aquaculture authority, related to the operation of 16 salmon farms, as well as other infractions related to the delivery of information about the company's operations.

(*) *The farm sites included in the complaint correspond to Aracena 1, Aracena 2, Aracena 3, Aracena 4, Aracena 5, Aracena 6, Aracena 9, Aracena 10, Aracena 12, Aracena 14, Aracena 15, Aracena 19, Cockburn 3, Cockburn 13, Cockburn 14 and Cockburn 23.*

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Note 29 - Contingencies and Liens (continued)

b) Current trials (continued)

Nova Austral S.A. (continued)

Tax procedures (continued)

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

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

- a) Case C-1371-2019 filed before the First Court of First Instance of Punta Arenas (continued)

On December 23, 2020, the Court of Appeals of Punta Arenas sentenced Nova Austral to pay a fine equivalent to 3,000 Monthly Tax Units and also applied the sanction of suspension of operations for a productive cycle in the Aracena 3 farming sites.

On January 26, 2021, Nova Austral made the payment of the fine of 3,000 Monthly Tax Units, equivalent to ThUS \$ 215 (ThCh \$ 152,934) on that date, so the contingency is materialized.

- b) Case C-24-2019 filed before the Court of First Instance and Guarantee of Porvenir

On July 11, 2019, Sernapesca filed a complaint with the Court of Letters and Guarantee of Porvenir against Nova Austral, requesting that it be ordered to pay a fine of between 50 to 3,000 Monthly Tax Units for alleged infractions 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 for Hydrobiological Species, based on the fact that during the transfer of the salmon harvest from the Cockburn 3 salmon farm, owned by Nova Austral, there would have been blood runoff from the barge in which the harvest was transported.

The setting of a day and time for the hearing of discharges is currently pending.

Given the procedural status of the trial, it is not possible at this date to estimate the probability of materialization of the contingency.

- c) Case C-351-2020 filed before the Second Court of First Instance of Punta Arenas

On February 19, 2020, Sernapesca filed a complaint with the Second Court of First Instance of Punta Arenas, based on an alleged violation of the rules of the Fisheries Law related to the daily extraction of salmon mortalities at the Cockburn farm site 3.

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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Note 29 - Contingencies and Liens (continued)

b) Current trials (continued)

Nova Austral S.A. (continued)

Tax procedures (continued)

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

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

- c) Case C-351-2020 filed before the Second Court of First Instance of Punta Arenas (continued)

The notification of the complaint to Nova Austral and the setting of a day and time for the hearing of discharges is currently pending.

Given the procedural status, it is not possible at this date to estimate the probability of materialization of the contingency.

- d) Complaint for alleged infractions to the Fishing Law committed in the Aracena 9 farm site

On October 29, 2019, Nova Austral was notified of a complaint from Sernapesca for alleged violations of articles 63 and 113 of the Fisheries Law, articles 6, 7, 8 and 15 of the S.D. 129 of 2013 and article 2 of the S.D. 319 of 2001.

The complaint has not yet been submitted to the competent court to hear it, so it is not possible to estimate the probability of materialization of the contingency.

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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Note 29 - Contingencies and Liens (continued)

b) Current trials (continued)

Nova Austral S.A. (continued)

Tax procedures (continued)

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

ii) Penalty procedures initiated by the Superintendency of the Environment ("SMA") against Nova Austral

On August 19, 2019, the SMA initiated the following sanctioning procedures against Nova Austral:

a) Procedure Roll D-091-2019 (Aracena 10):

Through Exempt Resolution No. 1 / Rol 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 ("CES Aracena 10"):

i) Inadequate waste management

The charges made are based on the fact that during inspections carried out by Sernapesca technical personnel at CES Aracena 10, the existence of different elements on the seabed, belonging to the cultivation structures installed in previous production cycles, was detected. This violation was rated by the SMA as minor. Currently, Nova Austral is executing a Compliance Program that, if completed satisfactorily, will imply the end of the sanctioning procedure referred to this charge without sanction.

ii) Overproduction

The charges made are based on the fact that, during the 2016-2017 production cycle, Nova Austral exceeded the maximum production levels authorized by Environmental Qualification Resolution No, 71/2003 ("RCA 71/2003") for CES Aracena 10.

This offense was classified by the SMA as serious considering the alleged concurrence of the circumstances established in letters "a", "d" and "i" of numeral 2 of article 36 of Law N ° 20.147 that establishes the Organic Law of the Superintendency of the Environment ("LO-SMA").

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Note 29 - Contingencies and Liens (continued)

b) Current trials (continued)

Nova Austral S.A. (continued)

Tax procedures (continued)

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

ii) Penalty procedures initiated by the Superintendency of the Environment ("SMA") against Nova Austral (continued)

b) Procedure Rol D-093-2019 (Cockburn 14):

Through Exempt Resolution No. 1 / Rol D-093-2019 dated August 19, 2019, the SMA filed charges against Nova Austral, as the owner of the Cockburn 14 salmon farm site ("CES Cockburn 14"), for having exceeded, during the 2015-2017 production cycle, the maximum production levels authorized by Environmental Qualification Resolution No. 54/2010 ("RCA 54/2010") for CES Cockburn 14.

This violation was classified by the SMA as serious given the alleged concurrence of the circumstances established in letters "a", "d" and "i" of numeral 2 of article 36 of the LO-SMA.

c) Procedure Rol D-094-2019 (Cockburn 23):

Through Exempt Resolution No. 1 / Rol D-094-2019 dated August 19, 2019, the SMA filed charges against Nova Austral, as owner of the Cockburn 23 salmon farm site ("CES Cockburn 23"), for have exceeded, during the 2016-2017 production cycle, the maximum production levels authorized by Environmental Qualification Resolution No. 78/2010 ("RCA 78/2010") for CES Cockburn 23.

This violation was classified by the SMA as serious given the alleged concurrence of the circumstances established in letters "a", "d" and "i" of numeral 2 of article 36 of the LO-SMA.

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Note 29 - Contingencies and Liens (continued)

b) Current trials (continued)

Nova Austral S.A. (continued)

Tax procedures (continued)

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

ii) Penalty procedures initiated by the Superintendency of the Environment ("SMA") against Nova Austral (continued)

d) Procedure Rol D-100-2019 (Aracena 19):

Through Exempt Resolution No. 1 / Rol 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"):

Inadequate management of mortalities generated at CES Aracena 19 during the 2013-2015 and 2016-2018 production cycles. This violation was rated by the SMA as minor.

- i) Inadequate solid waste management, expressed in the collection of household-assimilable garbage in big bags for transporting salmon feed, big bags for transporting salmon feed kept in the center after use, collection of disused materials on the platform and collection of rafts decommissioned from other centers. This violation was rated by the SMA as minor.
- ii) Opening in the security parapet of a silage platform. This violation was rated by the SMA as minor.
- iii) Breach of preventive measures established in the company's contingency plans. This violation was rated by the SMA as minor.
- iv) Failure to deliver information: The SMA denounced that Nova Austral refused to send the daily control log of mortality subjected to silage at the CES Aracena 19, corresponding to the 2016-2018 production cycle, arguing the lack of such information (however, previously such information had been sent to the SMA). This infringement was classified by the SMA as very serious considering the alleged concurrence of the circumstances established in "d" and "e" of numeral 1 of article 36 of the LO-SMA.

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Note 29 - Contingencies and Liens (continued)

b) Current trials (continued)

Nova Austral S.A. (continued)

Tax procedures (continued)

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

ii) Penalty procedures initiated by the Superintendency of the Environment ("SMA") against Nova Austral (continued)

d) Procedure Rol D-100-2019 (Aracena 19): (continued)

In accordance with applicable legislation, the SMA may impose the following sanctions in these procedures:

- Written warning (minor infractions);
- Fines from 1 to 1,000 Annual Tax Units (minor offenses), from 1 to 5,000 Annual Tax Units (serious offenses), and from 1 to 10,000 Annual Tax Units (very serious offenses);
- Temporary or definitive closure in case of serious or very serious infractions;
- Revocation of the Environmental Qualification Resolution in case of serious or very serious infractions.

In the proceedings initiated by the SMA for alleged overproduction violations at CES Aracena 10, Cockburn 14 and Cockburn 23 and regarding the charges made in relation to CES Aracena 19, Nova Austral presented its defense and the processes are currently in the evidentiary stage.

Given the current procedural status of these procedures, it is not possible to estimate the probability of materialization of the contingency.

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Note 29 - Contingencies and Liens (continued)

b) Current trials (continued)

Nova Austral S.A. (continued)

Tax procedures (continued)

b) Settlements N ° 1 to 26 issued by the SII. (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.

- a) Case RUC 2010021453-K brought before the Local Prosecutor's Office of Punta Arenas and the Court of Letters and Guarantee of Porvenir for the crimes of fraud of subsidies and water pollution

On July 5, 2019, the Punta Arenas Prosecutor's Office initiated, ex officio, an investigation against Nova Austral S.A. and those who are responsible, by virtue of a report published in the newspaper El Mostrador, for alleged crimes of subsidy fraud, falsification of documents, tax offenses and crimes provided for in the Fisheries Law.

As a result of this investigation, the following cases were born: (i) Case RUC 1900711979-0, followed by the alleged crime of fraud of subsidies, foreseen and sanctioned in article 470 No. 8 of the Penal Code; and (ii) Case RUC 1901089225-5, followed by the alleged crime of introducing polluting agents into bodies of water, provided for and sanctioned in article 136 of the Fisheries Law. Subsequently, on July 12, 2019, Sernapesca filed a complaint for these same events, which was grouped into the ongoing investigations.

On April 24, 2020, the State Defense Council (hereinafter “CDE”) filed a criminal complaint for an alleged crime of subsidy fraud against four former Nova Austral employees (Nicos Nicolaides, Drago Covacich, Arturo Schofield and Rigoberto Garrido), and, a current employee of the Company, Isaac Ollivet-Besson. This complaint started the investigation RUC 2010021453-K. Subsequently, on June 1, 2020, the CDE filed an extension of the complaint for the crime of introduction of polluting agents into bodies of water against the Company, based on the same facts that the Prosecutor's Office is currently investigating.

On July 3, 2020, the Court of Porvenir accepted the request for grouping of investigations presented by the Public Ministry, leaving only the investigation RUC 2010021453-K, initiated by the complaint filed by the CDE.

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Note 29 - Contingencies and Liens (continued)

b) Current trials (continued)

Nova Austral S.A. (continued)

Tax procedures (continued)

b) Settlements N ° 1 to 26 issued by the SII. (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)

- a) Case RUC 2010021453-K brought before the Local Prosecutor's Office of Punta Arenas and the Court of Letters and Guarantee of Porvenir for the crimes of fraud of subsidies and water pollution (continued)

The facts investigated would consist of (i) the alleged introduction of sand into the seabed of Nova Austral farming centers, in order to force them to have the necessary aerobic conditions to obtain authorizations for the development of new farming cycles; and (ii) the alleged fraud in the request for benefits granted by the Navarino Law, through the delivery of false records of sowing, harvesting and mortality of the various cultivation centers of Nova Austral.

To date, the Porvenir Guarantee Court, at the request of the CDE, has granted the following real precautionary measures in relation to Nova Austral assets:

- On May 22, 2020, it granted against Nova Austral the real precautionary measure for withholding the bonuses, under the Navarino Law, corresponding to the sales period from September to December 2019, which were pending payment by the Regional Treasury of Magallanes. The total of these bonuses amounts to ThUS \$ (9,780) (ThCh \$ 6,953,429).
- On July 9, 2020, it granted new real precautionary measures against Nova Austral, consisting of the prohibition of entering into acts and contracts on a series of properties owned by Nova Austral, located in the Magallanes Region.

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Note 29 - Contingencies and Liens (continued)

b) Current trials (continued)

Nova Austral S.A. (continued)

Tax procedures (continued)

b) Settlements N ° 1 to 26 issued by the SII. (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)

- a) Case RUC 2010021453-K brought before the Local Prosecutor's Office of Punta Arenas and the Court of Letters and Guarantee of Porvenir for the crimes of fraud of subsidies and water pollution (continued)

Currently the investigation is in force, de-formalized, and with the real precautionary measures, previously indicated, decreed against Nova Austral, which could eventually remain in force during the course of the process, so the status of the process is taken into account and the information available to date, it is not possible to estimate the probability of materialization of the contingency.

c) 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.

On December 9, 2019, the final judgment of first instance was issued, Notwithstanding that the sentence has not been formally notified, we can report that the court sentenced Cabo Pilar to pay the sum of 40 Monthly Tax Units. Although the sentence is not enforceable, the materialization of the contingency is probable.

NOVA AUSTRAL S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2020 and 2019

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Note 29 - Contingencies and Liens (continued)

b) Current trials (continued)

Nova Austral S.A. (continued)

Tax procedures (continued)

c) Cabo Pilar (continued)

b) Appeal for protection filed by Cabo Pilar before the Santiago Court of Appeals

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 December 6, 2019, the hearing of the case took place and it is currently pending that the appeal is resolved by the Court of Appeals of Santiago. To date, it is not possible to estimate the probability of the contingency materializing.

d) Pisciculture Tierra del Fuego

a) Case C-38-2017 filed before the Porvenir Court of First Instance and Guarantee

On July 20, 2017, the General Water Directorate, through its Regional Director of Magallanes and Antarctica Chile, filed a complaint with the Court of Letters and Guarantee of the Future against Nova Austral, for alleged infractions of the articles 32, 41 and 171 of the Water Code, consisting of carrying out unauthorized works or tasks in the Chorrillo Rogers channel.

The complaint has not been notified to Nova Austral.

In accordance with the provisions of article 172 of the Water Code, if the aforementioned infractions are proven, the applicable fines could vary between 100 and 1,000 Annual Tax Units.

Given the state of the process and the information available to date, it is not possible to estimate the probability of materialization of the contingency.

NOVA AUSTRAL S.A. AND SUBSIDIARIES

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Note 30 - 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 \$ 143 (2019 ThUS \$ 255) 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.

Note 31 - Subsequent Events

Between December 31, 2020 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.