NOVA AUSTRAL

PURE SALMON FROM ANTARTIC WATERS

Q3-2017 Nova Austral Financial Reporting

November 29th, 2017

Agenda

A. Nova Austral Pillars & Fundamentals

B. Harvest outlook 2017-2019

C. Market Outlook

D. Financial Report
   1) Key Financial summary
   2) LTM EBITDA, Revenue and Harvest per Q
   3) Operational Revenue & EBIT/Kg per Q
   4) Sales Outlook

E. Back up, IFRS Financials Statements
   1) IFRS Financial Statements
   2) NRI disclosure

Investment value fundamentals

We are determined to progress on our value fundamentals quarter on quarter

Value Fundamentals	KPI	Q3-2017	2020 ambition
Purest Salmon raised in Antarctic waters, with fully controlled biological chain….	• % ASC certified Harvest (LTM)	**80%** ↑	**> 80%**
	• MBA certification- valid	**100%** ↑	**100%**
	• % ABF standing biomass (Nª fish)	**85%**	**> 80%**
	• % completion Hatchery Facility	**15%**	**100%**
...commanding premium in the market and strong relationships with major retailers and food servicers	• % Sold as premium (kg WFE)	**34%**	**70%**
	• % contracted sales (Kg WFE for next 12 Month)	**35%**	**30 - 50%**
A leading position on industry production costs	• USD/Kg WFE ex cage cost (LTM)	**3,2**	**< 3,0**
Strong, top of the class, cash conversion	• % Op. Cash Flow/EBITDA (LTM)	**68%**	**> 85%**
Retains potential to further production expansion in mid-long term	• Next 12 Month Harvest WFE	**25 k Tons**	**> 32 k Tons**

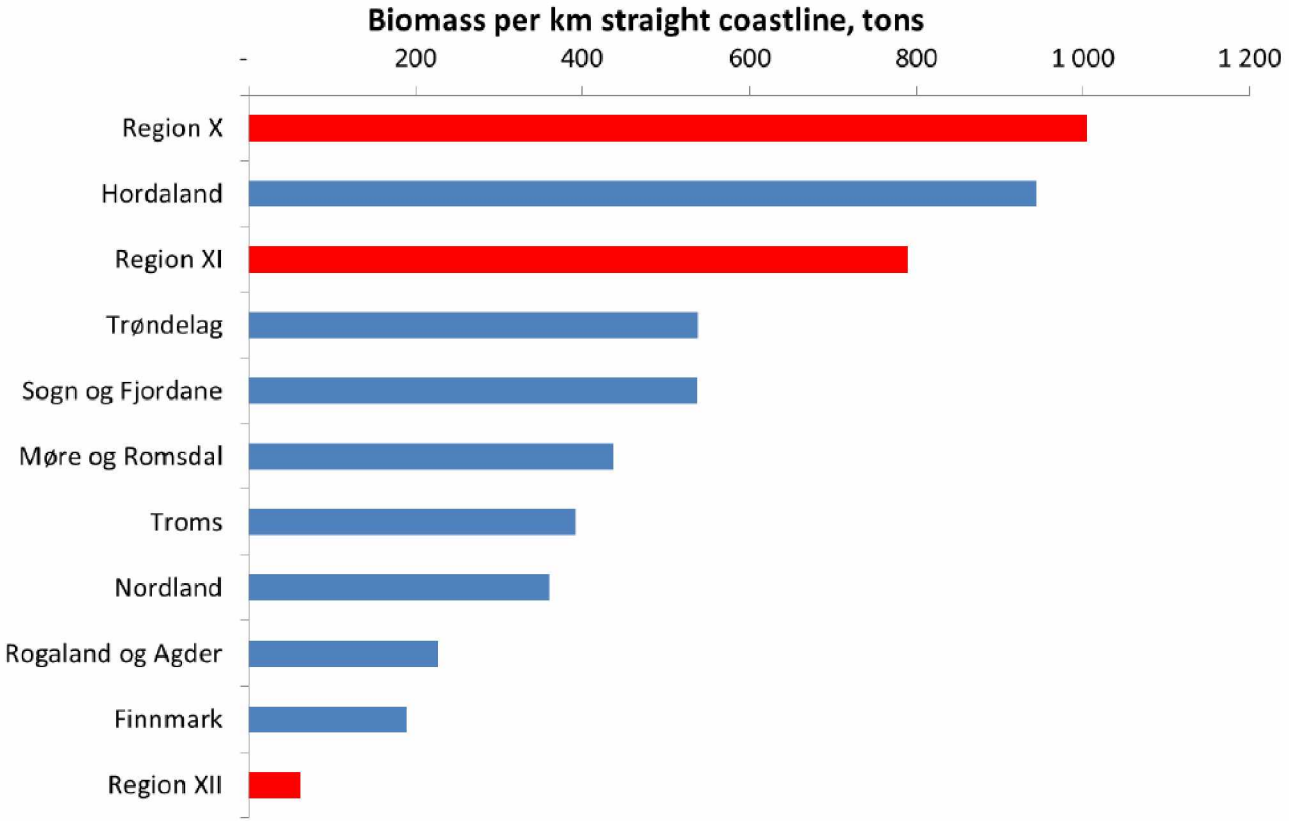
- ✓ Harvest outlook with 2017 & 2018 guidance

k Ton WFE	2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	2017	1 Half 2018	2 Half 2018	2018
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Guidance	Guidance	Guidance	Guidance	Guidance
Total Harvest	**18,3**	6,0	7,1	5,2	5,7	**24,1**	5,7	7,2	7,3	6,8	**27,0**	10,6	16,6	**27,2**

Comments

- ✓ 2017 guidance reduce from 29 k Ton from June-17 as mentioned in the Q2 report. Still some negative volumes effects related to higher eFCR (feed conversion ratio) and lower growth than targeted
- ✓ Stocking for 2017, in the range of 6,5-7 million smolts
- ✓ Initial guidance for 2018, 27,2 k Tons, first half still has the impact on delayed stocking, will recover in second half. Higher ex-cage cost expected in 2018 due to delayed stocking (bigger smolt) and some biological issues on the 2017 G (not optimal smolt quality)
- ✓ From mid-2018 onward we plan stable harvest of 8-9 k Ton/Q

- ✓ Chile's biomass density, as a global supplier, at Norway's maximum level
- ✓ But if we look region by region, region XII is below Norway's lower density level



Source: Fiskeridir, Sernepesca, DNB

Global supply estimates

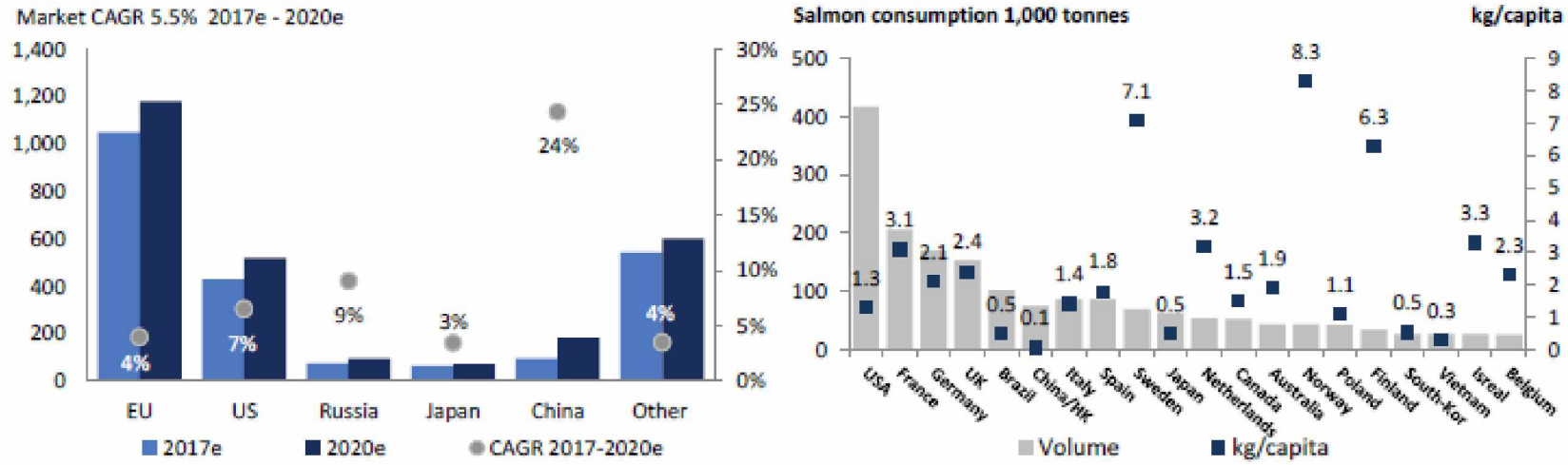
The world production of Atlantic Salmon (rw 1,000 tons)											% Y/Y growth				
Country	2011	2012	2013	2014	2015	2016	2017e	2018e	2019e	2020e	2016	2017e	2018e	2019e	2020e
Norway	1,006	1,183	1,144	1,199	1,234	1,171	1,201	1,282	1,339	1,412	-5 %	3 %	7 %	4 %	5 %
Chile	221	364	468	583	598	504	545	585	601	618	-16 %	8 %	7 %	3 %	3 %
UK	155	159	158	172	166	157	173	175	180	186	-5 %	10 %	1 %	3 %	3 %
Canada	120	137	115	95	135	143	138	146	152	158	5 %	-3 %	6 %	4 %	4 %
Faroes	56	70	73	83	76	77	80	83	88	93	2 %	4 %	3 %	6 %	6 %
USA	19	20	20	20	20	22	22	21	22	24	9 %	-2 %	-2 %	7 %	5 %
Ireland	16	16	11	12	16	16	17	18	18	18	1 %	8 %	3 %	2 %	2 %
Australia	36	40	39	42	55	54	59	60	63	67	-2 %	9 %	1 %	6 %	6 %
Iceland	1	3	3	4	4	8	14	20	30	45	125 %	70 %	45 %	50 %	50 %
Other	5	8	11	15	14	12	12	14	20	35	-10 %	-2 %	12 %	50 %	75 %
Total production	1,634	2,000	2,042	2,226	2,318	2,165	2,260	2,402	2,513	2,656	-7 %	4 %	6 %	5 %	6 %
Annual growth	13 %	22 %	2 %	9 %	4 %	-7 %	4 %	6 %	5 %	6 %					

Source: Pareto, Kontali

Comments

- ✓ Projections showing a growth in the range of 5-6% for the coming years.
  - 2018 growth of 7% both in Norway & Chile, showing the recovery from sea lice hit and algae bloom
  - 2019/20 growth seems to be under control and in lines with demand
- ✓ Forward prices (Fish Pool) for 2018 reduced with 6 NOK (0,7 USD) per kilo from beginning Q3
  - Will impact the price environment for Nova Austral sales in 2018 (except of the 35% contracted)

We believe China and US will have the highest growth going forward



Source: Pareto, Kontali

Comments

- ✓ We consider China and US will be able to absorb 100,000 tons each in this period, implying a CAGR of 24% and 6.5% respectively.
- ✓ We estimate that the remaining 200,000 tons will be split almost 50/50 between EU and other areas, which imply a CAGR of 4% these markets.
- ✓ Still huge potential of US & China when we compare its consumption per capita with some European countries

C) 1) Key Financials Summary YTD

YTD Key items (USDm)	Q3'17	Q3'16	2016
Operational revenue (*)	131,2	126,0	172,1
Operational EBITDA (**)	68,6	31,1	51,1
Operational EBITDA %	52,3%	24,7%	29,7%
Operational EBIT (**)	64,1	27,0	45,6
Operational EBIT %	48,9%	21,5%	26,5%
Others Non operational	-25,9	24,8	46,5
Net financial items	-13,0	-8,0	-10,7
Profit or loss for the period	18,1	43,5	81,4
Cash flow from operations	38,8	7,9	25,2
Total assets	483,7	254,4	272,5
NIBD	281,3	124,9	123,2
Total Equity	109,8	57,9	88,1
ROCE %	58,4%	46,7%	51,8%
Sales volume ('000 mt WFE)	18,8	22,0	28,5
Operational EBIT per kg WFE - USD	3,41	1,23	1,60
NIBD/EBITDA(LTM)	3,2	4,2	2,4

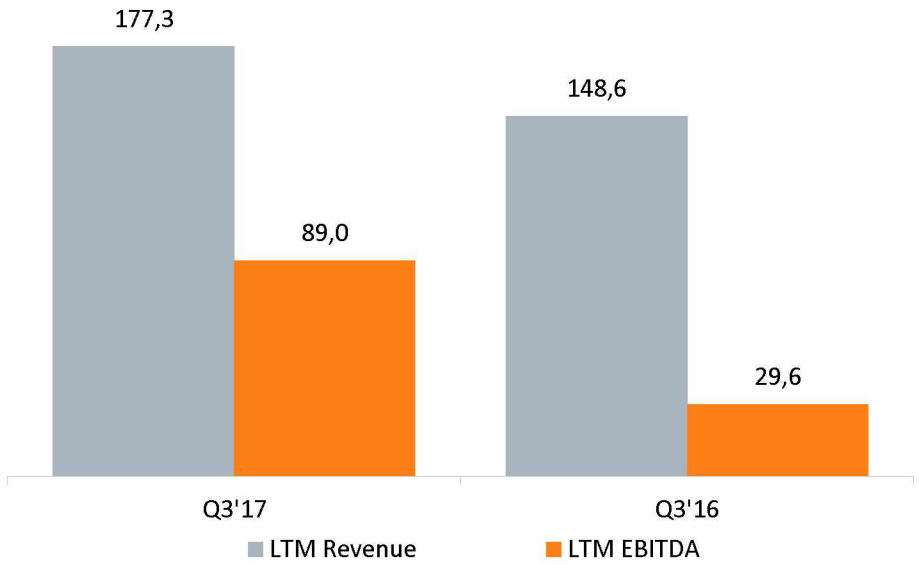
(*) Not considering Navarino Law

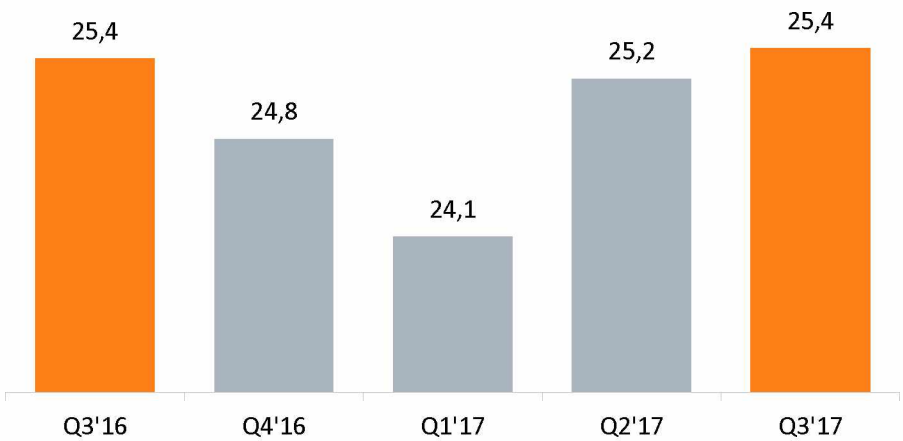
(**) Before NRI

Comments

- In line with EBITDA expectations (2nd best quarter in the company's history) - good operational cash generation
- Balance sheet already considering bond structure, leverage at the level of 3,2x
- NRI, considering the P&L effect as regulated in the bond agreement

C) 2) LTM Revenue, EBITDA & Harvest



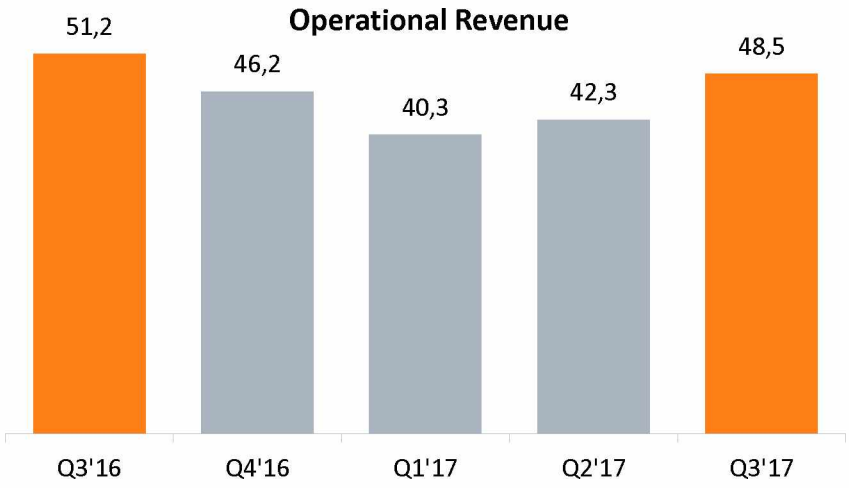


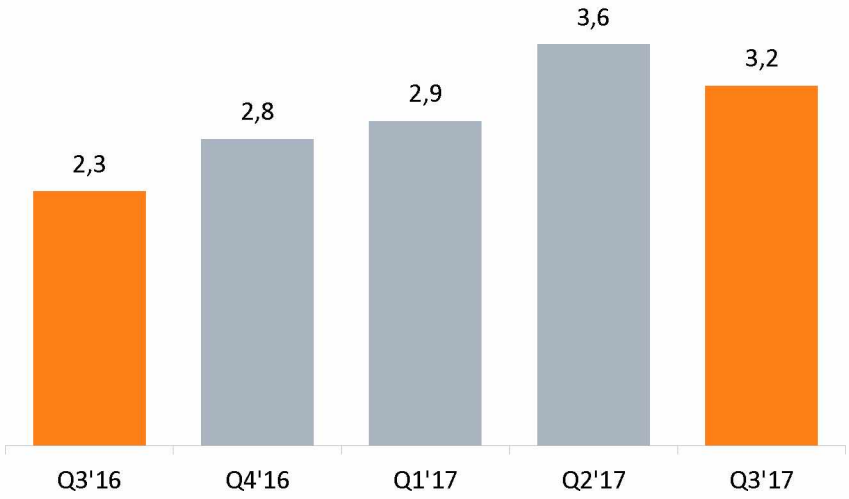
LTM Harvest x Q, K Ton WFE (*)

Comments

- ✓ LTM Revenue and EBTIDA, in line with expectations at Q3-17
- ✓ From a good price environment in first half 2017, to a very challenging market environment in Q3-17
- ✓ Harvest moving up to expected 27 k Ton, with 2017 stocking showing a trend to increase to our target of 28/30 K Ton WFE going forward
- ✓ NRI, some negative effect on harvest cost and volume, main reason related to delayed stocking in 2017, higher feed conversion rate (eFCR) than expected due to some feed quality issues

(*) We amend figures from Q2, that was stated as Live weight harvest



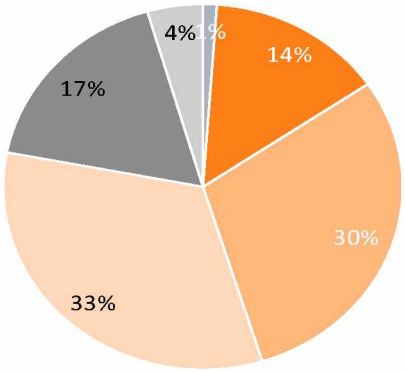


EBIT x Q, USD / Kg WFE

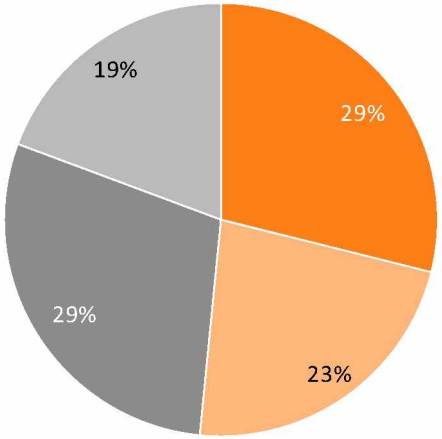
Comments

- ✓ Q3-17 Operational revenue picking up from Q2-17 due to volume effect
- ✓ Trend on EBIT/Kg WFE showing a good performance in Q3-17, above 3 USD per kilo
- ✓ We still believe that EBIT/kg for average 2017 will be around USD 3
- ✓ Sales volume will be slightly lower than target in 2017 due to the feed/eFCR issues (27' MT vs 28' MT)
- ✓ Impact of the margin development for NA expected to be partly compensated by Sixty South and ASC/non antibiotic penetration in the market.

Sales per product group Q3'17	
Fresh HON	1%
Fresh fillets	14%
Frozen HON	30%
Frozen fillets	33%
Frozen Portions	17%
Frozen others	4%
Total	



Sales per geography YTD Q3'17	
US	29%
EU	23%
Russia & other	29%
Asia	19%



- ✓ Value added product, fresh fillets and portions, developing as expected, representing 32% of revenue at YTD Q3, with the plan to increase that % at year end
- ✓ Nova Austral in line with target of ASC certification (>80% of 2017 volumes) and ABF (>80% raised without antibiotics in 2017)
- ✓ Total sales to US market growing 30% in revenues at YTD-Q3 in line with expectations, also increasing sales to other markets non commodity (EU and some customers from Asia)

Back up

D) 1) IFRS Income Statement

Income statment YTD	Q3'17	Q3'16	2016
Revenues	131,2	126,0	172,1
Cost of goods sold	-79,7	-100,1	-129,5
Gross profit before fair value adjustments	**51,4**	**25,9**	**42,7**
Other income (*)	25,2	20,5	28,7
Distribution Cost	-6,7	-9,5	-11,9
Admin Cost	-8,0	-5,9	-8,4
EBITDA before fair value adjustment	**61,9**	**30,9**	**51,1**
Depreciation	-4,5	-4,1	-5,5
EBIT before fair value adjustment	**57,4**	**26,9**	**45,6**
Fair value adjustments	-28,3	24,5	48,9
EBIT with fair Value adjustments	**29,1**	**51,3**	**94,5**
Other earnings / costs	0,8	0,1	-2,9
Net Financial Income/Expenses	-13,0	-8,0	-10,7
Foreign exchange costs	1,5	0,2	0,4
Earnings before taxes	**18,5**	**43,7**	**81,4**
Tax	-0,4	-0,2	-0,4
Net profit (loss)	**18,1**	**43,5**	**81,0**

D) 1) IFRS Income Statement

Income statment Quarter	Q3'17	Q3'16	Var
Revenues	48,5	51,2	-2,7
Cost of goods sold	**-29,8**	**-35,2**	**5,3**
Gross profit before fair value adjustments	18,7	16,0	2,7
Other income (*)	8,6	8,4	0,2
Distribution Cost	-1,3	-3,4	2,0
Admin Cost	-4,0	-2,7	-1,3
EBITDA before fair value adjustment	22,0	**18,3**	**3,7**
Depreciation	-1,7	-1,3	-0,4
EBIT before fair value adjustment	20,3	**17,1**	**3,2**
Fair value adjustments	-24,0	6,6	-30,6
EBIT with fair Value adjustments	-3,7	**23,7**	**-27,4**
Other earnings / costs	0,8	-0,1	0,9
Net Financial Income/Expenses	-8,4	-2,9	-5,5
Foreign exchange costs	0,8	-0,4	1,2
Earnings before taxes	**-10,5**	**20,2**	**-30,7**
Tax			
Net profit (loss)	**-10,5**	**20,2**	**-30,7**
Total comprehensive income	-10,5	20,2	-30,7

D) 1) IFRS Balance Sheet Statement

Balance sheet	30/09/2017	30/09/2016	2016
Cash and cash equivalents	18,7	6,3	22,4
Accounts receivable	26,4	17,3	17,3
Inventories	27,5	37,5	21,1
Current biological assets	86,0	88,2	103,1
Tax and other current assets	33,7	28,8	30,9
Total current assets	**192,3**	**178,0**	**194,8**
Intangible assets other than goodwill	6,8	6,2	6,5
Property, plant and equipment	59,3	58,2	58,1
Biological assets, non-current	7,8	8,6	11,3
Other non-current assets	217,5	3,5	1,8
Total non-current assets	**291,4**	**76,4**	**77,8**
Total assets	**483,7**	**254,4**	**272,5**
Paid in capital	**118,9**	**115,3**	**115,3**
Retained earnings	**-9,1**	**-57,4**	**-27,2**
Total equity	**109,8**	**57,9**	**88,1**
Other current financial liabilities	6,1	21,2	24,2
Accounts payable	66,7	17,1	19,0
Accounts payable to related entities	0,0	42,9	37,4
Other current liabilities	1,1	1,4	0,9
Total current liabilities	**73,9**	**82,7**	**81,5**
Other non-current financial liabilities	300,0	110,0	99,0
Accounts payable to related entities	0,0	3,9	3,9
Total non-current liabilities	**300,0**	**113,9**	**102,9**
Total liabilities	**373,9**	**196,6**	**184,5**
Total Equity and liabilities	**483,7**	**254,4**	**272,5**
Net interest bearing debt	281,3	124,9	100,8
NIBD/EBITDA(LTM)	3,2	4,2	2,0

D) 1) IFRS Cash Flow Statement

Cash flow statement YTD	Q3'17	Q3'16	2016
Net profit before taxes	18,1	43,7	81,0
Depreciation	4,5	4,1	5,5
Taxes	0,4	0,2	0,4
Other results, no cash flow movements	34,3	-35,4	-45,6
Change in working capital and other	-18,5	-4,7	-16,1
Net cash from operating activities	**38,8**	**7,9**	**25,2**
Acquisition fixed assets	-4,8	-5,4	-6,6
Acquisitions of other investments	-3,5	0,0	0,0
Disposal of assets	0,0	0,0	0,0
Change on other long-term assets	-7,2	0,0	0,0
Net cash from investing activities	**-15,5**	**-5,4**	**-6,6**
Long Term Financial Debt Arrangements	-99,0	0,0	0,0
Changes in long-term financial debt with the group	-205,0	0,0	0,0
Increase or decrease in other long-term liabilities	300,0	0,0	0,0
Net cash flow from short-term maturing financial debt	-23,0	0,0	0,0
Net cash from financing activities	**-27,0**	**0,0**	**0,0**
Change in cash	**-3,7**	**2,5**	**18,6**
Cash and cash equivalents b.o.p	22,4	3,8	3,8
Cash and cash equivalents e.o.p	*18,7*	*6,3*	*22,4*

D) 1) IFRS Cash Flow Statement

Cash flow statement Quarter	Q3'17	Q3'16	Var
Net profit before taxes	-10,5	20,4	-30,9
Depreciation	1,7	1,3	0,5
Taxes	0,0	0,0	0,0
Other results, no cash flow movements	29,2	-18,7	48,0
Change in working capital and other	-9,9	6,3	-16,2
Net cash from operating activities	**10,5**	**9,3**	**1,3**
Acquisition fixed assets	-0,7	-4,3	3,6
Acquisitions of other investments	-3,5	0,0	-3,5
Disposal of assets	0,0	0,0	0,0
Change on other long-term assets	-7,2	0,0	-7,2
Net cash from investing activities	**-11,4**	**-4,3**	**-7,1**
Long Term Financial Debt Arrangements	-99,0	0,0	-99,0
Changes in long-term financial debt with the group	-205,0	0,0	-205,0
Increase or decrease in other long-term liabilities	300,0	0,0	300,0
Net cash flow from short-term maturing financial debt	-11,0	0,0	-11,0
Net cash from financing activities	**-15,0**	**0,0**	**-15,0**
Change in cash	**-15,9**	5,0	**-20,8**
Cash and cash equivalents b.o.p	34,6	1,3	33,2
Cash and cash equivalents e.o.p	*18,7*	*6,3*	*12,4*

Changes in equity	Share capital	Retained earnings	(other(s))	Total equity
Equity as at 01.01.17	115,3	-27,2		88,1
Capital Increase	3,6			3,6
Net profit for the year		18,1		18,1
Comprehensive income				0,0
Equity as at 30.09.17	**118,9**	**-9,1**	**0,0**	**109,8**

Comments

- ✓ The only change since Q2-17 is the net profit for the year, a decrease compare with Q2-17 due to fair value adjustments in Q3

D) 1) IFRS Income Statement per Q

Income statement per Q	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Sales Kg WFE	**7.281**	**7.090**	**7.654**	**6.805**	**5.544**	**5.801**	**7.439**
Revenues	32,4	42,4	51,2	46,2	40,3	42,3	48,5
Cost of goods sold	**-32,4**	**-32,5**	**-35,2**	**-29,4**	**-25,2**	**-24,7**	**-29,8**
Gross profit before fair value adjustments	0,0	9,9	16,0	16,8	15,2	17,6	18,7
Other income (*)	5,3	6,7	8,4	8,3	7,4	9,1	8,6
Distribution & Admin Cost	-4,5	-4,9	-6,1	-4,9	-5,0	-4,4	-5,3
EBITDA before fair value adjustment	**0,9**	**11,7**	**18,3**	**20,2**	**17,6**	**22,3**	**22,0**
Depreciation	-1,5	-1,3	-1,3	-1,4	-1,4	-1,5	-1,7
EBIT before fair value adjustment	**-0,6**	**10,4**	**17,1**	**18,8**	**16,2**	**20,8**	**20,3**
Fair value adjustments	21,7	-3,9	6,6	24,5	-3,0	-1,3	-24,0
EBIT with fair Value adjustments	**21,1**	**6,6**	**23,7**	**43,2**	**13,3**	**19,5**	**-3,7**
Other earnings / costs	0,1	0,2	-0,1	-2,9	0,3	-0,3	0,8
Net Financial Income/Expenses	-2,2	-2,9	-2,9	-2,8	-2,0	-2,6	-8,4
Foreign exchange costs	0,4	0,2	-0,4	0,2	0,7	0,0	0,8
Earnings before taxes	**19,4**	**4,1**	**20,2**	**37,7**	**12,3**	**16,7**	**-10,5**
Tax		-0,2		-0,2		-0,4	
Net profit (loss)	**19,4**	**3,9**	**20,2**	**37,5**	**12,3**	**16,3**	**-10,5**
Total comprehensive income	19,4	3,9	20,2	37,5	12,3	16,3	-10,5

D) 1) IFRS Balance Sheet per Q

Balance sheet	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Cash and cash equivalents	0,7	1,3	6,3	22,4	25,1	34,6	18,7
Accounts receivable	16,9	20,2	17,3	17,3	23,0	22,7	26,4
Inventories	35,5	32,8	37,5	21,1	21,5	31,4	27,5
Current biological assets	84,2	84,4	88,2	103,1	101,8	105,1	86,0
Tax and other current assets	20,1	25,3	28,8	30,9	27,4	34,6	33,7
Total current assets	**157,4**	**164,0**	**178,0**	**194,8**	**198,7**	**228,3**	**192,3**
Intangible assets other than goodwill	6,1	6,1	6,2	6,5	6,2	6,4	6,8
Property, plant and equipment	61,2	55,9	58,2	58,1	57,6	57,8	59,3
Biological assets, non-current	5,4	11,2	8,6	11,3	14,4	12,0	7,8
Other non-current assets	5,4	3,8	3,5	1,8	3,1	1,3	217,5
Total non-current assets	**78,1**	**76,9**	**76,4**	**77,7**	**81,2**	**77,4**	**291,4**
Total assets	**235,5**	**241,0**	**254,4**	**272,5**	**279,9**	**305,8**	**483,7**
Paid in capital	**115,3**	**115,3**	**115,3**	**115,3**	**118,9**	**118,9**	**118,9**
Retained earnings	**-88,8**	**-84,8**	**-57,4**	**-27,2**	**-23,1**	**1,8**	**-9,1**
Total equity	**26,5**	**30,5**	**57,9**	**88,1**	**95,8**	**120,7**	**109,8**
Other current financial liabilities	23,2	13,3	21,2	24,2	27,2	12,1	6,1
Accounts payable	14,8	29,9	17,1	19,0	56,9	72,8	66,7
Accounts payable to related entities	56,0	52,2	42,9	37,4	0,0	0,0	0,0
Other current liabilities	0,8	1,2	1,4	0,9	1,0	1,1	1,1
Total current liabilities	**94,8**	**96,5**	**82,7**	**81,5**	**85,1**	**86,1**	**73,9**
Other non-current financial liabilities	110,0	110,0	110,0	99,0	99,0	99,0	300,0
Accounts payable to related entities	4,2	3,9	3,9	3,9	0,0	0,0	0,0
Total non-current liabilities	**114,2**	**113,9**	**113,9**	**102,9**	**99,0**	**99,0**	**300,0**
Total liabilities	**209,0**	**210,5**	**196,6**	**184,5**	**184,1**	**185,1**	**373,9**
Total Equity and liabilities	**235,5**	**241,0**	**254,4**	**272,5**	**279,9**	**305,8**	**483,7**

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D) 1) IFRS Cash Flow per Q

Cash flow statement	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Net profit before taxes	19,4	4,1	20,2	37,7	12,3	16,3	-10,5
Depreciation	1,5	1,3	1,3	1,4	1,4	1,4	1,7
Taxes	0,0	0,2	0,0	0,2	0,0	0,4	0,0
Other results, no cash flow movements	-24,3	7,5	-18,5	-10,6	3,4	1,8	29,2
Change in working capital and other	1,2	-12,2	6,3	-11,4	-7,2	-1,3	-9,9
Net cash from operating activities	**-2,2**	**0,8**	**9,3**	**17,3**	**9,8**	**18,6**	**10,5**
Acquisition fixed assets	-0,9	-0,2	-4,3	-1,3	-1,1	-3,0	-0,7
Acquisitions of other investments	0,0	0,0	0,0	0,0	0,0	0,0	-3,5
Disposal of assets	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Change on other long-term assets	0,0	0,0	0,0	0,0	0,0	0,0	-7,2
Net cash from investing activities	**-0,9**	**-0,2**	**-4,3**	**-1,3**	**-1,1**	**-3,0**	**-11,4**
Long Term Financial Debt Arrangements	0,0	0,0	0,0	0,0	0,0	0,0	-99,0
Changes in long-term financial debt with the group	0,0	0,0	0,0	0,0	0,0	0,0	-205,0
Increase or decrease in other long-term liabilities	0,0	0,0	0,0	0,0	0,0	0,0	300,0
Net cash flow from short-term maturing financial debt	0,0	0,0	0,0	0,0	-6,0	-6,0	-11,0
Net cash from financing activities	**0,0**	**0,0**	**0,0**	**0,0**	**-6,0**	**-6,0**	**-15,0**
Change in cash	**-3,1**	**0,6**	**5,0**	**16,1**	**2,7**	**9,6**	**-15,9**
Cash and cash equivalents b.o.p	3,8	0,7	1,3	6,3	22,4	25,1	34,6
Cash and cash equivalents e.o.p	0,7	1,3	6,3	22,4	25,1	34,6	18,7

✓ Company has available cash of USD m 30 from its rolling credit facility

NRI Summary	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Harvest Cost				2.141	2.295	2.040
Re-structure cost MKT / Org	102	84	170	114	39	99
Total	**102**	**84**	**170**	**2.255**	**2.334**	**2.139**
YTD	102	186	356	2.255	4.589	6.728
LTM	102	186	356	2.611	4.843	6.898

Comments

- ✓ Some extra cost due to higher eFCR (economical feed conversion rate), lower harvest volumes and increased fix cost in operations YTD.
- ✓ Adjusting the feed strategy in Q3 2017 to resolve the issues related to higher eFCR
- ✓ Restructure cost, mainly to development the Sixty South and ASC concept in the market

NOVA AUSTRAL

PURE SALMON FROM ANTARTIC WATERS

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November 29th, 2017

THANKS