



Murray Cod Australia Ltd

ASX:MCA

29 July 2019

Quarterly Update for the 3 Months Ended 30 June 2019

The Board of Murray Cod Australia Ltd ("MCA" or "the Company") is pleased to provide the following update of the Company's operational and sales progress in conjunction with the release of the Company's quarterly cashflow report.

Total Revenue increase of 52% over Last Year

Unaudited revenue for the 12 months ending 30 June 2019 was \$3.66 million which is a 52% increase over the prior year. Average sale weight per fish for the quarter was 1.49Kg. This reduction in sale weight from the last average weight reported in the Company's update in February 2019 was due to increased demand for plate sized fish from customers.

It is pleasing to note that prices received have not fallen as volumes have risen. The sales growth quoted above does not include growth in value of biological assets.

Dynamic Stocking to Increase Output 50%

Growth rates and food conversion ratios have been pleasing. Worthy of particular mention in this regard has been the new dynamic stocking methodology that has been introduced and is working extremely successfully. We expect that this Dynamic Stocking process will increase capacity of existing ponds by at least 50%.

Processing Plant – Operational in August

After final approvals were secured the Company is pleased to advise that construction and fit-out of the processing plant is progressing well. We expect to commission the plant in August with initial processing of whole fish to be followed by filleting and smoking in coming months.



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Japanese Shipments Now Weekly

Weekly shipments of Aquna cod are now going to Japan. The logistics supply chain has been tested and is working well. Company management are visiting Tokyo next month with a view to increasing supply to that market as our stock levels make export fish more available.

USA Shipments Now Weekly

Weekly shipments to USA have also commenced and the logistics are now operating smoothly. Marketing activity is increasing and it is planned that USA shipments will increase significantly in August. Negotiations with an additional distributor in USA are advanced and we will update the market when finalised.

Hong Kong and Singapore

Small quantities of Aquna Cod have been regularly shipped to both Hong Kong and Singapore. It is anticipated that this volume will increase as more stock becomes available.

Planning for “Super-Site” Continues

Planning and compliance work is still being undertaken for this site. The initial plan caters for 35 ponds that would vary in size between 15 and 20 megalitres each. This site would provide a holding capacity of a minimum of 1,260,000 fish. This would add to our existing holding capacity of 850,000 fish.

Conclusion

The management and board of Murray Cod are very pleased with the increased awareness from prospective international customers of our unique product. Significant progress has been made both at an operational and sales level and we look forward to continuing to update the market as further milestones have been reached.

**For more information contact:
Ross Anderson Chairman
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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Murray Cod Australia Limited

ABN

74 143 928 625

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows		Current \$A'000	quarter	Year to date (12 months) \$A'000
1. Cash flows from operating activities				
1.1 Receipts from customers		701		3,651
1.2 Payments for				
(a) research and development				
(b) product manufacturing and operating costs				
(c) advertising and marketing				
(d) leased assets				
(e) staff costs				
(f) administration and corporate costs				
Total 1.2		<2,074>		<8,062>
1.3 Dividends received (see note 3)				
1.4 Interest received		3		13
1.5 Interest and other costs of finance paid				
1.6 Income taxes paid				
1.7 Government grants and tax incentives		63		88
1.8 Other (provide details if material)				
1.9 Net cash from / (used in) operating activities		<1,307>		<4,310>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment		<414>	<1,048>
(b) businesses (see item 10)			
(c) investments			
(d) intellectual property			
(e) other non-current assets			
2.2 Proceeds from disposal of:			
(a) property, plant and equipment			
(b) businesses (see item 10)			
(c) investments			
(d) intellectual property			
(e) other non-current assets			
2.3 Cash flows from loans to other entities			
2.4 Dividends received (see note 3)			
2.5 Other (provide details if material)			
2.6 Net cash from / (used in) investing activities		<414>	<1,048>

3. Cash flows from financing activities			
3.1 Net Proceeds from issues of shares		5,222	5,222
3.2 Proceeds from issue of convertible notes			
3.3 Proceeds from exercise of share options		48	48
3.4 Proceeds from borrowings		166	1,161
3.5 Repayment of borrowings		<50>	<164>
3.6 Transaction costs related to loans and borrowings			
3.7 Dividends paid			
3.8 Other (provide details if material)			
3.9 Net cash from / (used in) financing activities		5,386	6,267

4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1 Cash and cash equivalents at beginning of quarter/year to date		<679>	2,077
4.2 Net cash from / (used in) operating activities (item 1.9 above)		<1,307>	<4,310>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	<414>	<1,048>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,386	6,267
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	2,986	2,986

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,859	158
5.2	Term deposits	150	150
5.3	Bank overdrafts & Credit Cards	<24>	<988>
5.4	Other – Petty Cash	1	1
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,986	<679>

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
74
Nil

All payments were made for Directors Fees or in respect of contractual arrangements on arms length terms.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	245
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

All payments were made for Directors Fees or in respect of contractual arrangements on arms length terms.

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	580	580
8.2	Credit standby arrangements	2600	0
8.3	Other (Equipment Finance Facility)	2500	1305
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

8.1 Finance Facility made available to Bidgee Fresh Pty Ltd, a subsidiary of MCA. The lender is Ag Finance Specialists Pty Ltd. Interest rate is 6% pa. Funds have been lent on an unsecured basis.

8.2 Westpac overdraft facility. Variable Interest rate. Secured by land and water assets

8.3 Westpac Equipment finance facility.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	
9.2	Product manufacturing and operating costs	
9.3	Advertising and marketing	
9.4	Leased assets	
9.5	Staff costs	
9.6	Administration and corporate costs	
9.7	Other (provide details if material)	
9.8	Total estimated cash outflows	800

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	N/A	N/A
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

(Director)

Date: 29 July 2019

Print name: Ross Anderson

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.