



Murray Cod Australia Ltd

ASX:MCA

29 January 2021

December 2020 Quarterly Activities Report

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

HIGHLIGHTS

- **Sales growth of 127.5% over September 2020 quarter**
- **Higher expenditure in December 2020 to be recovered next quarter**
- **Export shipments minimal for the December 2020 quarter**
- **Average sale weight of 1.37 kilograms per fish (excluding fingerlings)**
- **First Whitton site ponds stocked**
- **Record spawning season.**

Sales increase of 127.5% over September 2020 quarter

Total sales grew 127.5% for the quarter ending December 2020 compared to the September 2020 quarter. It was pleasing that pricing levels stayed consistent with the previous quarter. Sales have continued to increase since the immediate impact of COVID-19 in March.

Higher than usual cash expenditure due to a timing difference related to insurance recovery on damaged feed

During the December quarter a fire occurred in a feed shed which destroyed fish feed and some equipment which was stored in the shed. This feed and equipment had to be replaced



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during the quarter causing expenditure to occur before the insurance claim had been processed. We anticipate receiving insurance recoveries of \$737,000 in the March 2021 quarter.

Hatchery performance

MCA has had a record hatchery season. To-date we have stocked 1.5 million Murray cod fingerlings into the Bilbul nursery system and expect to stock an additional 400,000 fingerlings before the end of the season.

Through our restocking partnerships with state government programs, MCA has produced and sold:

- 450,000 Murray cod larvae
- 1.3 million Murray cod fingerlings
- 300,000 golden perch fingerlings.

The Company expects to produce and sell another 1.2 million golden perch fingerlings by the end of the season.

Grow-out performance

The 2020 calendar year saw excellent growing conditions, that have allowed stock to perform well. Fish growth and health in the ponds has been in-line with expectations for this period. Growth has increased as anticipated through the spring and summer months.

Stocking out from the spawning season will commence in the next week.

Domestic sales

Average sale weight for the quarter was 1.37 kilograms per fish. This is a slight drop but reflects the increased numbers of live fish that were sold at lower weights than is normally the case with processed fish.



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MCA welcomes three new domestic sales representatives located in New South Wales and Victoria, who will be focused on expanding our sales into regional high-end restaurants and retail outlets, as-well-as into Queensland, ACT and Tasmania.

MCA has continued selling live Murray cod domestically. Sales are tracking ahead of target.

Whitton site update

Significant progress on stage one at the new Whitton site has been made during the December quarter. The first four ponds are now fully stocked and performing well. Construction of eight ponds is now complete. MCA is currently installing round pens, which is a new initiative. Designed in-house, the round pens will allow for approximately 30% increased capacity per pen and we expect the first pond to be stocked in the coming month.





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Export performance

Export in the December quarter was minimal with small shipments going into the USA only.

MCA was expecting to re-enter the Japan, UK and European markets during the December quarter, however additional Covid-19 lockdowns halted those plans.

The executive team continues to explore new export opportunities and we expect export activities to resume as international flights recommence. We have been fortunate that domestic growth has replaced lost export sales, to-date and we are increasing our focus on the domestic market in the short term.

Strategic planning

Board and executive strategic planning continues. Plans are on-track to meet our expansion target of 10,000 tonnes by 2030. This will of course, be reliant on the world reopening for trade as the Covid-19 pandemic eases.

Conclusion

The management and board of Murray Cod Australia are very pleased with the significant progress that has been made operationally and the continued development of our domestic and export sales. We look forward to providing future updates to shareholders on our continued progress.

Related party payments

During the quarter the following payments were made to related parties of the entity and their associates as disclosed in Item 6 of the Appendix 4C;

- Non-executive Chairman fees and Managing Director salary and super for \$57,562;
- Non-executive director fees for \$16,572;
- Payments to Aquacomm, a related entity of Roger Commings, as a contract grower



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on commercial terms for fish which were on-sold by MCA, for \$45,230;

- Payments to Commins enterprises, which is a related entity of Roger Commins, for engineering and repair works on commercial terms, for \$238,125; and
- Payments to Andersons Tax and Investment Services, a related entity of Ross Anderson, for accounting and administrative services on commercial terms for \$156,087.

ENDS

This announcement was authorised for release by Ross Anderson, Executive Chairman.

For more information contact:

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Murray Cod Australia Limited

ABN

74 143 928 625

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,333	3,528
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	<3,159>	<5,267>
1.3 Dividends received (see note 3)		
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	<25>	<47>
1.6 Income taxes paid		
1.7 Government grants and tax incentives	140	726
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	<711>	<1,059>
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	<967>	<1,709>
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets	<4>-	<14>
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) 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)	-	<10>
2.6	Net cash from / (used in) investing activities	<971>	<1,733>

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	48	48
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	224	356
3.6	Repayment of borrowings	<73>	<124>
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	199	280

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,046	6,075
4.2	Net cash from / (used in) operating activities (item 1.9 above)	<711>	<1,059>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	<971>	<1,733>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	199	280
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,563	3,563

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	3,581	5,061
5.2	Call deposits		
5.3	Bank overdrafts	<19>	<16>
5.4	Other (provide details)	1	1
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,563	5,046

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1 and Item 2

**Current quarter
\$A'000**

514

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

All payments at item 6.1 are made for Directors Fees or in respect of contractual arrangements on arms-length terms.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	3,950	Nil
7.2 Credit standby arrangements	2,620	19
7.3 Other (Equipment Finance Facility)	3,053	1,553
7.4 Total financing facilities	9,623	1,572

7.5 **Unused financing facilities available at quarter end** 8,051

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

7.1 Westpac Bank Bill Business Loan, facility term 5 years, Variable interest rate, secured by land and water assets.

7.2 Westpac Overdraft Facility and Credit Card Facility, Variable interest rate, secured by land and water assets.

7.3 Westpac Equipment Finance Facility.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	<711>
8.2 Cash and cash equivalents at quarter end (Item 4.6)	3,563
8.3 Unused finance facilities available at quarter end (Item 7.5)	8,051
8.4 Total available funding (Item 8.2 + Item 8.3)	11,614
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	16.33

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: NA

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: NA

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: NA

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.

Date: 29th January 2021



Authorised by:
Ross Anderson Chairman

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.