



Murray Cod Australia Ltd

ASX:MCA

29 October 2021

September 2021 Quarterly Activities Report

The Board of Murray Cod Australia Ltd ('MCA' or 'the Company') is pleased to provide the following update of operational and sales progress in conjunction with the release of the September 2021 quarterly cashflow report.

HIGHLIGHTS

- **Annual Cash Revenue growth of 13% over September 2020 Quarter**
- **Agreement with Josh Niland to produce value added products**
- **Supermarket Growth is on track**
- **European and UK Exports begin again**
- **Significant pickup in sales in recent weeks**
- **Average sale weight of 2.2 kilograms per fish**
- **Stage three of Whitton site under construction**
- **Capital Expenditure brought forward to gain pricing benefits**
- **Spawning underway for planned stocking of 2.8 million fish**

Cash Revenue increase of 13% over September 2020 Quarter

Total receipts grew 13% for the quarter compared to the September 2020 quarter. Sales have continued to grow despite the impact of COVID-19 restrictions. Lockdowns which closed restaurants in major capital cities around Australia during the quarter had a negative impact on sales growth.

In the last two weeks we have seen very strong growth in domestic sales. We have added resources to our sales and logistics personnel and expect growth to accelerate in both grocery and HORECA channels as COVID-19 restrictions continue to ease in coming months.



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Josh Niland Partnership to Produce Value Added Products

The Company has entered into an agreement with renowned chef Josh Niland to produce and market value added products. Josh Niland is well known for his business “The Fish Butchery”, his restaurant “Saint Peter” (both based in Paddington and in Sydney) and his newest venture “Charcoal Fish” in Rose Bay, Sydney.

Mr Niland is famous for his approach to sustainable use of seafood as highlighted in his book “The Whole Fish Cookbook”.

The Company has entered into a 3 year agreement whereby Niland will partner with MCA to produce and market value added products derived from processing of Aquana Cod. The objective of this partnership is to add to the margin recovered from each fish, particularly now that filleting and processing for grocery channels has begun to change our sales mix.

Supermarkets

MCA launched Aquana Sustainable Murray Cod as a premium branded product into the chilled seafood cabinet section of selected Woolworths stores on 11 June 2021. The launch was for an initial 12-weeks via targeted Sydney-based stores. The number of Woolworths stores has been increased to 150 with a further review to take place in the new year.

Coles supermarkets are also planning to stock our product in coming weeks.

With COVID-19 restrictions now easing around merchandising and in-store demonstrations we anticipate significant marketing activity into the grocery channels in coming months.

Domestic sales

Average sale weight for the June 2021 quarter was 2.2 kilograms per fish. This is an increase on the June 2020 quarter and reflects the increase in size of fish used in supply to grocery channels.

MCA has continued selling live Murray cod domestically. Sales of smaller fish have been restricted as the Company looks to increase average sale weights and to ensure sufficient stocks are available for new and existing demand.



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Whitton Site Development and Early Expenditure

Construction of stage 3 Whitton site is underway. Fish have been stocked into the existing 14 ponds, and are performing well.

Construction of equipment for stage two of the Whitton site, which consists of an additional 12 ponds, is now underway. Capital was invested in this development earlier than anticipated (during the September 2021 quarter). The investment was undertaken to save money by purchasing items such as steel before significant price rises occurred at the end of August 2021.

Grow-out performance and Spawning

To-date the 2021 calendar year has seen 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 slowed over the winter months, as expected, and we anticipate growth to improve as temperatures increase now that spring has arrived and water temperatures warm up.

Spawning is now underway and the company plans to stock out 2.8 million fish to its growout units during the ensuing summer months from this spawning in addition to maintaining our sales to government agencies for re-stocking purposes.

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 market. We look forward to providing future updates to shareholders on our continued progress.



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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;

- Anderson's Investment Services Pty Ltd in respect of Non-executive Chairman fees and superannuation \$Nil;
- Mathew Ryan, Managing Director salary and superannuation \$55,000;
- Bamford Partners Pty Ltd in respect of Martin Priestley non-executive director fees for \$8,250;
- Cirrus Pty Ltd in respect of Non-executive director fees of David Crow \$7,750
- Payments to Andersons Tax and Investment Services, a related entity of Ross Anderson, for accounting and administrative services on commercial terms for \$28,347. This excludes any work completed by Ross Anderson.
- Brigalow Enterprises Pty Ltd in respect of Roger Commins non executive directors fees \$8,250
- Payments to Aquacomm, a related entity of Roger Commins, as a contract grower on commercial terms for fish which were on-sold by MCA, for \$103,687; and
- Payments to Commins enterprises, which is a related entity of Roger Commins, for engineering and repair works on commercial terms, for \$390,012.

ENDS

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

For more information contact:

Ross Anderson

Murray Cod Australia

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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")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,347	1,347
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	<3,787>	<3,787>
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	<42>	<42>
1.6 Income taxes paid		
1.7 Government grants and tax incentives	7	7
1.8 Other – Insurance proceeds	18	18
1.9 Net cash from / (used in) operating activities	<2,457>	<2,457>
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	<1,915>	<1,915>
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(f) other non-current assets	<3>	<3>
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)		
2.6	Net cash from / (used in) investing activities	<1,918>	<1,918>

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	363	363
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	3,724	3,724
3.6	Repayment of borrowings	<144>	<144>
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	3,943	3,943

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,427	3,427
4.2	Net cash from / (used in) operating activities (item 1.9 above)	<2,457>	<2,457>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	<1,918>	<1,918>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,943	3,943
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,995	2,995

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	3,018	3,460
5.2	Call deposits		
5.3	Bank overdrafts	<24>	<34>
5.4	Other (provide details)	1	1
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,995	3,427

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**

602

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	3,620	3,620
7.2 Credit standby arrangements	2,620	24
7.3 Other (Equipment Finance Facility)	2,712	2,712
7.4 Total financing facilities	8,952	6,356

7.5 **Unused financing facilities available at quarter end** 2,596

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)	<2,457>
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2,995
8.3 Unused finance facilities available at quarter end (Item 7.5)	2,596
8.4 Total available funding (Item 8.2 + Item 8.3)	5,591
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.3

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

1. 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: N/A

2. 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: N/A

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

Answer: N/A

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 October 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.