



# Murray Cod Australia Ltd

ASX:MCA

31 October 2022

## September 2022 Quarterly Activities Report

The Board of Murray Cod Australia Ltd ('MCA' or 'the Company') is pleased to provide the following update of operational progress in conjunction with the release of the September 2022 quarterly cashflow report.

### Highlights for September 2022 Quarter

- **Customer Receipts up 144% over September 2021 Quarter**
- **Cash Reserves of \$22.3 million at 30 September 2022**
- **Sales Prices Increase**
- **Processing Plant Equipment Commissioned**
- **Export Growth limited by Lack of Supply**
- **Wet Weather has Slowed Development at Whitton**
- **New Hatchery Planning Underway**
- **Growth Plans remain on track for 10 thousand tonnes in 2030**

### Customer Receipts increase of 144% over June 21 Quarter

Receipts from customers grew 144% for the quarter compared to the September 2021 quarter.

### Cash Reserves \$22.3 million on Hand

The company is well positioned to capitalize on strong demand with cash reserves of \$22.3 million on hand at 30 September 2022.



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## Growth in Sales Price

The price per kg of live sales has been increased from \$19 per kg in early 2020 to \$24 per kg now. Fish in the 1.2 to 2kg grade are selling for \$30 per kg in limited quantities as live fish. Current demand indicates more price rises will occur in the next 6 months. The price of processed fish in achieved larger grades has increased to \$24 kg for whole round fish during the June quarter.

Aquna Sustainable Murray Cod is positioned as a luxury food product rather than a commodity. Our strategy of service and brand attribution will continue to drive our target of increasing prices in excess of inflation rates.

## Supermarkets

### Woolworths

MCA currently supplies 150 Woolworths stores in NSW and Victoria. Growth in sales has been pleasing. Representatives from Woolworths visited the MCA site in Griffith last week.

### Coles

Coles supermarkets have stocked Aquna Sustainable Murray Cod in Victorian stores since the end of May 2022. Sales results to date have been pleasing.

### Harris Farms

Harris Farms commenced stocking Aquna Sustainable Murray Cod in six stores during the March 2022 quarter.

## Processing Equipment Now Commissioned

Processing equipment from overseas which had been subject to supply chain delays has commissioned with one machine needing adjustments to complete the whole line. This will provide a significant increase in processing capacity. When fully operational it will enable the company to significantly increase supply to the grocery channel if demand continues to grow as expected.



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## Export Demand Hampered by Lack of Supply

Multiple inquiries for export sales have been received however the company has limited supply of larger fish available. Development work in export markets continues as we await growth of suitably sized stock to service those markets.

## Whitton Site Development Slowed by Wet Weather

Construction of stage 3 Whitton site is underway . Sixteen ponds are expected to be completed and stocked in the coming summer. Earthworks are already complete on six ponds. Pen infrastructure for those six pens has been manufactured and is awaiting installation. The remaining ten ponds have been slower to complete as a result of wet weather. We do not anticipate the process of stocking fish from juvenile to grow-out ponds to be adversely affected by the weather at this point in time.

## New Hatchery Planning Underway

As announced last quarter a new development site has been purchased as a hatchery site. It is approximately 200 hectares and planning for the hatchery development is underway.

## Growth Plans Remain on track for 10 thousand tonnes in 2030

The Company's plans remain on track for MCA to meet its target of producing 10,000 tonnes of Aquana Sustainable Murray Cod by the year 2030.

## 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 markets. 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;

- Mathew Ryan, Managing Director salary and superannuation \$55,250
- Bamford Partners Pty Ltd in respect of Martin Priestley non-executive director fees for \$8,355
- Payments to Andersons Tax and Investment Services Pty Ltd, a related entity of Ross Anderson, for accounting and administrative services on commercial terms for \$34,194. 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 \$350,930; and
- Payments to Commins enterprises, which is a related entity of Roger Commins, for engineering and repair works on commercial terms, for \$225,378.
- Anderson's Investment Services Pty Ltd in respect of Executive Chairman fees \$44,002;

**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")**

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,293	3,293
1.2 Payments for		
(a) cost of sales	<2,141>	<2,141>
(b) operating costs	<1,187>	<1,187>
(c) advertising and marketing	<103>	<103>
(d) leased assets	<134>	<134>
(e) payroll and employment costs	<1,600>	<1,600>
(f) administration and corporate costs	<186>	<186>
<b>Total 1.2</b>	<b>&lt;5,351&gt;</b>	<b>&lt;5,351&gt;</b>
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	<37>	<37>
1.6 Income taxes paid		
1.7 Government grants and tax incentives	9	9
1.8 Other – Insurance proceeds	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>&lt;2,086&gt;</b>	<b>&lt;2,086&gt;</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	<2,871>	<2,871>
(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		
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)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>&lt;2,871&gt;</b>	<b>&lt;2,871&gt;</b>
<b>3. Cash flows from financing activities</b>		
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		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings	437	437
3.6 Repayment of borrowings	<158>	<158>
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>279</b>	<b>279</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	26,968	26,968
4.2 Net cash from / (used in) operating activities (item 1.9 above)	<2,086>	<2,086>
4.3 Net cash from / (used in) investing activities (item 2.6 above)	<2,871>	<2,871>

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)	279	279
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>22,290</b>	<b>22,290</b>

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	22,324	27,026
5.2	Call deposits		
5.3	Bank overdrafts	<35>	<59>
5.4	Other (provide details)	1	1
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>22,290</b>	<b>26,968</b>

**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**

726

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.**

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>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.</i>		
7.1 Loan facilities	3,214	-
7.2 Credit standby arrangements	2,620	35
7.3 Other (Equipment Finance Facility)	2,552	2,552
<b>7.4 Total financing facilities</b>	<b>8,386</b>	<b>2,587</b>

7.5 **Unused financing facilities available at quarter end** 5,799

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.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	<2,086>
8.2 Cash and cash equivalents at quarter end (Item 4.6)	22,290
8.3 Unused finance facilities available at quarter end (Item 7.5)	5,799
8.4 Total available funding (Item 8.2 + Item 8.3)	28,089
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>13</b>

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: NA

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: NA

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: 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: 31<sup>st</sup> October 2022



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.