



Murray Cod Australia Ltd

ASX:MCA

30 January 2024

December 2023 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 December 2023 quarterly cashflow report.

Highlights for December 2023 Quarter

- **MCA completed settlement on \$20 Million Finance Facility**
- **Australian Sustainable Protein Fund (ASPF) exchanged contract to buy Stanbridge site.**
- **Customer receipts up 32.17% compared to the previous September 2023 quarter.**
- **Average weight of fish sold for December 2023 quarter was 1.243Kg**
- **Market acceptance of smaller size fish is increasing.**
- **12.5% Increase in price for large fish 2.5kg+**
- **Sales to Singapore attracting a 20% price premium compared to domestic market.**
- **Re-commenced sales to Queensland**
- **Supermarket sales continue with low volumes.**
- **Earthworks progressing on new grow-out facility at Stanbridge despite some wet weather.**
- **Stocking of grow-out at Stanbridge planned to occur from**



Murray Cod Australia Ltd

ASX:MCA

February 2024

- **2023 spawning season highest spawning season to date, bodes well for future growth**
- **MCA larvae weaning method in its 4th year was expanded from 20% across spawning to 60% of spawning's during the 2023/2024 weaning period.**

Successfully Settled \$20 million Finance facility.

The \$20 million arranged through iPartners was drawn down in December 2023. As previously advised, the facility term is two years which matches the approximate growing time of juvenile fish to reach saleable size.

The funds will be utilised in completing the next stage of grow-out ponds currently being constructed at Stanbridge and provide the company a cash buffer to fund continued growth of the business.

Australian Sustainable Protein Fund (ASPF) exchanged Contract to purchase Stanbridge Site

ASPF has exchanged a contract to purchase the Stanbridge site which has a Development Application approved for 78 grow-out ponds and associated infrastructure. Pending settlement ASPF will proceed to fully develop the Stanbridge site and will lease the site to MCA the company.

MCA is examining the costs and benefits of selling properties owned by the Company to ASPF. Earthworks have been completed on 22 ponds and a further 4 ponds are under construction. Installation of plumbing and power works has commenced on 15 ponds. The ponds under construction are anticipated to be stocked with juvenile fish between February through to April.



New Development work at Stanbridge Grow-out Site.

Market acceptance of small fish increasing and stock of larger fish (2.5Kg+) is increasing.

While supply imbalances continue to impact fish availability during this quarter the deliberate strategy of our sales team to hold stock back to enable growth has resulted in several benefits for the company.

1. An increase of 32.17% in customer receipts during the December quarter to that of the previous September quarter.
2. There has been an improvement in market acceptance of smaller size fish, 800-1.2kg, with some customers of smaller size fish increasing purchases in that grade by approximately 70%.
3. A 12.5% price increase in Large Fish 2.5kg+ occurred in the quarter. The increase in price and steady increase in volume of large fish available for sale has seen an improvement in revenue. Sale of larger fish will continue to be limited for a further 12 to 18 months in an effort to increase large fish inventory to meet the growing demand for this size grade both domestically and internationally.



Murray Cod Australia Ltd

ASX:MCA

4. Large fish sales to Singapore are attracting a 20% premium compared to large fish sold in Australia. Current research indicates there is potential for high volumes of large Aquana fish sold internationally at significantly higher premium price points than achievable domestically.
5. Re-commenced sale of Aquana fish to Queensland, a highly competitive market. The high quality and rarity of Aquana fish continues to enhance product demand.

During the quarter fish were sent to Vietnam for trial as frozen product. Early feedback is encouraging and has been positive. Further details will be provided once the trial is completed.

Sales to supermarkets continues to be limited. We highly value customers purchasing our fillets at supermarkets stores. The company is working closely with supermarkets while stock remains limited to foster an enduring partnership and providing a consistent high quality product to retail customers.

Excellent 2023 spawning, achieving our planned spawning numbers.

Upgrades to our existing hatcheries resulted in the company achieving planned spawning numbers which is greater than the previous 2022 spawning season. The volume of spawnings at hatchery is the most integral part of growth in our business. We will look to provide further updates as juvenile numbers are updated. The achieved spawnings also enables MCA to continue to participate with state and local fisheries in restocking native fish in the Murray Darling River Basin and other native waterways and lakes..

Development on the new hatchery site at Gogelderie continues with earthworks and construction of residence on site partially completed. This site is to be developed over three stages.



View of Constuction at New Hatchery Site Gogelderie

The MCA Larval weaning method was expanded across 60% of spawnings as compared to 20% in 2022 spawning season. The benefit of this new method is it requires a significantly smaller footprint than traditional larvae weaning methods. For example, a site that utilises a traditional larvae weaning method could potentially wean 150,000 larvae compared to MCA method that can potentially wean 1.5million larvae.

Earthworks on new grow-out site “Stanbridge” progressing well despite some adverse weather conditions.

Earthworks commenced during the last quarter at Stanbridge for the planned development of 78 ponds, which are to be completed over the course of 2023 & 2024 calendar year. At

current date 22 ponds have had earthworks completed with 4 ponds pending completion. Pending weather conditions it is anticipated to have ponds ready for stocking juveniles for grow out from February through to April 2024.



Installation of Power at Stanbridge Grow-Out site

During the quarter 10 free range ponds were stocked at Whitton. The company is pleased to report current data is indicating, fish stocked in free range ponds are exhibiting excellent health and excellent feed consumption.



Murray Cod Australia Ltd

ASX:MCA



Whitton Stage 3 has 10 free range ponds and 6 round cage ponds stocked with Juvenile fish

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.



Murray Cod Australia Ltd

ASX:MCA

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 \$104,596.
- Ross Anderson, Executive Chairman salary and superannuation \$59,769
- Bamford Partners Pty Ltd in respect of Martin Priestley non-executive director fees for \$24,645
- Brigalow Enterprises Pty Ltd in respect of Roger Commins non-executive director 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 \$164,788
- Market Sniper Ltd a related entity of Ross Anderson, for services in market development \$42,400 and
- Payments to Commins Enterprises, which is a related entity of Roger Commins, for engineering and repair works on commercial terms, for \$185,571.

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")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,580	4,532
1.2 Payments for		
(a) cost of sales – contract grower purchases	<624>	<1,144>
(b) cost of sales – cattle	-	-
(c) cost of sales – feed and chemical	<1,371>	<2,053>
(d) cost of sales – other	<310>	<601>
(e) operating costs	<1,549>	<3,550>
(f) advertising and marketing	<191>	<366>
(g) leased assets	<429>	<741>
(h) payroll and employment costs	<2,423>	<4,030>
(i) administration and corporate costs	<272>	<558>
Total 1.2	<7,169>	<13,043>
1.3 Dividends received (see note 3)		
1.4 Interest received	19	106
1.5 Interest and other costs of finance paid	<139>	<184>
1.6 Income taxes paid		
1.7 Government grants and tax incentives	101	268
1.8 Other – Insurance proceeds	25	25
1.9 Net cash from / (used in) operating activities	<4,583>	<8,296>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	<1,758>	<2,675>
	(d) investments		
	(e) intellectual property	<1>	<3>
	(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)		
2.6	Net cash from / (used in) investing activities	<1,759>	<2,678>

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		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	20,000	20,000
3.6	Repayment of borrowings	<1,325>	<1,504>
3.7	Transaction costs related to loans and borrowings	<683>	<683>
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	17,992	17,813

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
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4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,222	11,033
4.2	Net cash from / (used in) operating activities (item 1.9 above)	<4,583>	<8,296>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	<1,759>	<2,678>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	17,992	17,813
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	17,872	17,872

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	7,882	7,361
5.2	Term Deposits	10,000	-
5.3	Bank overdrafts and Credit Card Facility	<11>	<1,140>
5.4	Other (provide details)	1	1
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	17,872	6,222

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**

590

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	20,000	20,000
7.2 Credit standby arrangements	52	11
7.3 Other (Equipment Finance Facility)	731	731
7.4 Total financing facilities	20,783	20,742

7.5 **Unused financing facilities available at quarter end** 41

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)	<4,583>
8.2 Cash and cash equivalents at quarter end (Item 4.6)	17,872
8.3 Unused finance facilities available at quarter end (Item 7.5)	41
8.4 Total available funding (Item 8.2 + Item 8.3)	17,913
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	4

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: 30/01/2024



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.