



# Murray Cod Australia Ltd

ASX:MCA

30 April 2024

## March 2024 Quarterly Activities Report, Appendix 4C & Business Update

The Board of Murray Cod Australia Ltd ('MCA' or 'the Company') is pleased to provide its Quarterly Cash Flow Report ('Appendix 4C') and Quarterly Activities Report for the quarter ended 31 March 2024 ('March 24 Quarter').

### Highlights for March 2024 Quarter

- **Discussions underway with a number of potential investors in Australian Sustainable Protein Fund**
- **Customer receipts up 44% compared to December 23 quarter and up 25% compared to March 23 quarter**
- **Harvest volume up 13% compared to December 23 quarter and up 4.6% compared to March 23 quarter**
- **44% increase in total biomass during the March 24 Quarter**
- **Average weight per fish sold for March 24 Quarter was 1.321Kg, an increase of 6.2% from December 23 quarter**
- **Demand in Southeast Asia leading to price premiums**
- **24% wholesale price rise to supermarkets since October 23 with no impact on overall sales volume**
- **Construction on track at the new grow-out facility at Stanbridge:**
  - **15 grow-out ponds currently stocked with fish**
  - **stocking of additional ponds will re-commence in spring when the water reaches ideal temperatures**



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MCA CEO Ross Anderson said:

*"I am very pleased with the significant progress that has been made operationally and the continued development of our markets during the March 24 Quarter.*

*"Fish sales have grown and importantly, fish numbers reaching a minimum marketable size of 800 grams are increasing together with an increase in the number of larger, 2.5kg plus stock, which attract higher per kilo prices.*

*"The stocking of 15 grow out ponds at Stanbridge marks an important milestone for the Company, as we continue to grow supply for our domestic and expanding international customers.*

*"Further, the interest being shown in our Company from potential strategic investors provides me with great confidence in our strategy and future prospects".*

## Strategic Investments in Australian Sustainable Protein Fund

Discussions are underway with a number of potential Australian and international partners regarding investment into the Australian Sustainable Protein Fund and other strategic opportunities, including a potential sale and lease back of some the Company's property assets. The Company is confident of reaching agreements with suitable investors in the near to medium term.

## Fish sales are increasing and stock of larger fish (2.5kg+) is increasing.

As previously stated, we expect supply imbalances to continue to impact fish availability for a further 12-18 months. Fish numbers reaching minimum marketable size of 800 grams are increasing, with significant improvement in growth rates over the March 24 Quarter. MCA continues to hold small size marketable stock back to enable growth and build the biomass of large fish 2.5kg plus. The advantages of this strategy outweigh the disadvantages benefits for the Company.

1. Domestically large fish 2.5kg receive sale price of \$27kg, while a 1.2kg fish will receive a sale price of \$24kg
2. Fillet recovery on a 2.5kg fish is approximately 37% greater than a 1kg fish, making larger fish more attractive to our customers.



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3. Large fish sales to Southeast Asia are attracting a 20% premium to their domestic price. With the Company focused on developing distribution channels to Southeast Asia, size of fish in the medium term is important. The Company is working on improving market acceptance of smaller size fish (800 grams - 1.2kg) in Southeast Asia which will improve the sales mix.
4. MCA anticipates high demand for Aquna Gold™ Caviar from Southeast Asia. The Company continues to receive enquires for Aquna Gold™ Caviar from international buyers. We believe this puts the Company in a strong position to enhance the high qualities of Aquna Cod and anticipate further price premium for Aquna Cod including Aquna Gold™ Caviar. Larger sized females are required to produce this.

## Southeast Asia

Southeast Asian demand has led to a 20% premium on domestic pricing. Aquna Cod's quality as an excellent eating fish has led to distribution through 5 Star Hotels and Michelin Star restaurants in Singapore and Malaysia. We are working towards continued growth in this market as volume of stock increases.

Sales to Hong Kong have increased by up to 40% during the March 24 Quarter. Sales to Vietnam and Indonesia have begun strongly, where demand has also seen a price premium to the domestic market.

With low volumes available, it has taken time to develop relationships with wholesalers in international markets. Aquna is now becoming recognised as a high-quality luxury product globally. This has resulted in discussions regarding volume being more predominant than price. In Southeast Asia we now have distribution in Singapore, Malaysia, Indonesia, Philippines, Vietnam, Hong Kong, as well as our traditional markets of Japan, Europe and USA.

## Domestically

The Company delivered stronger sales both quarter on quarter and compared to the PCP.

As biomass continues to increase, we are steadily increasing volume of saleable fish to our markets. The March24 Quarter resulted in excellent fish growth, which has resulted in an increase in numbers of large fish of 2.5kg+ available for sale since last quarter. We continue to see improvements in local market for acceptance of smaller size fish, 800 grams - 1.2kg without affecting price.



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Sales of Aquna Cod to Western Australia have re-commenced, evidencing recognition of the national growth of the Aquna brand.

Sales to domestic supermarkets continue to be limited and are only available in select Woolworths stores. While stores are limited, the sale price has increased by over 24% since October 2023 with no impact on sales volume. The Company continues to work closely with supermarkets while stock remains limited ensuring Woolworths customers are provided a consistent high-quality product.

## Stanbridge Site



Stanbridge grow-out site, Eastern view

The Company is pleased to report 15 ponds at Stanbridge have been stocked with juvenile fish for grow-out to marketable size. The 15 ponds represent the first cell of Stanbridge's current six (6) cell capacity, with each cell designed to fit the topography of the Stanbridge site. Stocking has ceased as water temperatures have dropped and will re-commence in spring when the water reaches ideal temperatures.

Murray Cod Australia Ltd ABN 74 928 625  
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The Company will continue to fill completed cells with water up to the 30<sup>th</sup> of June to capitalise on current low water prices.



Stanbridge grow-out site, Western view

## Conclusion

The management and board of Murray Cod Australia Limited are very pleased with the significant progress that has been made operationally and the continued development of our markets during the March 24 Quarter.

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

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## Related party payments

During the March 24 Quarter the following payments were made to related parties of the entity and their associates as disclosed in Item 6 of the Appendix 4C:

- Payments of \$0.153 million for Salaries and Wages (inclusive of Superannuation and applicable taxes withheld) of Key Management Personnel and of Executive Directors and Non-Executive Directors Fees
- Payments to Aquacomm, a related entity of Non-Executive Director Roger Commins, as a contract grower on commercial terms for fish which were on-sold by MCA, for \$4,670
- Market Sniper Ltd a related entity of Chief Executive Officer Ross Anderson, for consulting services \$63,600 and
- Payments to Commins Enterprises, which is a related entity of Non-Executive Director Roger Commins, for engineering and repair works on commercial terms, for \$18,904.

*This announcement was authorised for release by the Board of Directors.*

**ENDS**

### **About Murray Cod Australia Ltd (ASX:MCA)**

Murray Cod Australia Ltd is a vertically integrated grower of Aquana Sustainable Murray cod, a luxury fish farmed in the Riverina, NSW. Using proprietary technology within the fish's geographical habitat MCA is able to produce an award winning product with a creamy white flesh that is coveted by chefs around the globe.

#### **For more information contact:**

**Ross Anderson**  
**Murray Cod Australia**  
**+61 269 625 470**

Attachment: Q3 FY24 Quarterly Cash Flow Report ('Appendix 4C')

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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 March 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,722	8,254
1.2 Payments for		
(a) cost of sales – contract grower purchases	<526>	<1,670>
(b) cost of sales – cattle	-	-
(c) cost of sales – feed and chemical	<1,099>	<3,152>
(d) cost of sales – other	<260>	<861>
(e) operating costs	<1,660>	<5,210>
(f) advertising and marketing	<132>	<498>
(g) leased assets	<356>	<1,097>
(h) payroll and employment costs	<1,906>	<5,936>
(i) administration and corporate costs	<255>	<813>
<b>Total 1.2</b>	<b>&lt;6,194&gt;</b>	<b>&lt;19,237&gt;</b>
1.3 Dividends received (see note 3)		
1.4 Interest received	128	234
1.5 Interest and other costs of finance paid	<707>	<891>
1.6 Income taxes paid		
1.7 Government grants and tax incentives	94	362
1.8 Other – Insurance proceeds	2	27
<b>1.9 Net cash from / (used in) operating activities</b>	<b>&lt;2,955&gt;</b>	<b>&lt;11,251&gt;</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	<3,462>	<6,137>
(d) investments		
(e) intellectual property		<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)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>&lt;3,462&gt;</b>	<b>&lt;6,140&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		20,000
3.6 Repayment of borrowings	<77>	<1,581>
3.7 Transaction costs related to loans and borrowings		<683>
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>&lt;77&gt;</b>	<b>17,736</b>



Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
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<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	17,872	11,033
4.2	Net cash from / (used in) operating activities (item 1.9 above)	<2,955>	<11,251>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	<3,462>	<6,140>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	<77>	17,736
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>11,378</b>	<b>11,378</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	6,398	7,882
5.2	Term Deposits	5,000	10,000
5.3	Bank overdrafts and Credit Card Facility	<21>	<11>
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>11,378</b>	<b>17,872</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**

240

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.*

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	20,000	20,000
7.2 Credit standby arrangements	50	21
7.3 Other (Equipment Finance Facility)	655	655
<b>7.4 Total financing facilities</b>	<b>20,705</b>	<b>20,676</b>

7.5 **Unused financing facilities available at quarter end** 29

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 Ipartners Nominees Pty Ltd Loan facility, term 2 years, Variable interest rate, secured by land and water assets.  
7.2 Westpac Credit Card Facility, Variable interest rate, unsecured.  
7.3 Westpac Equipment Finance Facility, secured by equipment.

<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)	<2,955>
8.2 Cash and cash equivalents at quarter end (Item 4.6)	11,378
8.3 Unused finance facilities available at quarter end (Item 7.5)	29
8.4 Total available funding (Item 8.2 + Item 8.3)	11,407
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>4</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: 30/4/24



Authorised by:  
Brett Paton, On behalf of the Board of Directors

## 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.