

AQUANA
Sustainable Murray Cod

MURRAY COD AUSTRALIA LIMITED

ASX code: MCA

2022 Annual General Meeting



2019 Winner of
Excellence in Sustainability



2019 Winner of
Business of the Year

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All figures included in this presentation are in AUD\$ unless otherwise stated.



2022 HIGHLIGHTS

- Continued revenue and biomass growth and strong balance sheet
- Price increases with Demand Exceeding Supply
- Weather has delayed development of new ponds and slowed growth of growout fish
- Excellent Spawning results at hatcheries despite cold wet conditions
- Growth trajectory of 10,000 tonnes remains on track
- Innovations of “free range fish” and out of season spawning
- Value added projects gain momentum
- Sustainability – over 4 million native fingerlings released throughout the Murray Darling Basin during the 2022FY

The Year In Review

WHAT WE AIMED TO ACHIEVE (November 2021 Goals)	WHAT WE DID ACHIEVE (November 2022)
Construct 12 new ponds	Construction of 16 Ponds (10 still underway as delayed due to wet weather but still expect completion and stocking this summer) Planning advanced for 50+ new free range ponds. Aim to be constructed in 2023 and stocked in summer 2023/24
Develop year-round (out of season spawning) breeding program	Leased RAS site in Wentworth and conducted first successful spawning trial indoors and out of season. With continued development aiming to implement this process during 2024 year
Accelerate market penetration into HORECA and grocery channels	Excellent Brand Penetration with demand constantly exceeding supply
Increase revenue per kg by up to 25% via pricing and value adding	Price rise from \$20 to \$24 per kg for whole round fish. Up to \$30kg achieved for select grades of live fish. Expect premium for larger fish as they become more available in 2023/24. Value adding projects well advanced eg Aquana caviar



WHAT WE AIMED TO ACHIEVE (November 2021 Goals)	WHAT WE DID ACHIEVE (November 2022)
<p>Implement gross margin improvements in:</p> <p>Processing,</p> <p>Feed</p> <p>Breeding</p>	<p>Processing equipment purchased and commissioned with efficiencies to increase as volumes grow. Planning for new site in 2025/26 is underway.</p> <p>Feed trials undertaken with specific diet for Murray Cod species now developed (prior diet was for Barramundi). Development is ongoing. Full traceability of feed components now available.</p> <p>Phase 2 of breeding program completed under supervision of CSIRO to improve genetics of Aquana Cod. This will continue for several more years and evaluated each year as results are achieved.</p> <p>Developments at Euberta and Silverwater hatcheries to increase capacity by 30% completed and now operational.</p> <p>New 200 hectare greenfield Hatchery site purchased with DA almost completed. This will increase total hatchery capacity to 300% of current capacity</p> <p>Broodstock have been sourced from our own genetic stock and set aside for the 2023 spawning season (this reduces stock available to sell this year)</p>
<p>Capitalise on demand in three key global markets (US, EU and Japan)</p>	<p>Excellent Brand Development results with demand exceeding supply domestically and internationally. Japan slow to re-open post COVID. USA and European demand is strong however lack of supply is currently limiting exports.</p>



AWARDS

- Champion and Gold – Sydney Fine Food Awards
- NSW Sustainability Exports Awards
- Winner NSW Premier’s Award for Sustainability in Export
- Finalist - National Sustainability Exports Awards



2019 Winner of
Excellence in Sustainability
& Excellence in Innovation

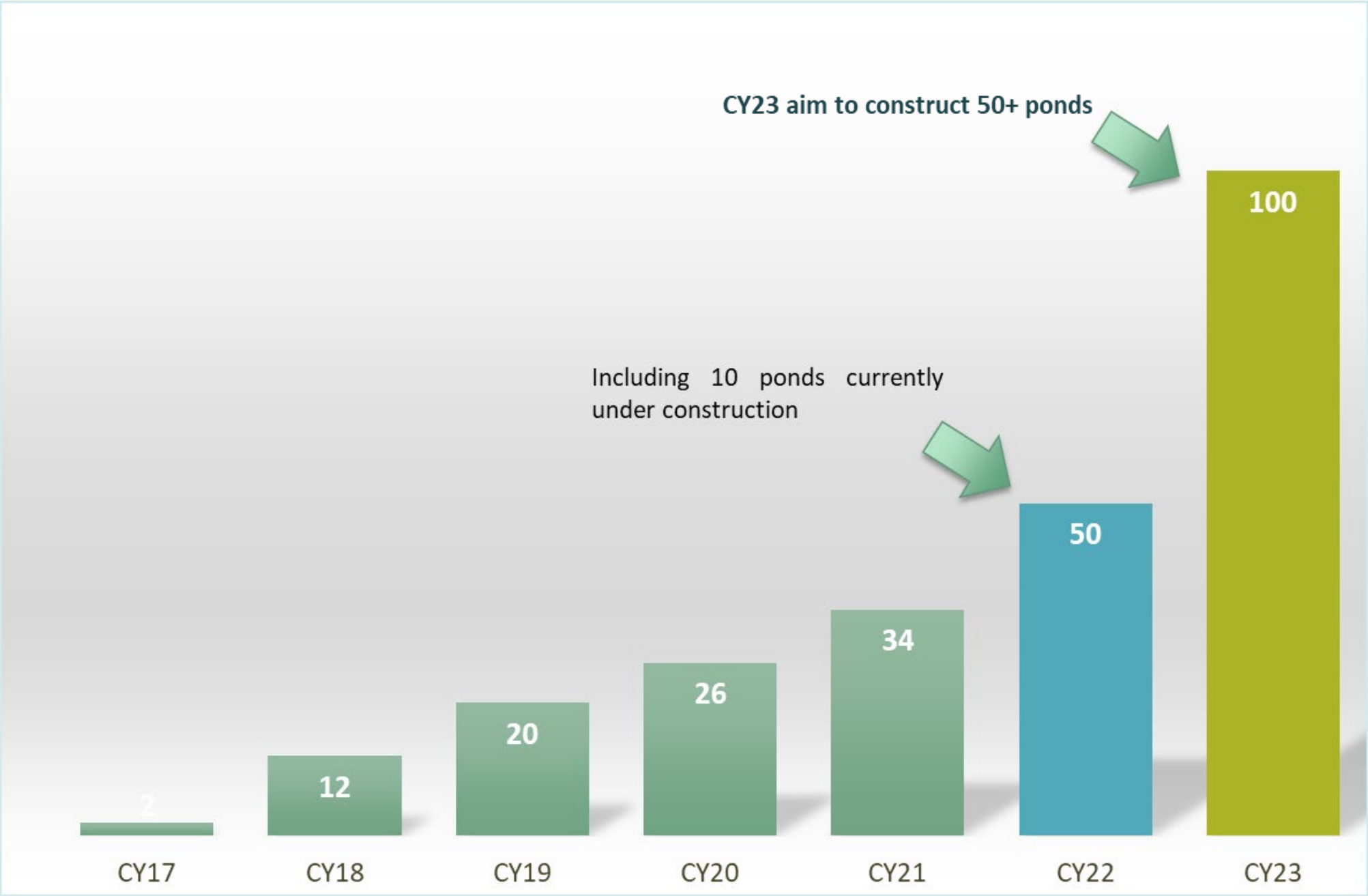
BUSINESS AWARDS
2018 STATE WINNER



GROWTH TRAJECTORY

- The company’s growth trajectory of 10,000 tonnes by 2030 remains on track
- Earthworks on 6 of the planned 16 ponds are complete. Delays have been caused on the remaining 10 free range ponds due to wet weather. We still expect to commission all 16 ponds this summer (subject to weather).
- During calendar year 2023 – MCA plans on developing an additional 50 free range ponds

Number of ponds per calendar year

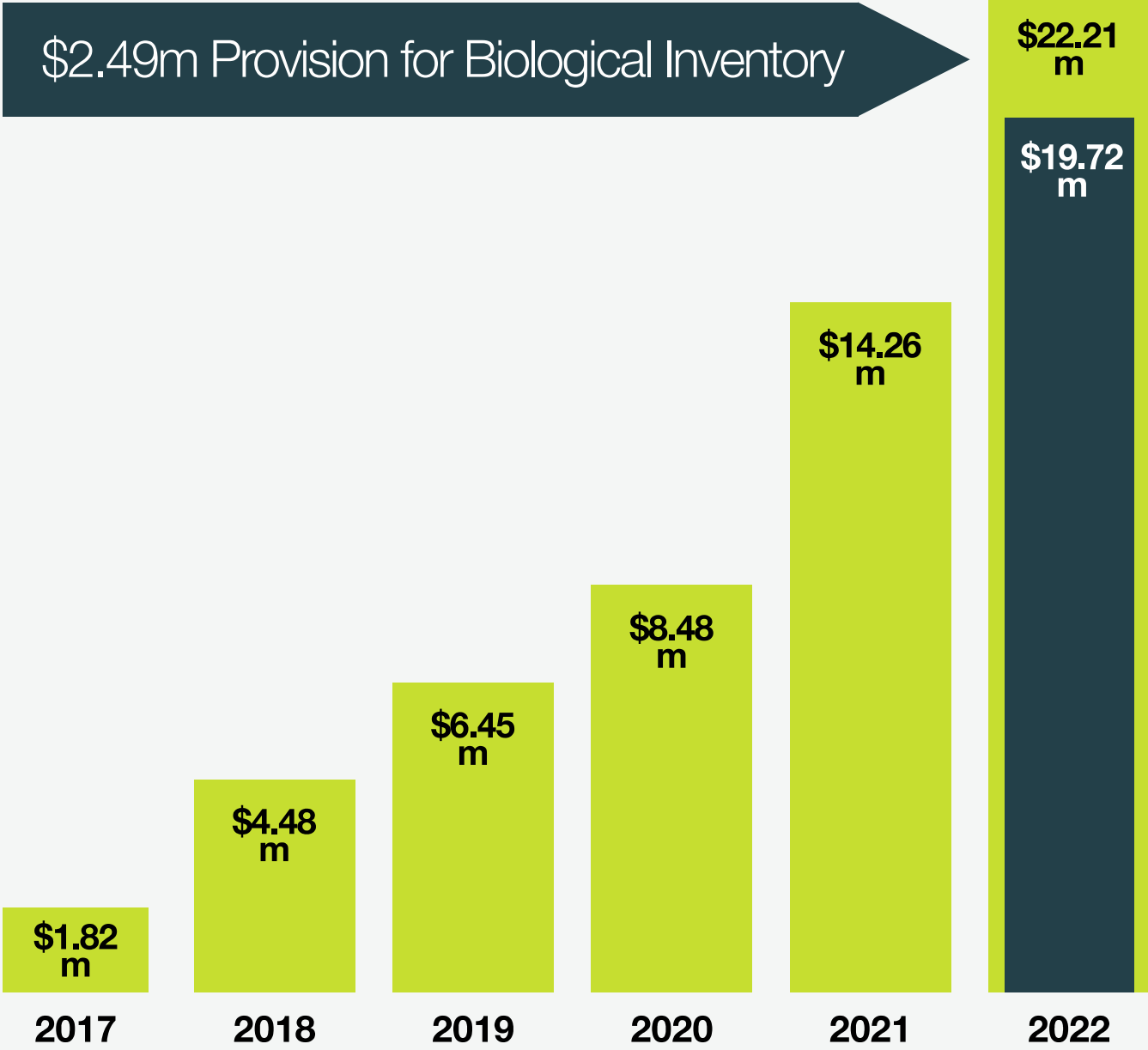


FINANCIAL OVERVIEW

- Revenue and gain in Biological assets net of provisions \$19.72M an increase 38.3% to PCP
- Strong balance sheet
 - Net Assets \$76.4M
 - Land & Buildings and Water Assets - \$26.9M
 - \$22.3m Cash as at 30th September 2022
 - \$5.8m Unused Finance Facilities
- 525 tonnes of fish harvested 2022FY
- Net gain in fair value of biological assets increased to \$9,501,771 from \$4,539,333 PCP

Total Revenue

Including Gain in value of Biological Stock



FY 2023 FINANCIAL OUTLOOK

- Expected revenue from Government restocking scheme est.\$800k lower. This loss of revenue will impact short term cashflow, but will significantly add to revenue in 2-3yrs as these fish are added to our ponds and are grown out to larger fish
- Experiencing a much colder spring than average causing water temperatures to remain at lower levels than average impacting growth of fish. The slower growth will delay supply of saleable fish.
- Conservative stocking approach during COVID 19 pandemic in summer 20/21 has lowered availability of saleable fish now.
- Inflation - Input and operational costs are rising.
 - Increases in energy costs expected in 2024
 - Increases in fish feed cost.. ..but
 - Better diet may improve FCR and SGR therefore feed cost per kg of fish produced may not rise as much as inflation
 - Expect increases in labour costs due to inflation



FY 2023 CAPEX BUDGET

- Stage 1 New hatchery development circa \$5 million
- New Free Range Ponds circa \$2.5 million
- Processing plant not until 2025/26
- New Harvesting and other Equipment circa \$1 million



PRICE INCREASE

- Aquana Murray Cod is now priced at \$24/kg compared to \$20/kg last year (No impact on demand)
- Larger fish 2.5kg are attracting a premium due to scarcity of fish and demand by HORECA sector
- Live fish sales are achieving prices up to \$30/kg in some categories



MAINTAIN MARGIN

- Price increases of 20% achieved this year
- Value adding on track
- Free range ponds lower OPEX
- FY 2023 spawning on track
- New weaning system & Bilbul site conversion lower OPEX
- Aquana branding – continue price increase
- Feed improvements



VALUE ADDING EXAMPLE AQUNA GOLD CAVIAR PROJECT

Keeping in line with our ethos –luxury and sustainability we are currently developing a Murray Cod Caviar product with a leading Australian Caviar Company. Aquana branded Murray Cod Caviar will be the only exclusively Australian fresh water Caviar.

Initial organoleptic testing –

Murray Cod Caviar is described as:

- Bright golden champagne coloured appearance
- Fresh aroma with a delicate salty taste with an excellent mouth feel combined with a “pop” sensation when eaten.

The availability of source is limited –

- Adult female Murray Cods weighing 4kg+
- Egg formation occurs during spawning period, a timeframe of 2 months.

Estimated return –

- Harvested 4kg+ adult female with eggs can potentially increase return by an additional 52% per fish (females only)
- Fish have been sexed and females set aside for 2023 production of caviar (this has reduced availability of stock for sale this year)



FY2023 SEASON SPAWNING

Our FY23 spawning numbers are currently ahead of target.

As with last year we are experiencing colder than average temperatures. Plans made during 2022 to cater for possibility of colder season this spring have been very effective. Good result to date.

Upgrades Completed at existing hatcheries –

CY2022 we completed the upgrades to our existing hatcheries at Silverwater and Euberta.

The upgrades provided a 30% increase in capacity over both sites enabling us to increase our spawning targets for current period.

New Greenfield Hatchery Site

200 hectare site purchased at Gogelderie. Development Application for stage one soon to be lodged. Aiming to have it operational for 2023 spawning season



FREE RANGE PONDS

CY2023 – Aim to build 50+ new Free-Range Ponds

Each pond has capacity to hold biomass of up to 50 tonnes

CAPEX and OPEX benefits –

CAPEX – reduction from \$300k per pond to Circa \$50k per pond. But free range ponds will be lower stocking rate

Expected savings of \$90M over 8 years as we expand to 10,000 tonne target

OPEX

- Lower operation costs
- Reduction in Energy Use
- Less Labour intensive
- Minimal maintenance.

Fish benefits –

Based on current research conducted on our sites, our fish have shown

- An increase in Growth
- Excellent Taste
- Better Health
- Whole pond netting removes all threats from birds
- Lower density – 150kg m³ to 7-10kgm³

Expected Challenges –

- Monitoring systems of Fish being modified as the fish are not confined to a small net area
- Feeding System is being redesigned for the new grow out model, CAPEX savings can be achieved in this area.



NEW WEANING SYSTEM & CONVERSION OF BILBUL SITE

- New method will increase Juvenile production
- Juveniles are weaned at an earlier life stage
- Less infrastructure required
- Much lower capex required for expansion
- Higher output –smaller footprint
- Increased efficiencies driving costs savings
- Bilbul grow-out ponds are being converted to 100% juvenile production



New weaning system installed at the Silverwater Hatchery at Grong Grong.

BRAND, MARKETING, EXPORT

- Significant rise in consumer awareness resulting from targeted digital marketing
- Aquana brand recognition by Australian renowned chefs as a producer of an excellent quality product
- We continue to invest in developing our brand and product in international markets in anticipation of planned increases in production
- Export groundwork continues to open new markets despite shortage of supply. USA open and allocated small numbers. Japan not reopened. Europe – looking to change to frozen
- Enquiry from Vietnam, Singapore, Malaysia, Dubai, Canada



DEMAND EXCEEDING SUPPLY

- Demand is exceeding supply which is impacting availability of saleable size fish in the 2.5kg+ range over the next 12 months.
- The high demand for our product while pleasing requires continued forecast modelling of available saleable fish in providing balance with a continued focus on high margins.
- Time is our limitation as the growth of a fish to saleable size can take 2+years.
- Moving to a juvenile production method in ponds vs RAS has slowed production cycle but saved significant CAPEX going forward
- Segregation of Caviar stock and broodstock reduces near term sales with the aim of improved longer term returns



RESEARCH & DEVELOPMENT

Out of Season Spawning –

- In April 2022, we commenced our out of season spawning trial
- There have been trials conducted in the past by Vic Fisheries* MCA is undertaking its own research trials to commercialize out of season spawning
- * *Trials conducted by Victorian Department of Fisheries on Murray Cod out of season spawning 2012.*
- Limited success achieved in 2022 year. However expect 2023 to improve as systems and husbandry improve

Feed Trials –

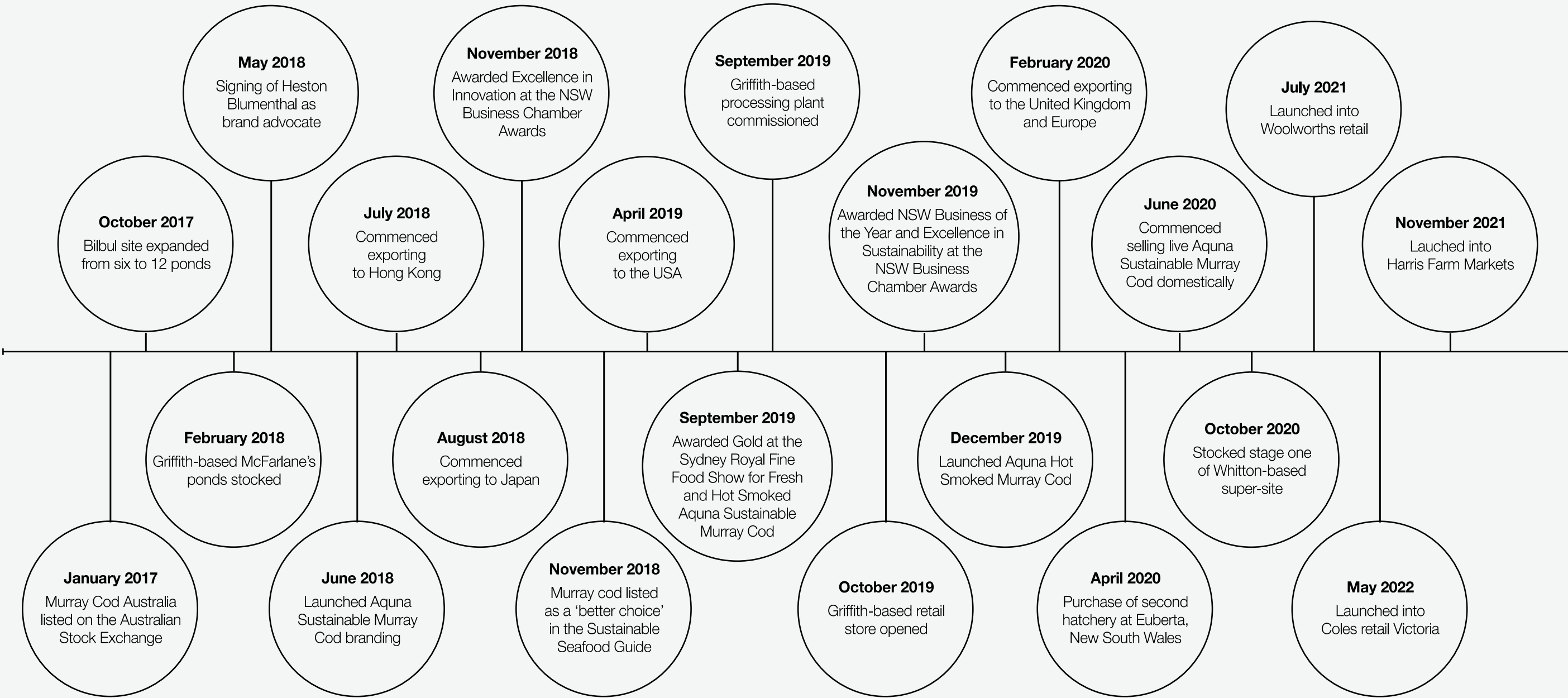
- New initiatives such as feed approved to meet ‘Halal’ requirements of middle eastern countries
- Feed trial of 100% plant based proteins – dubbed our “Vegan” feed
- Currently engaged with feed suppliers and universities in development of a recipe that is specific to Murray Cod from juvenile to grow out. The focus is to develop a feed that increases the current rate of feed conversion, while further improving the health of our fish.
- Any new fish diet must adhere to our four founding principles of Quality, Innovation, Integrity and Sustainability.

Breeding Program –

- Continuing our development with CSIRO in developing a Specific Aquana Murray Cod that exhibits the required attributes
 - Fast growth
 - Ideal body composition – shape, and flesh to fat
 - Lower aggression
 - Easy handling
 - Better health

Using DNA markers, we are building a database of family lines.

OUR BRAND TIMELINE



OUR FISH

Delicate. Clean. Sweet.

Aquna Murray Cod has a firm texture and naturally clean, creamy flavour. The pale white fillet has a large flake and relatively high fat content making it perfect for most cooking conditions. That is why Aquna is coveted as a fine-dining fish at top restaurants around the world.

A truly versatile fish – when raw and cooked – Aquna Murray Cod is perfect for sashimi, when pan-seared, baked, battered, steamed, and grilled.





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Aquna has created a luxury fish product by combining natural processes evolved over millions of years with cutting edge technology that has resulted in a fantastic quality fish.

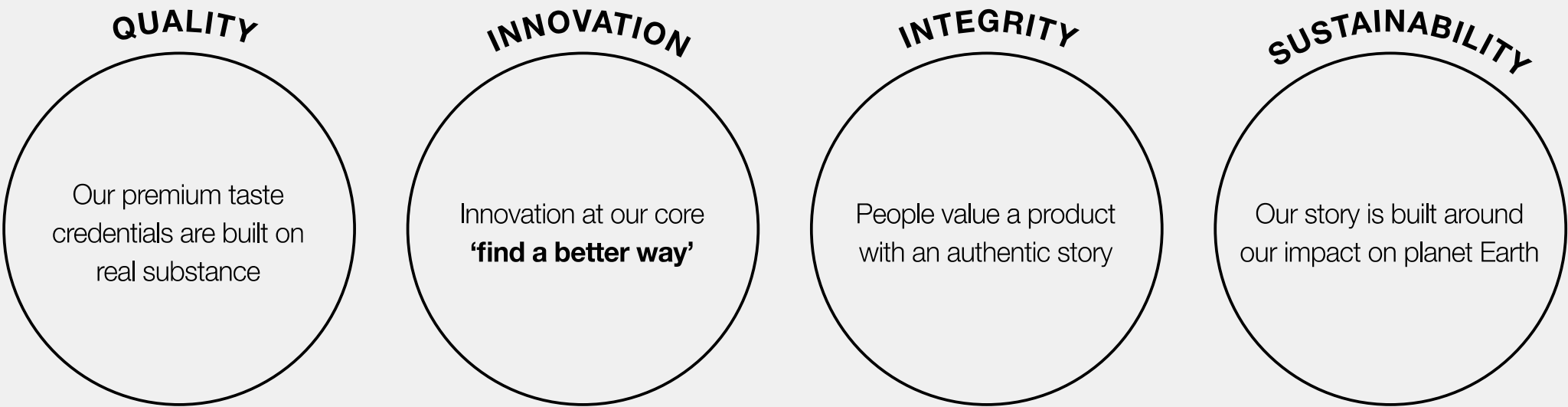
— Heston Blumenthal, Michelin starred chef —

WHAT WE BELIEVE IN

— BRAND POSITIONING —

Life Tastes Better Our Way.

At Aquana Sustainable Murray Cod, we believe the best product comes from the best approach. We want to make an impact on people’s plates and their wider lives by inspiring a better way to deliver the future of food production.



SUSTAINABILITY

Restocking Program –

- For every farmed Murray Cod harvested from our production ponds, the Murray-Darling Basin was restocked with seven MCA fingerlings

New Initiatives –

- The company provided large Murray Cod fish to both the Victorian and South Australian Department of Fisheries to act as brood stock for both state's restocking plan

We Released –

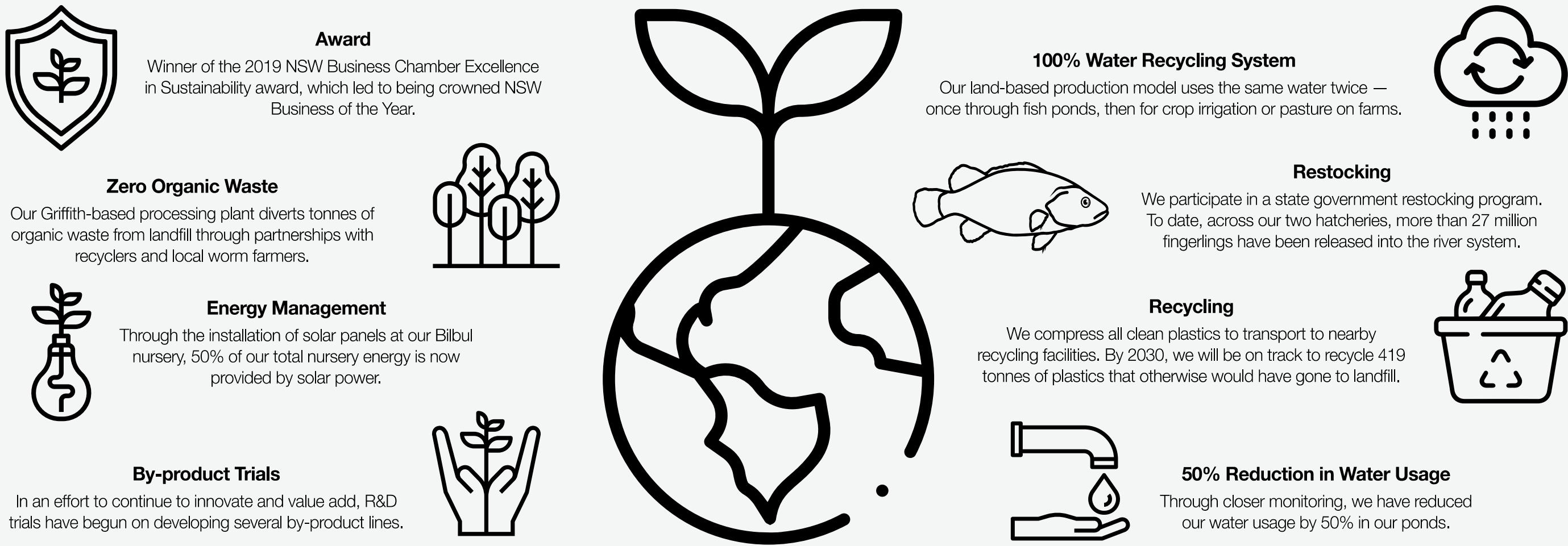
- 300,000 Murray Cod larvae
- 1,520,000 Murray Cod fingerlings
- 655,000 Silver Perch fingerlings
- 1,865,000 Golden Perch fingerlings



Business Development Corporate Manager Ian Charles releasing fish in Murray Darling River System for re-stocking

SUSTAINABILITY & SOCIAL REPORTS

At Aquana Sustainable Murray Cod, our goal is to have a positive impact on people’s plates and the planet. Our vision is to set the sustainability benchmark globally for the aquaculture industry. Over the last year, Aquana Sustainable Murray Cod’s sustainability performance has focused on the eight key areas:



Visit our website for detailed information on our award-winning sustainability practices: <https://aquana.com/sustainability/murray-cod>



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