



Murray Cod Australia Ltd

ASX:MCA

23/10/2024

September 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 30 September 2024 ('Sept 24 Quarter').

Highlights for Sept 2024 Quarter

- **Biomass growth strategy on track, driven by improved diet and feeding methods, and expected to accelerate further over summer**
 - Receipts from customers up 12% compared to Sept 23 Quarter
 - Average weight per harvested fish of 1.49kg for Sept 24 Quarter, an increase of 17% compared to Sept 23 Quarter
- **Export enquiry remains strong in Asia and North America as biomass increases**
- **Construction at Stanbridge on track for completion during the Mar 25 Quarter**
- **Commencement of 2024 spawning season**
- **2024 Aquna Gold™ caviar harvest underway**
- **Aquna Gold™ Caviar awarded Gold at the 2024 Sydney Royal Fine food awards**



AQUNA
Sustainable Murray Cod

Murray Cod Australia Ltd

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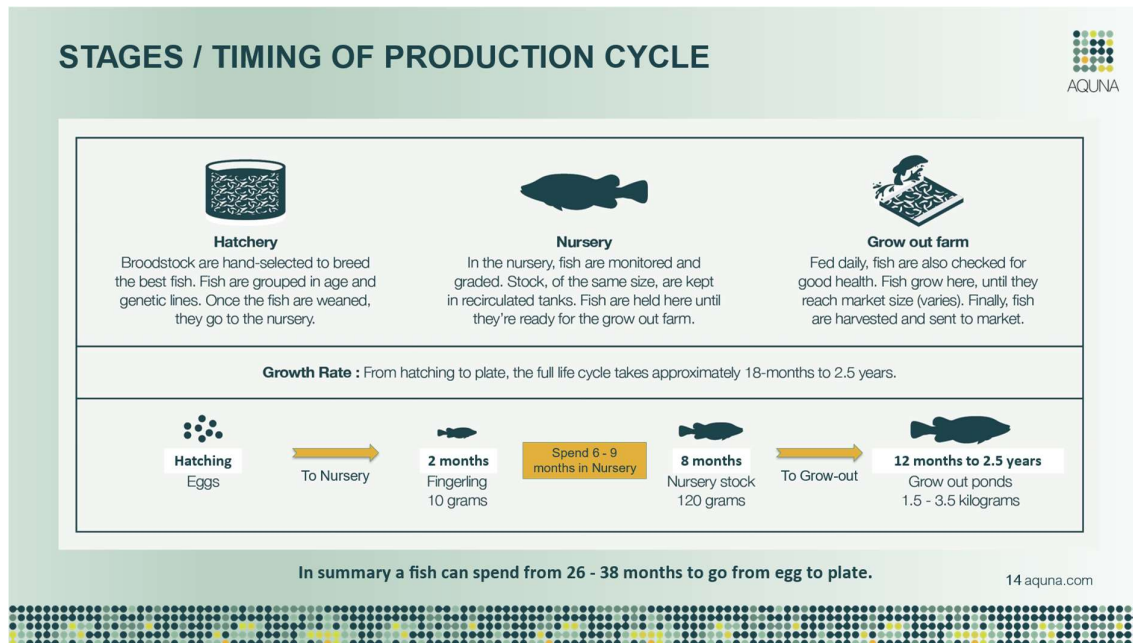
MCA CEO Ross Anderson said:

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

The biomass growth measured to date is ahead of expectations, and we anticipate further growth over the summer as we continue to drive our strategy to build the biomass of larger fish (2.5kg plus), facilitating increased product availability across our existing and expanding markets.

We were also thrilled that Aquna Gold™ Caviar won Gold at the 2024 Sydney Royal Fine Food Show furthering the Company's ability to build Aquna Gold™ Caviar as a premium export product.

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



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Biomass growth

As can be seen from the production cycle shown above, the costs of growing fish are incurred prior to their sale. The significant increase in fish stocks MCA has had over the last 18 months is now being reflected in the use of cash in operating activities. As these fish become of saleable size MCA anticipates significant increases in sales will occur and operating cashflows should improve.

Winter is usually the slowest season of growth during the year. However, of the sites surveyed so far, average weights of grow-out fish are larger than forecast at the end of September. We believe this is a result of improved diet and feeding methods. We anticipate biomass growth will accelerate over summer as water temperatures rise. As a result of this our modelling indicates that more saleable sized fish will be available in the second half of FY25.

MCA is continuing its strategy to build the biomass of larger fish (2.5kg plus). The economic benefit of fillet yield from larger fish is the key reason behind this strategy. It enables MCA to achieve better prices per kilo of whole fish weight and enables options like frozen fillet products to be used for export markets.

Exports

Southeast Asian distribution currently includes Singapore, Malaysia, Indonesia, Philippines, Vietnam, and Hong Kong and we remain very pleased with our market penetration in this region as our products grow in awareness and popularity.

Enquiry from China has continued during the last quarter and the Company plans to appoint agents there to explore this opportunity in the coming quarter.

Further, a previous export partner is looking to resume USA exports as and when suitably sized product becomes available.

As demand for our product builds traction in export markets we will continue to aim to achieve price premiums to the domestic market.

Domestic Market

As anticipated, limited supply of saleable sized fish constrain sales during the Sept 24 Quarter. However, as biomass continues to increase, we anticipate more product available for domestic markets. The demand for large fish continues to attract premium prices, although constrained by limited supply. Pleasingly, sales of smaller size fish, 800 grams - 1.2kg, remains stable without affecting price.

Wholesale markets in the 1.2-2kg grade have also shown increased strength.

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Live fish sale volumes were reduced during the Sept 24 Quarter as a result of temporary issues suffered by our transport contractor; however these have been rectified and we expect volumes to increase in the next quarter.

Sales to domestic supermarkets continue to be limited due to limited supply and are only available in strategically selected Woolworths stores. We do not anticipate significant growth in this segment during the next quarter.

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Stanbridge Site

The development of Stanbridge is on track to be completed during the 2025 financial year. Cell 2 comprising of 13 ponds is planned to be stocked with grow-out fish stocking during October 2024. Cell 3 and Cell 6 upon completion are planned to be stocked this Spring/early Summer.

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Stanbridge has been developed as a free-range grow-out site comprising 78 ponds, constructed in 6 separate cells. Each cell has been designed to fit the topography of the Stanbridge site. When complete this site will have a holding capacity of more than 3.5 million fish.

The development of Stanbridge is on track to be completed during the March 25 Quarter. Cell 2 comprising of 13 ponds is planned to be stocked with grow-out fish stocking during this month. Cells 3 and 6 upon completion are planned to be stocked this Spring/early Summer.

With the existing 15 ponds that were stocked last summer and the addition of 36 new ponds (Cells 2,3 and 6), the Company is on track to meet our growth targets. Cells 4 and 5, comprising 27 ponds, are also planned to be stocked in Spring/Summer 2025.

Construction progress on the site is summarised in the following table:

Stanbridge Construction Progress

Cell Number	Number of Ponds	Earthworks	Plumbing	Electrical Cabling	Stocked with Fish
1	15	Complete	Complete	Complete	Yes
2	13	Complete	Complete	Complete	Planned for October 2024
3	9	Complete	Complete	Nearing completion	Planned for Summer 2024/2025
4	13	Complete	None	None	Planned for Spring 2025
5	14	Complete	In Progress	None	Planned for Spring 2025
6	14	Complete	Complete	Nearing Completion	Planned for Summer 2024/2025

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Larvae Spawning Season Commences for 2024

Spawning has started two (2) weeks earlier than last year. Importantly, spawnings at Silverwater and Euberta have been very encouraging with healthy yields of larvae achieved.

Further, our CSIRO breeding program is providing benefits with the new broodstock added at Silverwater producing larger numbers of spawnings and eggs than originally anticipated for first-time spawning broodstock.

At this stage the company remains on track to meet its spawning targets for 2024 season.

2024 Aquna Gold Caviar Harvest

Aquna Gold™ Murray Cod Caviar is described as: “Bright golden champagne coloured appearance, a fresh aroma with a delicate salty taste with an excellent mouth feel and a nice “pop” sensation when eaten.”

The availability of source is limited at this time, as it requires an:

- adult female Murray cod, usually weighing 4kg+; and
- egg formation only occurs during the brief spawning period of approx. 2-months.

The Aquna Gold™ Murray Cod Caviar product is accretive to the Company’s strategy and ‘whole-fish philosophy’, with a harvested 4kg+ adult female with eggs having the potential to increase the gross dollar return (per fish) by as much as 100%, depending on yield achieved from each fish (females only).

It is estimated production will be limited over the next couple of years as suitable female stock grow in size and number.

The Company’s intention is to build Aquna Gold™ as an export product achieving premium price. In the shorter term it has already proven to be an excellent brand positioning tool used to gain entry to high end restaurants in export markets.



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Caviar awarded Gold Medal at the 2024 Sydney Royal Fine Food Show

Gold for Aquna Gold™! We are thrilled to announce Aquna Gold™ Murray Cod Caviar won a Gold Medal at the 2024 Sydney Royal Fine Food Show in the Specialty Foods category.

This win is a testament to MCA's commitment to quality and Aquna's position as a luxury food brand. Caviar production aligns with our sustainability ambitions as we move towards implementing our whole-fish philosophy.



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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 September 2024 Quarter.

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

Related party payments

During the September 2024 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 \$109,715 for Salaries and Wages (inclusive of Superannuation and applicable taxes withheld) 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 \$31,888
- Market Sniper Ltd a related entity of Chief Executive Officer Ross Anderson, for consulting services \$43,248 and
- Payments to Brigalow Enterprises, which is a related entity of Non-Executive Director Roger Commins for \$5,500

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
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Attachment: Q4 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")

30 September 2024

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	2,180	2,180
1.2 Payments for		
(a) cost of sales – contract grower purchases	<389>	<389>
(b) cost of sales – cattle	-	-
(c) cost of sales – feed and chemical	<748>	<748>
(d) cost of sales – other	<236>	<236>
(e) operating costs	<2,829>	<2,829>
(f) advertising and marketing	<111>	<111>
(g) leased assets	<316>	<316>
(h) payroll and employment costs	<1,755>	<1,755>
(i) administration and corporate costs	<230>	<230>
Total 1.2	<6,614>	<6,614>
1.3 Dividends received (see note 3)		
1.4 Interest received	62	62
1.5 Interest and other costs of finance paid	<680>	<680>
1.6 Income taxes paid		
1.7 Government grants and tax incentives	56	56
1.8 Other – Insurance proceeds	1	1
1.9 Net cash from / (used in) operating activities	<4,995>	<4,995>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	<1,671>	<1,671>
(d) investments		
(e) intellectual property		
(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	<1,671>	<1,671>

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		
3.6 Repayment of borrowings	<77>	<77>
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	<77>	<77>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 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	20,725	20,725
4.2	Net cash from / (used in) operating activities (item 1.9 above)	<4,995>	<4,995>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	<1,671>	<1,671>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	<77>	<77>
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	13,982	13,982

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	13,995	20,748
5.2	Term Deposits	-	-
5.3	Bank overdrafts and Credit Card Facility	<14>	<24>
5.4	Other (provide details)	1	1
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	13,982	20,725

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**

190

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 <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>	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	50	14
7.3 Other (Equipment Finance Facility)	508	508
7.4 Total financing facilities	20,558	20,522

7.5 **Unused financing facilities available at quarter end** 36

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. Variable interest rate is calculated in accordance with agreed formula. The formula being a Base Rate (which is 1 month BBSW) + a margin of 9% per annum.

7.2 Westpac Credit Card Facility, 0% Interest Rate if balance paid within 30 days, Variable interest rate after 30 days, The card facility is unsecured and has no maturity date.

7.3 Westpac Equipment Finance Facility, and Volkswagen Equipment Finance secured by equipment. Ten Westpac individual contracts with varying completion dates, the latest being September 2027. One Volkswagen individual contract with a completion date March 2025. Interest rates and repayments fixed at commencement of the Equipment Finance Contract. Interest and repayments vary on each contract depending on the commencement time and amount of the financed amount.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	<4,995>
8.2 Cash and cash equivalents at quarter end (Item 4.6)	13,982
8.3 Unused finance facilities available at quarter end (Item 7.5)	36
8.4 Total available funding (Item 8.2 + Item 8.3)	14,018
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	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: 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: 23rd October 2024

Authorised by: 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.