

Catalano Seafood Limited

ASX Statement

31 October 2022



QUATERLY ACTIVITES REPORT

For the quarter ended 30 September 2022

Catalano Seafood Limited (Catalano's; or the Company) (ASX: CSF) is pleased to provide the following update regarding its activities for the quarter ending 30 September 2022.

Highlights

- » Catalano brand is now live in 312 supermarkets across Australia.
- » Supply terms agreed with Coles Local, and an agreement reached to sell Catalano product in the South Perth Coles Local store.
- » 21 exclusive IGA preferred Supplier Stores (PSS's) now in place.
- » Sales to IGA and PSS stores up 15.7% on last year.
- » Catalano brand now selling in 15 IGA stores in Victoria.
- » Wholesale sales up 18.4% on last year.
- » Booragoon retail outlet to continue trade for a further 12 months after rent reduction.
- » Contract Processing sales of \$788,545 up \$265,884 or 50.9% on last year.
- » Purchased 5th container of imported seafood since listing.
- » New Prawn Processing Line received and installed ready for commissioning in Q2.
- » Lease signed to occupy extra 1500 metres of factory space attached to existing factory.
- » Receipts from customers for the quarter of \$3.24m.
- » Cash balance of \$1.35m at the end of the quarter.

BOARD OF DIRECTORS

Nick Catalano
Ceo & Chairman

Silvestro Morabito
Non Executive Director

Mark Leong
Non Executive Director

Koon Poh Low
Non Executive Director

Operations Summary

The company provides the following summary of its 3 Pillar key operational events throughout the quarter.

Retail

- » The Company continues to grow supply into Australian supermarkets with Catalano branded product now available in 312 supermarkets. Sales into supermarkets nationally as at September 2022 of \$1,280,846.
- » Exclusive supply into 19 Preferred Supplier Stores (PSS) and 2 Seafood Category Management Stores (SMS). Resulting sales of \$533,874 - up 15.7% on last year.
- » Agreement entered with the Michael's Group for the first SMS pilot store on the East Coast. The store is located in Keysborough in Melbourne. SMS is planned for Go Live in Q2.
- » Signed supply terms with Coles Local. Coles Local is a subsidiary of Coles Supermarkets Australia. The local concept was introduced in 2018. There are 15 stores across Victoria, NSW, and QLD with further expansion expected nation-wide long term. Catalano's have been chosen as the preferred seafood supplier for their new store at South Perth WA with a view to supply further locations in the metropolitan area and into the East Coast.



Processing Quarter 2

- » Tooth fish and prawn production for Q2 - 102,898 kilos, sales YTD \$536,944 up 25.3% on LY.
- » Wild Barramundi production for Q2 - 35,022 kilos, sales YTD \$166,301. No sales of this product last year.
- » Total Contract Processing - 341,607 kilos up 6.5% on LY. Sales YTD \$788,545, up 50.9%.
- » Production on prawn skewers for Coles will commence in Q2.
- » New Prawn peeling line installed and now operational. This will allow CSF to produce an extra 100ton of prawns in Q2, Q3, & Q4.
- » 2 filleting lines designed and ordered from China. ETA Q2. These lines will increase fish processing productivity and allow management more time to focus on other growth strategies.



Distribution

- » Sales into Metcash Distribution Centre YTD \$457,119. Distribution via MTS DC is now at 200 IGA stores across Western Australia.
- » CSF value brand due for release into the market Q2. This brand provides CSF with a tier 2 banner to compete more effectively with other imported brands in the marketplace.
- » Wholesale business 19 customers. Sales YTD \$373,377 up 18.4% on LY.



Appendix 4C Financial Disclosures and Use of Funds

Appendix 4C disclosures

The Appendix 4C provides details on the cashflows for the quarter ended 30 September 2022. As at 30 September 2022 the Company had a cash balance of \$1.35m. The Company's net cash used in operating activities for the quarter amounted to \$1.378m comprising \$3.24m receipts from customers, \$2.9m for product manufacturing and operating costs, \$14k for advertising and marketing, \$136k for leased assets, \$1.4m for staff costs, \$149k for administrative and corporate costs and \$6k in interest costs.

As disclosed in item 6.1 of the attached Appendix 4C, \$114k was paid in respect of directors' fees to directors (or their associated entities) during the quarter.

Use of funds statement

Catalano was admitted to the official list of the ASX on 11 March 2022 following completion of its listing raising \$5,025,800. The September FY23 quarter is included in a period covered by a use of funds statement in the prospectus lodged with ASX under Listing Rule 1.1 condition 3.

A comparison of the Company's actual expenditure since admission to 30 September 2022 against the estimated expenditure in the use of funds statement is set out below as required by ASX Listing Rule 4.7C.2.

Use of funds – Year 1	Actual total (11 Mar 22 – 30 Sep 22) \$	Prospectus total (11 Mar 22 – 11 Mar 23) \$
Sales and marketing distribution	312,472	950,000
Seafood Management Solution	326,752	600,000
Processing upgrade and equipment	558,765	1,000,000
General admin and working capital	465,105	682,219
Costs of the public offer	583,789	621,473
Total	2,246,853	3,853,692

In relation to the use of funds, the Company notes:

- » The working capital line item includes, inter alia, executive management salaries and wages who are supporting the growth strategy and the Company's business objectives.
- » The costs of the public offer include costs in relation to the Company's ASX listing on 11 March 2022.
- » The Company is spending in line with their planned growth strategy.

Pipeline and Q2 FY23 Planned Activities

Below is a summary of some of the key pipeline developments and planned activities for Q2 FY23 that the Company will be working on:

- In early Q1 FY23 (July), Catalano commenced the processing of 250 tonne of new season Toothfish. This processing will run through until March 2023 and revenue expected from this processing is ~\$1m for that period.
- Catalano will be working for Wild Barra Fisheries to process between 150-200 tonne of Barramundi with a projected revenue of ~\$700k in FY23.
- A further two SMS stores are planned to be completed by the end of December 2022.



-ENDS-

This announcement was authorised for issue by the Board of Catalano Seafood Limited.

For more information, please contact:

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FORWARD LOOKING STATEMENTS

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices or potential growth of Catalano Seafood Limited, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.



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