



**Catalano Seafood Ltd
ACN 633 353 125**

OPTIONS PROSPECTUS

This Prospectus is being issued for the following offers:

- (a) a non-renounceable pro-rata issue of up to 40,062,000 Loyalty Options on the basis of one (1) Loyalty Option for every two (2) Shares held on the Record Date at an issue price of \$0.001 to raise up to approximately \$40,062 (before costs) (**Loyalty Options Offer**);
- (b) any shortfall under the Loyalty Options Offer on the terms set out in Section 1.2 of the Prospectus (**Shortfall Offer**); and
- (c) an offer of up to 2,500,000 Loyalty Options to the Company's Corporate Advisor as consideration for the Corporate Advisory Services at an issue price of \$0.001 to raise up to approximately \$2,500 (before costs) (**Corporate Advisor Offer**),

(together, the **Offers**).

The Loyalty Options Offer closes at 5:00pm (WST) on 6 December 2022*

This is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt about what to do, you should consult your professional adviser without delay.

An investment in the Loyalty Options offered in connection with this Prospectus should be considered of a speculative nature.

* The Company reserves the right, subject to the Corporations Act, Listing Rules and other applicable laws to extend the Offer Closing Date without prior notice.

IMPORTANT INFORMATION

This Prospectus is dated 16 November 2022 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Loyalty Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at 301 Collier Road, Bassendean, Perth WA 6054 during normal business hours.

The Prospectus will be made available in electronic form on the Company's website at <https://catalanos.net.au/> and the ASX markets platform. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company.

The Company will apply for official quotation by ASX of the Loyalty Options offered by this Prospectus within 7 days of the date of this Prospectus.

The Loyalty Options offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

Applications for Loyalty Options will only be accepted on an Entitlement and Acceptance Form attached to or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Entitlement and Acceptance Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

No action has been taken to permit the offer of Loyalty Options under this Prospectus in any jurisdiction other than Australia, New Zealand, Hong Kong, Malaysia and Singapore, except to the extent below.

The distribution of this Prospectus in jurisdictions outside Australia, New Zealand, Hong Kong, Malaysia and Singapore may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Loyalty Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus. In particular, this document may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia, except to the extent permitted below.

New Zealand

The Loyalty Options are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Prospectus is not a product disclosure statement under New

Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Hong Kong

WARNING: The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the issuance of the Loyalty Options. The Loyalty Options and underlying shares may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any Loyalty Options not taken up under the Offers may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, pursuant to Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007.

Singapore

This Prospectus and any other materials relating to the Loyalty Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document relating to the Loyalty Options may not be issued, circulated or distributed, nor may the Loyalty Options or underlying shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this document immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Loyalty Options or underlying shares being subsequently offered for sale to any other party in Singapore. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Loyalty Options or underlying shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Loyalty Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (<https://catalanos.net.au/>). By making an application under the Offers, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

This document is important and should be read in its entirety before deciding to participate in the Offers. This does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4. Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are

to Australian dollars and all references to time are to WST unless otherwise indicated.

CORPORATE DIRECTORY

Existing Board of Directors

Nicolino (Nick) Catalano	Managing Director and Chairman
Koon Poh Low	Non-Executive Director
Silvestro Morabito	Non-Executive Director
Mark Kei Wei Leong	Non-Executive Director

Joint Company Secretaries

Laurence Lambro Anthony Ziatas
Harry Miller

Group Legal Counsel

Laurence Lambro Anthony Ziatas

Share Registry*

Computershare Investor Services Pty Limited

Level 11, 172 St Georges Terrace
Perth, WA, Australia

Telephone: +61 3 9415 4000

Registered and Principal Office

301 Collier Road Bassendean
Perth WA 6054

Phone: +61 8 9378 0900

Email: admin@catalanos.net.au

Website: <https://catalanos.net.au/>

Corporate Lawyers

HWL Ebsworth Lawyers

Level 20, 240 St Georges Terrace
Perth WA 6000

Auditor*

Grant Thornton Audit Pty Ltd

Central Park
Level 43, 152-158 St Georges Terrace
Perth WA 6000

Corporate Advisor

Auspac Financial Advisory Pty Ltd

Unit 2
133 Burswood Road
Burswood WA 6100

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

INDICATIVE TIMETABLE

Event	Date
Announcement of Offers (after market close)	16 November 2022
Lodgement of Prospectus with the ASIC (after market close)	16 November 2022
Securities quoted on an "ex" basis	21 November 2022
Record Date for determining Entitlements	22 November 2022
Loyalty Options Offer opens	25 November 2022
Last day to extend the Offer Closing Date	1 December 2022
Offer Closing Date for applications in accordance with the Offers as at 5:00pm (WST)*	6 December 2022
Securities quoted on a deferred settlement basis	7 December 2022
Announcement of results and Issue of Loyalty Options	13 December 2022
Lodgement of Appendix 2A (before 12pm AEST)	13 December 2022
Deferred settlement trading ends	13 December 2022

Note

* The Directors may extend the Offer Closing Date by giving at least three (3) Business Days' notice to ASX. As such the date the Loyalty Options issued under the Offers are expected to commence trading on ASX may vary.

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LETTER FROM THE BOARD

Dear Shareholders

On behalf of the Directors, I am pleased to offer you the opportunity to participate in this Loyalty Options Offer for Loyalty Options.

Eligible Shareholders who hold Shares on the Record Date are offered the opportunity to subscribe for 1 Loyalty Option for every 2 Shares held on the Record Date.

The Loyalty Options are offered at a nominal issue price of \$0.001 each, and will be exercisable at \$0.30 each and expire 3 years from the date of issue. The full terms and conditions of the Loyalty Options are in Section 5.1 of this Prospectus.

This Prospectus also contains a Shortfall Offer of Shortfall Options to Eligible Shareholders who subscribe for their full Entitlement under the Loyalty Options Offer. Any Shortfall Options issued pursuant to the Shortfall Offer will be issued on the same terms and conditions as the Loyalty Options.

In addition to the Loyalty Options Offer and accompanying Shortfall Offer, the Company has determined to make the Corporate Advisor Offer of up to 2,500,000 Loyalty Options to the Corporate Advisor in respect of the Corporate Advisor Services provided to the Company.

Please read in full the details on how to submit your application for Loyalty Options and the Shortfall, which are set out in Section 2 of this Prospectus.

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 8 9378 0900. For general enquiries, please contact the Share Registry on +61 3 9415 4000. You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Loyalty Options Offer.

This Prospectus contains detailed information about the Offers and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company. Potential investors in the Company should carefully consider those risks (see Section 4).

On behalf of the Board, I look forward to your continued support and on updating you on the Company's progress.

Yours faithfully



Nick Catalano
Managing Director & Chairman

INVESTMENT OVERVIEW

This Section is intended to highlight key information for potential investors. It is an overview only, and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Loyalty Options.

Key Information	Further Information
<p>Transaction specific prospectus</p> <p>This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	Section 5.4
<p>Risk factors</p> <p>Potential investors should be aware that subscribing for Loyalty Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <p style="margin-left: 40px;">(a) Business strategy</p> <p style="margin-left: 80px;">The Company’s growth and financial performance is dependent on its ability to successfully execute its growth strategy, including through the alliance, partnerships or acquisition of complementary assets and businesses where deemed beneficial to maintain and maximise its market position. The Company has engaged an experienced consulting team for each of its growth sectors to steer initiatives and associated administration functions. However, there can be no assurance that the Company will achieve the level of growth the Company’s strategy aims to achieve. If the Company fails to execute its business strategy, its business, financial condition and results of operations would likely be materially adversely affected.</p> <p style="margin-left: 40px;">(b) Customer retention and contractual arrangements</p> <p style="margin-left: 80px;">Catalano's practice is for purchasers to negotiate via an open market. Consequently, there is no guarantee that future transactions can be negotiated on terms and prices similar to Catalano's current terms and prices.</p> <p style="margin-left: 80px;">The loss of any significant customer or a number of customers may adversely impact on the Company’s operating and financial performance.</p>	Section 4

Key Information	Further Information
<p>As is common in the seafood industry, Catalano's does not have comprehensive binding agreements in place for its business relationships meaning customers may terminate arrangements with immediate effect.</p> <p>The Company therefore cannot provide any guarantee as to sales volumes, trading terms or continuity of its existing relationships.</p> <p>(c) Supply</p> <p>Catalano's sources ingredients for its products from a number of suppliers. The loss of a supplier or a significant interruption or negative change in the availability of ingredients from suppliers could adversely impact the Company's operating and financial performance. While the Company currently has no binding comprehensive supply agreements, given the number of available suppliers for Catalano's raw products, the Company considers this to be a low risk. Further, the breadth of seafood varieties and global sourcing capability spreads the risk beyond any one isolated long term supply interruption.</p> <p>(d) Reliance on key personnel</p> <p>Catalano's future success is reliant upon its key management personnel. The loss of the services of certain personnel could have an adverse effect on Catalano's, as the Company may not be able to recruit replacements for the key personnel within a short timeframe.</p> <p>Succession is a permanent item on the Board's agenda and the Board considers the Company's dynamic needs in regards to key management personnel on an ongoing basis to ensure all market segments and management systems effectively deal with transition of key personnel.</p> <p>(e) Seafood prices, customer demand for seafood and competition</p> <p>The financial performance of Catalano's is influenced by variations in the domestic and international prices paid for seafood processed by Catalano's. Although Catalano's is a quality seafood processor with a well-established distribution network, a number of factors outside the control of the Company can influence demand and supply in the seafood market and, therefore, the price of seafood including:</p>	

Key Information	Further Information
<p>(i) an increase in supply of seafood from either domestic or offshore competitors, or increased competition from alternative fish species and food sources;</p> <p>(ii) the level of world seafood production relative to consumption requirements;</p> <p>(iii) the rate of world economic development, and in particular, economic growth in Asia (principally Japan), America and northern European countries; and</p> <p>(iv) material exchange rate movements in major seafood export and import countries.</p> <p>As Catalano's buys and sells seafood, a significant change in seafood prices could have a material adverse impact on the Company's financial condition and results of operations.</p> <p>(f) Seasonal and environmental</p> <p>As a seafood processor, the Company is exposed to volatility in supply caused by seasonal weather and environmental conditions which impact the availability and cost of raw seafood from its suppliers. There is a risk that factors such as changes in temperatures, storms, floods, together with natural variations and external shocks in marine ecosystems and other environmental conditions could disrupt supply of seafood.</p> <p>(g) Distribution and export</p> <p>A part of the Company's growth strategy is to focus on expanding its network of distributors within Australia. Also, while not considered to be material in the context of the Company's business activities taken as a whole, Catalano's currently exports to various markets, particularly to Asian countries. Any adverse changes to trade tariffs, quotas or duties, the substitution of local producers in foreign markets, the introduction of other trade barriers, increased competitor activity and export regulation could all adversely affect Company's ability to export.</p> <p>The growth objectives of the Company depend in part on its ability to increase its distribution channels. The loss or disruption of a distribution channel or loss of an export market could adversely affect the Company's financial performance and future prospects. Additionally, the Company may take a credit risk with regard to parties to whom it supplies products. In the event of such parties failing to meet their obligations to the Company on</p>	

Key Information	Further Information
<p>time or at all, the Company's financial performance may be adversely affected.</p> <p>(h) Food safety, handling and product quality</p> <p>Selling food for human consumption carries inherent risks relating to food safety. Food safety incidents (such as tampering or contamination) could result in product liability lawsuits, product recalls, reputational damage and potential civil or criminal liability. Product recalls could result in significant losses because of the destruction of inventory and lost sales due to product unavailability, and any safety incidents could adversely affect the Company's ability to retain existing customers or attract new customers. Food tampering, including the introduction of foreign objects, chemical or biological contaminants into the Company's products could also result in serious harm to consumers.</p> <p>Third party spoilage or degradation in quality due to retailers' failure to observe shelf-life regulations or expiration dates is an inherent risk. The Company mitigates the risk of potential claims through its quality control systems, adherence to regulatory protocols and maintenance of accreditations.</p> <p>(i) Product liability claims and insurance</p> <p>Retailing food for human consumption carries an inherent risk of product liability. Any product liability claims may significantly disrupt the Company's business operations, cause reputational harm and adversely affect the Company's financial performance.</p> <p>The Directors consider the Company's product liability insurance is appropriate for the Company's current business operations. However, the Company may not be able to obtain further product liability insurance on commercially viable terms. Also, insurance cover may be inadequate to cover judgments or claims against the Company in relation to any product liability related incidents. Any claims brought against the Company may be outside the scope of the insurance policy or coverage, which may require the Company to satisfy such claims, if successful, from the Company's capital reserves.</p> <p>(i) Counterparty and credit risk</p> <p>The business operations of the Company require the involvement of a number of third parties, including suppliers, logistics providers and customers. Not being able to reach a binding agreement with any third party, financial failure, default or contractual non-performance on the part of such third parties</p>	

Key Information	Further Information
<p>(including failure to pay amounts due to the Company pursuant to its agreements) may have a material impact on the operations and financial performance of the Company.</p> <p>(j) Workplace health and safety</p> <p>The Company must comply with various health and safety laws in Australia. There is a risk that penalties and other liabilities for the breach of health and safety laws and standards may be imposed on the Company and may have an adverse effect on the Company's reputation, operations, revenue and growth potential.</p> <p>(k) Legal and regulatory requirements including approvals</p> <p>The Company's business must adhere to numerous legal and regulatory requirements including, without limitation, in relation to product liability, food safety, environmental and export laws. This gives rise to significant compliance costs for the Company. There is a risk that non-compliance with such regulations, changes in the current regulations (or their interpretation) or the introduction of new laws or regulations could expose Catalano's or its suppliers to fines, penalties, potential civil or criminal actions, product recalls and reputational damage, the revocation of approvals, permits or authorisations, loss of access to markets or key customers and increased compliance costs. Further, if existing laws and regulations are revised to become more restrictive or new, the Company may not be able to meet these new or revised requirements, which may jeopardise its business operations and financial performance.</p> <p>Various approvals, permits or other government authorisations are required for the Company's operations. Obtaining approvals, permits or authorisations can be a time consuming and costly process and there is a risk that the Company may not obtain such approvals, permits or authorisations on acceptable terms and in a timely manner, or at all. Failure or delay in obtaining any required approvals, permits or authorisations may have a material adverse effect on the Company's business strategy and in turn its operating and financial performance.</p> <p>(l) Consumer demand</p> <p>The Company's growth objectives depend on continued growth in the demand for its products in domestic and international markets. Consumer demand for food products can change over time and may be influenced by a number of factors. Changes in consumer dietary preferences or an excess of supply of seafood products may adversely impact demand or prices for these</p>	

Key Information	Further Information
<p>products. In addition, seafood may be considered to be a luxury food product.</p> <p>An economic downturn in the markets in which the Company sells its products may cause the retail environment to deteriorate as consumers reduce their retail spending on discretionary items, which may adversely impact on the Company's operations and growth prospects. If economic conditions deteriorate, or the Company is unable to penetrate these markets due to a change in demand for these products or if demand were to otherwise fall or the Company is unable to adapt to changing consumer trends and behaviours more generally, the Company may be unable to achieve its growth objectives. In addition, the Company's financial performance will be influenced by the price it can obtain for its products in both domestic and export markets. A drop in the demand for the Company's products may require the Company to reduce its product prices which could have an adverse impact on its businesses.</p> <p>(m) Reputation</p> <p>There is a risk that some incident or development beyond the control of the Company could occur which would have the effect of reducing consumer confidence or preferences for Catalano's products. Such incidents could include:</p> <ul style="list-style-type: none"> (i) a widespread loss of consumer confidence in seafood; (ii) health concerns associated with the consumption of seafood products; (iii) a widespread loss of consumer confidence in the food safety procedures in the seafood industry as a whole; and (iv) concerns about fishing practices and the sustainability of wild caught fisheries. <p>The consequences of such an incident or development could be very significant for the Company, with impacts potentially including reduced revenues, loss of consumer trust in the Catalano's products, and reduced prominence of the Company's brands or reputation in customers' minds, all of which may</p>	

Key Information	Further Information
<p>adversely impact the Company's operating or financial performance.</p> <p>(n) Conditionality of Offers</p> <p>The obligation of the Company to issue the Securities under the Offers is conditional on ASX granting approval for the Official Quotation of the Loyalty Options. If this condition is not satisfied, the Company will not proceed with the Offers.</p> <p>(o) Future capital requirements</p> <p>The Company is currently making a loss and is unlikely to generate profit unless and until its three pillars set out in the IPO Prospectus are successfully developed and implemented. The Company may in the future require additional capital as it seeks to further expand its operations. Also, it is possible further capital may be required at an earlier stage if any risks, including those described in this Section 4, materialise, or equally new business opportunities materialise. The amount and nature of any such additional funding will be determined based on market conditions and the needs of the business at the relevant time.</p> <p>Any additional equity financing may be dilutive to shareholders and/or occur at prices lower than the market price. Debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed it may be required to reduce the scope of its expansion activities.</p>	
<p>Loyalty Options Offer</p> <p>The Loyalty Options Offer is a non-renounceable loyalty offer of one (1) Loyalty Option for every two (2) Shares held on the Record Date, at an issue price of \$0.001 per Loyalty Option. The Loyalty Options will have an exercise price of \$0.30 each and will expire 3 years from the date of issue.</p> <p>The Loyalty Options Offer will raise up to approximately \$40,062 (before costs).</p>	Section 1.1
<p>Shortfall Offer</p> <p>Any Entitlement not taken up pursuant to the Loyalty Options Offer (if any) will form the Shortfall Offer. Eligible Shareholders will be entitled to apply for Loyalty Options under the Shortfall Offer.</p> <p>The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three (3) months following the Offer Closing Date (or such shorter period as determined by the Directors). All Shortfall Options issued under</p>	Section 1.2

Key Information	Further Information
the Shortfall Offer shall be issued on the same terms as the Loyalty Options being offered under the Loyalty Options Offer (including the issue price).	
<p>Corporate Advisor Offer</p> <p>The Company has agreed to issue 2,500,000 quoted Options to Auspac Financial Advisory Pty Ltd (or its nominee/s) at an issue price of \$0.001 per Loyalty Option, exercisable at \$0.30 and expiring on the date that is 3 years from the date of issue. The Loyalty Options are being issued as consideration for the Corporate Advisory Services.</p>	Section 1.3
<p>Eligible Shareholders</p> <p>The Loyalty Options Offer is made to Eligible Shareholders only. Eligible Shareholders are those holders of Shares who:</p> <ul style="list-style-type: none"> • are the registered holder of the Shares as at 5.00pm (WST) on the Record Date; and • have a registered address in Australia, New Zealand, Hong Kong, Malaysia or Singapore or, subject to the offer restrictions in Section 1.15, a jurisdiction where it would be lawful to participate in the Loyalty Options Offer. 	Sections 1.15 and 1.16
<p>Use of funds</p> <p>It is currently intended that any funds raised as a result of the Offers (including pursuant to the exercise of any Loyalty Options) will be used towards the expenses of the Offers, continued development of the Company's existing business strategies and for working capital purposes.</p>	Section 3.2
<p>Effect on control of the Company</p> <p>No investor or existing Shareholder is anticipated to hold a voting power of 20% or more as a result of the Offers.</p>	Section 1.7

Key Information	Further Information																				
<p>Indicative capital structure and pro-forma statement of financial position</p> <p>The indicative capital structure upon completion of the Offers is set out below:</p> <table border="1" data-bbox="183 439 1153 1005"> <thead> <tr> <th></th> <th>Shares</th> <th>Loyalty Options</th> <th>Unquoted Options</th> </tr> </thead> <tbody> <tr> <td>Balance at the date of this Prospectus</td> <td>80,124,000</td> <td>Nil</td> <td>2,500,000</td> </tr> <tr> <td>Maximum to be issued pursuant to the Loyalty Options Offer</td> <td>Nil</td> <td>40,062,000</td> <td>Nil</td> </tr> <tr> <td>Loyalty Options to be issued pursuant to the Corporate Advisor Offer</td> <td>Nil</td> <td>2,500,000</td> <td>Nil</td> </tr> <tr> <td>Total</td> <td>80,124,000</td> <td>42,562,000⁽¹⁾</td> <td>2,500,000⁽²⁾</td> </tr> </tbody> </table> <p>The pro-forma statement of financial position showing the effect of the Offers is in Section 3.3.</p>		Shares	Loyalty Options	Unquoted Options	Balance at the date of this Prospectus	80,124,000	Nil	2,500,000	Maximum to be issued pursuant to the Loyalty Options Offer	Nil	40,062,000	Nil	Loyalty Options to be issued pursuant to the Corporate Advisor Offer	Nil	2,500,000	Nil	Total	80,124,000	42,562,000⁽¹⁾	2,500,000⁽²⁾	<p>Sections 3.1 and 3.3</p>
	Shares	Loyalty Options	Unquoted Options																		
Balance at the date of this Prospectus	80,124,000	Nil	2,500,000																		
Maximum to be issued pursuant to the Loyalty Options Offer	Nil	40,062,000	Nil																		
Loyalty Options to be issued pursuant to the Corporate Advisor Offer	Nil	2,500,000	Nil																		
Total	80,124,000	42,562,000⁽¹⁾	2,500,000⁽²⁾																		
<p>Directors' participation</p> <p>As at the date of this Prospectus, Directors eligible to participate have indicated that they (or their respective nominees) intend to take up all of their Entitlement under the Loyalty Options Offer.</p>	<p>Section 5.9(b)</p>																				
<p>Forward looking statements</p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p>	<p>Important Information and Section 4</p>																				

Key Information	Further Information
<p>These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.</p>	

1. Details of the Offers

1.1 Loyalty Options Offer

The Company is making a non-renounceable pro rata offer of Loyalty Options at an issue price of \$0.001 each to Eligible Shareholders on the basis of one (1) Loyalty Option for every two (2) Shares held at 5:00pm (WST) on the Record Date. Each Loyalty Option will have an exercise price of \$0.30 each and expire 3 years from the date of issue.

As at the date of this Prospectus, the Company has on issue 80,124,000 Shares (of which 47,235,000 are escrowed) and 2,500,000 unquoted Options (all of which are escrowed).

Assuming no Options are exercised into Shares prior to the Record Date, the Loyalty Options Offer is for a maximum of approximately 40,062,000 Loyalty Options to raise up to approximately \$40,062 (before costs).

Up to 41,312,000 Loyalty Options could be issued under the Loyalty Options Offer to raise up to approximately \$41,312 if all the existing unquoted Options are exercised and converted into Shares between the date of the Prospectus and the Record Date.

Where the determination of the entitlement of any Eligible Shareholder results in a fraction of a Loyalty Option, such fraction will be rounded down to the nearest whole Loyalty Option.

Refer to Section 5.1 for a summary of the terms and conditions of the Loyalty Options under the Loyalty Options Offer. Shares issued upon exercise of the Loyalty Options will be fully paid and will rank equally with the Company's existing Shares on issue at the date of this Prospectus. A summary of the rights and liabilities attaching to Shares is in Section 5.2.

Please refer to Section 2 for details on how to apply for Loyalty Options under the Loyalty Options Offer.

1.2 Shortfall Offer

Any Entitlement not taken up pursuant to the Loyalty Options Offer (if any) will form the Shortfall under the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three (3) months following the Offer Closing Date (or such shorter period as determined by the Directors). All Shortfall Options shall be issued on the same terms as the Loyalty Options being offered under the Loyalty Options Offer (including the issue price).

Eligible Shareholders who take up their full Entitlement under the Loyalty Options Offer may apply for Shortfall Options under the Shortfall Offer by completing the prescribed section on the Entitlement and Acceptance Form designated to the Shortfall Offer and paying the appropriate Application Monies in accordance with the instructions set out on the Entitlement and Acceptance Form.

Separate application forms will be provided, together with a copy of this Prospectus, to other investors who are not currently Shareholders who are invited to participate in the Shortfall Offer (**Shortfall Application Form**).

The Board may elect to cap the number of Shortfall Options that are to be allotted to Applicants under the Shortfall Offer, having regard to:

- (a) the number of Loyalty Options that an Applicant is entitled to subscribe for pursuant to its Entitlement relative to the number of Shortfall Option that it has applied for;
- (b) the total number of Shortfall Options available for subscription; and
- (c) the number of Securities held by an Eligible Shareholder after the completion of the Loyalty Options Offer.

The Directors otherwise reserve the right to issue the Shortfall at their absolute discretion, subject to the policy above and any restrictions imposed by the Corporations Act and the Listing Rules. As such there is no guarantee that Applicants under the Shortfall Offer will receive any Shortfall Options applied for under the Shortfall Offer. The Directors reserve the right to issue to an Applicant a lesser number of Shortfall Options than the number for which the Applicant applies, or to reject an Application for Shortfall Options, or to not proceed with placing the Shortfall Options. In that event, Application Monies will be refunded by the Company (without interest) in accordance with the provisions of the Corporations Act. It is however a term of the Shortfall Offer that, should the Company scale back applications for Shortfall Options in accordance with the allocation policy described above, the Applicant will be bound to accept such lesser number allocated to them.

Acceptance of a completed Application for Shortfall Options by the Company creates a legally binding contract between the relevant Applicant and the Company for the number of Shortfall Options accepted by the Company. The Application for Shortfall Options does not need to be signed to be a binding acceptance of Loyalty Options.

If the Application for Shortfall Options is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat an Application for Shortfall Options as valid and how to construe, amend or complete the Application, is final.

1.3 Corporate Advisor Offer

The Company has agreed to issue 2,500,000 Loyalty Options to Auspac Financial Advisory Pty Ltd (**Corporate Advisor**) (or its nominee/s) at an issue price of \$0.001 per Loyalty Option, exercisable at \$0.30 and expiring on the date that is 3 years from the date of issue. The Loyalty Options are being issued as consideration for the following services provided by the Corporate Advisor:

- (a) keeping a watch on trading and market movements;
- (b) determining key investor issues and co-ordinating appropriate responses / information in order to mitigate these issues;
- (c) assisting with the coordination of any marketing roadshows including pre-marketing and assistance with the preparation of the marketing presentation;
- (d) identifying the key selling messages and marketing to investors; and

(e) providing other such assistance to the Company as agreed from time to time, (collectively, **Corporate Advisory Services**).

The Loyalty Options will be issued at an issue price of \$0.001, accordingly up to \$2,500 (before costs) will be raised pursuant to the Corporate Advisor Offer.

Only the Corporate Advisor or its nominee(s) may apply under the Corporate Advisor Offer.

An Application Form in relation to the Corporate Advisor Offer will be issued to the Corporate Advisor (or its nominees) together with a copy of this Prospectus.

1.4 Opening and Closing Dates

In terms of the Loyalty Options Offer, the Company will accept Entitlement and Acceptance Forms from the Record Date until 5:00pm (WST) on 6 December 2022 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Offer Closing Date**).

The Shortfall Offer will remain open for up to three (3) months following the Offer Closing Date unless closed earlier at the Directors' discretion.

1.5 Minimum subscription

There is no minimum subscription for the Offers.

1.6 Withdrawal of Offers

The Company reserves the right not to proceed with the Offers at any time before the issue of Loyalty Options. If the Offers do not proceed, the Company will return all Application Monies, without interest, as soon as practical after giving notice of its withdrawal.

1.7 Effect on control of the Company

The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers.

1.8 Substantial shareholders

Based on available information as at the date of this Prospectus, those persons which together with their associates have a voting power in 5% or more of the Shares on issue are set out below:

Substantial Shareholder	Number of Shares	Voting power
Michael Marcus Liew	14,148,748	17.66
Tan Chai Hong ⁽¹⁾	12,148,648	15.16
Eugene Pong Sin Tee	8,498,998	10.61

Substantial Shareholder	Number of Shares	Voting power
Liw Chai Yuk ⁽²⁾	5,879,499	7.34
Irene Ng Ai Chen	4,940,000	6.17

Notes:

- In accordance with section 608(1)(a) and (3), Tan Chai Hong is considered a substantial shareholder of the Company by virtue of holding a relevant interest in 12,148,648 Shares, held as follows:
 - 675,000 Shares held by Tan Chai Hong; and
 - 11,473,648 Shares held by Windsor Investments Pte Ltd, a company controlled by Tan Chai Hong.
- In accordance with section 608(1)(a) and (3), Liw Chai Yuk is considered a substantial shareholder of the Company by virtue of holding a relevant interest in 5,879,499 Shares, held as follows:
 - 4,249,499 Shares held by Liw Chai Yuk; and
 - 1,630,000 Shares held by Vintry Assets Sdn Bhd, a company controlled by Liw Chai Yuk.

1.9 Potential dilution

Shareholders should note that if they do not participate in the Loyalty Options Offer, their holdings are likely to be diluted if the Loyalty Options are issued and subsequently exercised (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution from the Loyalty Options Offer, may impact Shareholders are set out in the table below:

Holder	Holding as at Record Date	% at Record Date	Entitlement under the Loyalty Options Offer	% holdings if Entitlement taken up ⁽¹⁾	% holding if Entitlement not taken up ⁽²⁾
Shareholder 1	15,000,000	18.72%	7,500,000	18.72%	12.48%
Shareholder 2	10,000,000	12.48%	5,000,000	12.48%	8.32%
Shareholder 3	1,000,000	1.25%	500,000	1.25%	0.83%
Shareholder 4	500,000	0.62%	250,000	0.62%	0.42%
Shareholder 5	250,000	0.31%	50,000	0.31%	0.21%

Notes:

- The table assumes that all Loyalty Options are issued and exercised and that no other Shares are issued or Options exercised (including any Loyalty Options issued under the Corporate Advisor Offer).
- The dilutive effect shown in the table is the maximum percentage on the assumption that those

Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

1.10 No rights trading

The entitlements to Loyalty Options under the Offers are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement to Loyalty Options under the Offers by the Offer Closing Date, the offer to you will lapse.

1.11 Issue date

The Loyalty Options will be issued only after all Application Monies have been received and the ASX has granted permission for the Loyalty Options to be quoted. It is expected that Loyalty Options will be issued on 13 December 2022 and normal trading of the Loyalty Options on the ASX is expected to commence on 14 December 2022.

Security holder statements will be dispatched at the end of the calendar month following the issue of the Loyalty Options under the Offers.

It is the responsibility of Applicants to determine their allocation prior to trading in the Loyalty Options. Applicants who sell Loyalty Options before they receive their holding statements do so at their own risk.

1.12 Application Monies held on trust

All Application Monies received for the Loyalty Options will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Loyalty Options are issued. All Application Monies will be returned (without interest) if the Loyalty Options are not issued.

1.13 ASX quotation

Application has been made to ASX for Official Quotation of the Loyalty Options.

The Loyalty Options will only be admitted to Official Quotation by ASX if the conditions for quotation of a new class of securities are satisfied (which include, amongst other things, there being a minimum of 100,000 Loyalty Options on issue, with at least 50 holders with a marketable parcel (within the meaning of the Listing Rules).

The fact that ASX may agree to grant Official Quotation of the Loyalty Options is not to be taken in any way as an indication of the merits of the Company or the Loyalty Options. ASX takes no responsibility for the contents of this Prospectus.

If Official Quotation of the Loyalty Options is not granted by ASX within three months of the date of this Prospectus, any issue or transfer of the Loyalty Options (or Shares issued on exercise of the Loyalty Options) will be void and the Application Monies will be refunded in full (without interest) in accordance with the Corporations Act.

1.14 CHESS

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates

CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Loyalty Options.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will specify the number of Loyalty Options issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Loyalty Options, including a notice to exercise the Loyalty Options.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of Loyalty Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.15 International Offer Restrictions

This Prospectus, and any accompanying Entitlement and Acceptance Form (including any Shortfall Application Form and Corporate Advisor Application Form), do not, and is not intended to, constitute an offer of Securities in any jurisdiction in which it would be unlawful. In particular, this Prospectus, and any accompanying Entitlement and Acceptance Form (including any Shortfall Application Form and Corporate Advisor Application Form), may not be distributed to any person, and the Securities offered under this Prospectus may not be offered or sold, in any country outside Australia where it would be unlawful to do so.

1.16 Ineligible Foreign Shareholders

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the Listing Rules, that it would be unreasonable to make offers to Shareholders in countries other than Australia, New Zealand, Hong Kong, Malaysia and Singapore in connection with the Loyalty Options Offer, having regard to:

- (a) the relatively small number of Shareholders in the other jurisdictions where the Loyalty Options Offer would be made;
- (b) the number and value of Loyalty Options for which such Shareholders would otherwise have been entitled; and
- (c) the costs of complying with the legal and regulatory requirements in each other jurisdiction where the Loyalty Options Offer would be made.

Shareholders in Australia, New Zealand, Hong Kong, Malaysia and Singapore holding Shares on behalf of persons resident overseas are responsible for ensuring that taking the Loyalty Options Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia, New Zealand, Hong Kong, Malaysia and Singapore.

1.17 Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the Loyalty Options Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Loyalty Options Offer is compatible with applicable foreign laws.

1.18 Risk factors

An investment in Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

1.19 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Loyalty Options.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Loyalty Options.

1.20 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2022 can be found in the Company's Annual Report announced on ASX on 3 October 2022. The Company's continuous disclosure notices (i.e. ASX announcements) since 9 March 2022 are listed in Section 5.5. Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

1.21 Underwriting and minimum subscription

There is no minimum subscription for the Offers and the Offers are not underwritten.

1.22 Privacy

If you complete an application for Loyalty Options, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess the Application, service your needs as a Security holder, facilitate distribution payments and corporate communications to you as a Security holder, and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Securities in the context of takeovers,

regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

By submitting an Entitlement and Acceptance Form (including any Shortfall Application Form and Corporate Advisory Application Form), each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form (including any Shortfall Application Form and Corporate Advisory Application Form) for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form (including any Shortfall Application Form and Corporate Advisory Application Form), the Company may not be able to accept or process your application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

1.23 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 8 9378 0900.

For general enquiries, please contact the Share Registry on +61 3 9415 4000.

2. Action required by Eligible Shareholders

2.1 Action in relation to the Loyalty Options Offer

Should you wish to acquire Loyalty Options as part of the Loyalty Options Offer, you may either take up all of your Entitlement (refer to Section 2.2) or part of your Entitlement (refer to Section 2.3) as shown on the accompanying Entitlement and Acceptance Form.

If you do not wish to take up any of your Entitlement, you may allow your Entitlement to lapse (refer to Section 2.4).

2.2 Acceptance of all of your Entitlement (and application for Shortfall Offer)

Your entitlement to participate in the Loyalty Options Offer will be determined on the Record Date.

The number of Loyalty Options to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. If you wish to apply for Loyalty Options under the Loyalty Options Offer, you must apply online using an online application form and pay the Application Monies electronically.

To apply online, you must use the unique application number that is provided in the Entitlement and Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully. Payment for your Entitlement must be by BPAY as per instructions contained in the Entitlement and Acceptance Form. The Entitlement and Acceptance Form does not have to be returned to the Company or Share Registry and should be retained for your records.

Eligible Shareholders may apply for Loyalty Options under the Shortfall Offer by completing the prescribed section on the Entitlement and Acceptance Form designated to the Shortfall Offer and paying the appropriate Application Monies in accordance with the instructions set out on the Entitlement and Acceptance Form.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Offer Closing Date. You must follow the instructions for BPAY set out in the Entitlement and Acceptance Form.

2.3 If you wish to take up only part of your Entitlement

Should you wish to only take up part of your Entitlement under the Loyalty Options Offer, you must apply online using an online application form and pay the Application Monies electronically.

Please complete the online Entitlement and Acceptance Form, including the number of Loyalty Options you wish to accept and the amount payable calculated at \$0.001 per Loyalty Option accepted under the Loyalty Options Offer.

Completed Entitlement and Acceptance Forms must be lodged at any time after the issue of this Prospectus and on or before the Offer Closing Date at the Share Registry (via online application) as per instructions referred to in this Prospectus and on the Entitlement and Acceptance Form.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Offer Closing Date. You must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

2.4 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Securities you hold and the rights attached to those Securities will not be affected should you choose not to accept any of your Entitlement.

2.5 Entitlement and Acceptance Form

Completion of an online Entitlement and Acceptance Form and payment by BPAY creates a legally binding contract between the Applicant and the Company for the number of Loyalty Options accepted by the Company. The Entitlement and Acceptance Form does not need to be returned to the Company for there to be a binding acceptance of Loyalty Options.

The Company will send this Prospectus, together with an Entitlement and Acceptance Form, to all Eligible Shareholders.

By completing the online Entitlement and Acceptance Form and payment via BPAY, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Loyalty Options Offer (and Shortfall Offer, if applicable);
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the Loyalty Options to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;

- (e) declare that you are the current registered holder of Shares as at the Record Date and have a registered address in Australia or New Zealand, or another country which permits the Company to make the Offers to you without the requirement to lodge any documents with your local regulatory authority;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Loyalty Options are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the Loyalty Options have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

2.6 Action in relation to the Corporate Advisor Offer

Only the Corporate Advisor (or their nominees) may accept the Corporate Advisor Offer. A personalised application form in relation to the Corporate Advisor Offer will be issued to the Corporate Advisor (or its nominees) together with a copy of this Prospectus.

2.7 Enquiries concerning your Entitlement

For enquiries concerning the Entitlement and Acceptance Form, your Entitlement or general enquiries, please contact the Share Registry on +61 3 9415 4000 or consult your professional advisor.

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 8 9378 0900.

3. Effect of the Offers

3.1 Capital structure on completion of the Offers

Assuming that no existing Options are exercised before the Record Date, the effect of the Offers on the Company's issued capital as at the date of this Prospectus is as shown in the following table.

	Shares	Loyalty Options	Unquoted Options
Balance at the date of this Prospectus	80,124,000	Nil	2,500,000
Maximum to be issued pursuant to the Loyalty Options Offer	Nil	40,062,000	Nil
Loyalty Options to be issued pursuant to the Corporate Advisor Offer	Nil	2,500,000	Nil
Total	80,124,000	42,562,000⁽¹⁾	2,500,000⁽²⁾

Notes:

1. Assumes the Loyalty Options Offer and Corporate Advisor Offer is fully subscribed.
2. 2,500,000 unquoted Options exercisable at \$0.25 each and expiring at 5:00pm (WST) on 30 June 2025.

3.2 Use of funds

Up to approximately \$42,562 will be raised as a result of the Offers.

The Company will receive \$0.30 for each Loyalty Option issued under the Offers if exercised. If all Loyalty Options are issued and exercised, the Company will receive approximately \$12,768,600. There is no certainty that any Loyalty Options will be exercised, and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period. It is currently intended that any funds raised as a result of the Offers (including pursuant to the exercise of any Loyalty Options) will be used towards the expenses of the Offers, continued development of the Company's existing business strategies, the Company's three pillar growth strategy set out in Section 2.3 of the IPO Prospectus, and for working capital purposes. Working capital includes but is not limited to corporate administration and operating costs and may be applied to additional directors' fees or executive fees, ASX and Share Registry fees, legal, tax and audit fees, insurance and travel costs.

The Company notes there are extra costs associated with the Loyalty Options. Upon each exercise of Loyalty Options, the Company must make filings with the ASX and will, accordingly, incur further costs in this regard. The Company intends to use a portion of the funds raised from the Offers towards any payments associated with the exercise of Loyalty Options issued under the Offers.

The application of funds will depend on when Loyalty Options are exercised and the status of the Company's projects and requirements at the relevant time.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

3.3 Pro forma consolidated statement of financial position

The unaudited pro-forma statement of financial position set out below has been prepared on the basis of the accounting policies normally adopted by the Company and reflects the position of the Company as at 30 June 2022 pursuant to its 30 June 2022 full year audited accounts, and the change to that position as a result of the Offers. The unaudited pro-forma statement of financial position has been prepared to provide investors with information on the pro-forma assets and liabilities of the Company, and the effect of the Offers, as noted below.

	Notes	Catalano Seafood Ltd Audited 30 June 2022 \$	Offer Adjustments Unaudited 30 June 2022 \$	Pro forma balance Unaudited 30 June 2022 \$
Current assets				
Cash & cash equivalents	1	3,122,348	(10,875)	3,111,473
Trade & other receivables		372,398		372,398
Inventories		1,883,296		1,883,296
Other current assets		211,483		211,483
Total current assets		5,589,525	(10,875)	5,578,650
Non-Current assets				
Plant and equipment		1,166,931		1,166,931
Right of use assets		498,108		498,108
Intangible assets		-		-
Total non-current assets		1,665,039		1,665,039
TOTAL ASSETS		7,254,564	(10,875)	7,243,689
Current liabilities				
Trade & other payables		1,631,574		1,631,574
Leases liabilities		403,891		403,891
Provisions		890,452		890,452
Total current liabilities		2,925,917		2,925,917
Non-current liabilities				
Lease liabilities		108,567		108,567
Provisions		44,325		44,325
Financial Liabilities		-		-
Total non-current liabilities		152,892		152,892

TOTAL LIABILITIES		3,078,890		3,078,809
NET ASSETS		4,175,755	(10,875)	4,164,880
EQUITY				
Issued capital		10,764,084		10,764,084
Reserves	2	208,615	(10,875)	251,177
Accumulated losses		(6,796,944)		(6,850,381)
TOTAL EQUITY		4,175,755	(10,875)	4,164,880

Notes:

1. Funds raised of \$42,562 less expenses of the Offers of \$53,437.
2. Loyalty Options issued pursuant to the Offers, priced at \$0.001 per Loyalty Option to raise \$42,562 (before costs).

Basis of Preparation

The unaudited pro forma statement of financial position has been prepared in accordance with the Corporations Act and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The unaudited pro forma statement of financial position is based on the audited financial position as at 30 June 2022 and assumes that the Offers are fully subscribed. Other than in the ordinary course of business, there have been no other material transactions between that date and the date of this Prospectus that have affected the Company's financial position.

4. Risk Factors

As with any investment in Securities, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the potential risk factors to which the Company and its security holders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Loyalty Options.

The Directors consider that the following summary represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

4.1 Risks specific to the Company

(a) **Business strategy**

The Company's growth and financial performance is dependent on its ability to successfully execute its growth strategy, including through the alliance, partnerships or acquisition of complementary assets and businesses where deemed beneficial to maintain and maximise its market position. The Company has engaged an experienced consulting team for each of its growth sectors to steer initiatives and associated administration functions. However, there can be no assurance that the Company will achieve the level of growth the Company's strategy aims to achieve. If the Company fails to execute its business strategy, its business, financial condition and results of operations would likely be materially adversely affected.

(b) **Customer retention and contractual arrangements**

Catalano's practice is for purchasers to negotiate via an open market. Consequently, there is no guarantee that future transactions can be negotiated on terms and prices similar to Catalano's current terms and prices.

The loss of any significant customer or a number of customers may adversely impact on the Company's operating and financial performance.

As is common in the seafood industry, Catalano's does not have comprehensive binding agreements in place for its business relationships meaning customers may terminate arrangements with immediate effect.

The Company therefore cannot provide any guarantee as to sales volumes, trading terms or continuity of its existing relationships.

(c) **Supply**

Catalano's sources ingredients for its products from a number of suppliers. The loss of a supplier or a significant interruption or negative change in the availability of ingredients from suppliers could adversely impact the

Company's operating and financial performance. While the Company currently has no binding comprehensive supply agreements, given the number of available suppliers for Catalano's raw products, the Company considers this to be a low risk. Further, the breadth of seafood varieties and global sourcing capability spreads the risk beyond any one isolated long term supply interruption.

(d) Reliance on key personnel

Catalano's future success is reliant upon its key management personnel. The loss of the services of certain personnel could have an adverse effect on Catalano's, as the Company may not be able to recruit replacements for the key personnel within a short timeframe.

Succession is a permanent item on the Board's agenda and the Board considers the Company's dynamic needs in regards to key management personnel on an ongoing basis to ensure all market segments and management systems effectively deal with transition of key personnel.

(e) Seafood prices, customer demand for seafood and competition

The financial performance of Catalano's is influenced by variations in the domestic and international prices paid for seafood processed by Catalano's. Although Catalano's is a quality seafood processor with a well-established distribution network, a number of factors outside the control of the Company can influence demand and supply in the seafood market and, therefore, the price of seafood including:

- (i) an increase in supply of seafood from either domestic or offshore competitors, or increased competition from alternative fish species and food sources;
- (ii) the level of world seafood production relative to consumption requirements;
- (iii) the rate of world economic development, and in particular, economic growth in Asia (principally Japan), America and northern European countries; and
- (iv) material exchange rate movements in major seafood export and import countries.

As Catalano's buys and sells seafood, a significant change in seafood prices could have a material adverse impact on the Company's financial condition and results of operations.

(f) Seasonal and environmental

As a seafood processor, the Company is exposed to volatility in supply caused by seasonal weather and environmental conditions which impact the availability and cost of raw seafood from its suppliers. There is a risk that factors such as changes in temperatures, storms, floods, together with natural

variations and external shocks in marine ecosystems and other environmental conditions could disrupt supply of seafood.

(g) **Distribution and export**

A part of the Company's growth strategy is to focus on expanding its network of distributors within Australia. Also, while not considered to be material in the context of the Company's business activities taken as a whole, Catalano's currently exports to various markets, particularly to Asian countries. Any adverse changes to trade tariffs, quotas or duties, the substitution of local producers in foreign markets, the introduction of other trade barriers, increased competitor activity and export regulation could all adversely affect Company's ability to export.

The growth objectives of the Company depend in part on its ability to increase its distribution channels. The loss or disruption of a distribution channel or loss of an export market could adversely affect the Company's financial performance and future prospects. Additionally, the Company may take a credit risk with regard to parties to whom it supplies products. In the event of such parties failing to meet their obligations to the Company on time or at all, the Company's financial performance may be adversely affected.

(h) **Food safety, handling and product quality**

Selling food for human consumption carries inherent risks relating to food safety. Food safety incidents (such as tampering or contamination) could result in product liability lawsuits, product recalls, reputational damage and potential civil or criminal liability. Product recalls could result in significant losses because of the destruction of inventory and lost sales due to product unavailability, and any safety incidents could adversely affect the Company's ability to retain existing customers or attract new customers. Food tampering, including the introduction of foreign objects, chemical or biological contaminants into the Company's products could also result in serious harm to consumers.

Third party spoilage or degradation in quality due to retailers' failure to observe shelf-life regulations or expiration dates is an inherent risk. The Company mitigates the risk of potential claims through its quality control systems, adherence to regulatory protocols and maintenance of accreditations.

(i) **Product liability claims and insurance**

Retailing food for human consumption carries an inherent risk of product liability. Any product liability claims may significantly disrupt the Company's business operations, cause reputational harm and adversely affect the Company's financial performance.

The Directors consider the Company's product liability insurance is appropriate for the Company's current business operations. However, the Company may not be able to obtain further product liability insurance on commercially viable terms. Also, insurance cover may be inadequate to cover judgments or claims against the Company in relation to any product liability related incidents. Any claims brought against the Company may be outside

the scope of the insurance policy or coverage, which may require the Company to satisfy such claims, if successful, from the Company's capital reserves.

(i) Counterparty and credit risk

The business operations of the Company require the involvement of a number of third parties, including suppliers, logistics providers and customers. Not being able to reach a binding agreement with any third party, financial failure, default or contractual non-performance on the part of such third parties (including failure to pay amounts due to the Company pursuant to its agreements) may have a material impact on the operations and financial performance of the Company.

(j) Workplace health and safety

The Company must comply with various health and safety laws in Australia. There is a risk that penalties and other liabilities for the breach of health and safety laws and standards may be imposed on the Company and may have an adverse effect on the Company's reputation, operations, revenue and growth potential.

(k) Legal and regulatory requirements including approvals

The Company's business must adhere to numerous legal and regulatory requirements including, without limitation, in relation to product liability, food safety, environmental and export laws. This gives rise to significant compliance costs for the Company. There is a risk that non-compliance with such regulations, changes in the current regulations (or their interpretation) or the introduction of new laws or regulations could expose Catalano's or its suppliers to fines, penalties, potential civil or criminal actions, product recalls and reputational damage, the revocation of approvals, permits or authorisations, loss of access to markets or key customers and increased compliance costs. Further, if existing laws and regulations are revised to become more restrictive or new, the Company may not be able to meet these new or revised requirements, which may jeopardise its business operations and financial performance.

Various approvals, permits or other government authorisations are required for the Company's operations. Obtaining approvals, permits or authorisations can be a time consuming and costly process and there is a risk that the Company may not obtain such approvals, permits or authorisations on acceptable terms and in a timely manner, or at all. Failure or delay in obtaining any required approvals, permits or authorisations may have a material adverse effect on the Company's business strategy and in turn its operating and financial performance.

(l) Consumer demand

The Company's growth objectives depend on continued growth in the demand for its products in domestic and international markets. Consumer demand for food products can change over time and may be influenced by a number of factors. Changes in consumer dietary preferences or an excess of supply of

seafood products may adversely impact demand or prices for these products. In addition, seafood may be considered to be a luxury food product.

An economic downturn in the markets in which the Company sells its products may cause the retail environment to deteriorate as consumers reduce their retail spending on discretionary items, which may adversely impact on the Company's operations and growth prospects. If economic conditions deteriorate, or the Company is unable to penetrate these markets due to a change in demand for these products or if demand were to otherwise fall or the Company is unable to adapt to changing consumer trends and behaviours more generally, the Company may be unable to achieve its growth objectives. In addition, the Company's financial performance will be influenced by the price it can obtain for its products in both domestic and export markets. A drop in the demand for the Company's products may require the Company to reduce its product prices which could have an adverse impact on its businesses.

(m) **Reputation**

There is a risk that some incident or development beyond the control of the Company could occur which would have the effect of reducing consumer confidence or preferences for Catalano's products. Such incidents could include:

- (i) a widespread loss of consumer confidence in seafood;
- (ii) health concerns associated with the consumption of seafood products;
- (iii) a widespread loss of consumer confidence in the food safety procedures in the seafood industry as a whole; and
- (iv) concerns about fishing practices and the sustainability of wild caught fisheries.

The consequences of such an incident or development could be very significant for the Company, with impacts potentially including reduced revenues, loss of consumer trust in the Catalano's products, and reduced prominence of the Company's brands or reputation in customers' minds, all of which may adversely impact the Company's operating or financial performance.

(n) **Conditionality of Offers**

The obligation of the Company to issue the Securities under the Offers is conditional on ASX granting approval for the Official Quotation of the Loyalty Options. If this condition is not satisfied, the Company will not proceed with the Offers.

(o) **Future capital requirements**

The Company is currently making a loss and is unlikely to generate profit unless and until its three pillars set out in the IPO Prospectus are successfully developed and implemented. The Company may in the future require

additional capital as it seeks to further expand its operations. Also, it is possible further capital may be required at an earlier stage if any risks, including those described in this Section 4, materialise, or equally new business opportunities materialise. The amount and nature of any such additional funding will be determined based on market conditions and the needs of the business at the relevant time.

Any additional equity financing may be dilutive to shareholders and/or occur at prices lower than the market price. Debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed it may be required to reduce the scope of its expansion activities.

4.2 General risks

(a) Securities investments

There are risks associated with any securities investment. The prices at which the securities of the Company trade may fluctuate in response to a number of factors. Furthermore, the stock market has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the securities of the Company regardless of its operational performance.

(b) Share market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and seafood industry in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Competition**

The Company is in the highly competitive fast-moving consumer goods global business market and competes with many participants who are larger and have significantly greater resources, including financial, technical, marketing and human resources, than the Company. Catalano's competes in this market based on distribution channels, brand recognition, product quality and price, product placement and promotional activities. These competitors have already established a market share and brand and may be able to respond more quickly to changing business, regulatory and economic conditions than the Company. The Company may not be able to effectively compete with other participants in this market.

(d) **Litigation**

The Company is exposed to possible litigation risks. The Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(e) **Insurance**

The Company intends to continue to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

In order to mitigate a number of risks in relation to the Company's business, the Company will continue to take out appropriate insurance policies. The effectiveness of this mitigation will depend on whether such insurance remains available on commercially reasonable terms.

(f) **Taxation**

The acquisition and disposal of Securities will have tax urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Loyalty Options under this Prospectus.

(g) **Climate change**

Climate change is a risk the Company has considered, particularly related to its operations in the seafood industry. Climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting

climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(h) **Infectious diseases**

The outbreak of COVID-19 is having a material effect on global economic markets and the business community (including in the seafood sector). Catalano's exposure to government or industry measures taken in response to COVID-19 (including, for example, lockdowns and border restrictions) may be heightened as it expands business operations to the East Coast of Australia in light of recent COVID-19 outbreaks and such events may have a material adverse impact on the Company's operations, financial performance and growth prospects. Catalano's has documented an internal policy for business continuation to help mitigate the impact of COVID-19.

4.3 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Loyalty Options offered under this Prospectus.

Therefore, the Loyalty Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Loyalty Options.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Loyalty Options pursuant to this Prospectus.

5. Additional information

5.1 Terms and conditions of Loyalty Options

The terms and conditions of the Loyalty Options are as follows:

- (a) **(Entitlement)**: Each Loyalty Option gives the holder the right to subscribe for one Share.
- (b) **(Expiry Date)**: The Loyalty Options will expire 3 years from the date of issue at 5.00pm (WST) (**Expiry Date**). A Loyalty Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) **(Exercise Price)**: Subject to paragraph 5.1(j), the amount payable upon exercise of each Loyalty Option is \$0.30 per Loyalty Option (**Exercise Price**).
- (d) **(Exercise)**: A holder may exercise their Loyalty Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Loyalty Options specifying the number of Loyalty Options being exercised (**Exercise Notice**); and
 - (ii) an electronic funds transfer for the Exercise Price for the number of Loyalty Options being exercised.
- (e) **(Exercise Notice)**. An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds. The Loyalty Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 10,000 must be exercised on each occasion.
- (f) **(Timing of issue of Shares on exercise)**: Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Loyalty Options specified in the Exercise Notice.
- (g) **(Transferability)**: The Loyalty Options are freely transferable from the date of issue, subject to any restriction or escrow arrangements imposed by ASX or under Australian securities laws.
- (h) **(Ranking of Shares)**: All Shares allotted upon the exercise of Loyalty Options will upon allotment be fully paid and rank *pari passu* in all respects with other Shares.
- (i) **(Quotation)**: The Company will apply for quotation of the Loyalty Options on ASX. The Company will apply for quotation of all Shares allotted pursuant to the exercise of Loyalty Options on ASX within 5 Business Days after the date of allotment of those Shares.
- (j) **(Reconstruction)**: If at any time the issued capital of the Company is reorganised or reconstructed, all rights of a holder of Loyalty Options are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation or reconstruction.

- (k) **(Participating rights):** There are no participating rights or entitlements inherent in the Loyalty Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Loyalty Options, without exercising the Loyalty Options.
- (l) **(Amendments):** A Loyalty Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the Loyalty Option can be exercised.

5.2 Rights and liabilities attaching to Shares

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

- (a) **(Ranking of Shares):** As at the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued upon the exercise of Loyalty Options will rank equally with existing Shares.
- (b) **(Voting rights):** Subject to any rights or restrictions, at general meetings:
 - (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
 - (ii) has one vote on a show of hands; and
 - (iii) has one vote for every Share held, upon a poll.
- (c) **(Dividend rights):** Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.

- (d) **(Variation of rights):** The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.
- (e) **(Transfer of Shares):** Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien.

- (f) **(General meetings):** Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.

- (g) **(Unmarketable parcels):** The Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.
- (h) **(Rights on winding up):** If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.
- (i) **(Restricted Securities):** A holder of restricted securities (as defined in the Listing Rules) must comply with the requirements imposed by the Listing Rules in respect of restricted securities.

5.3 Dividend Policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing business.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

5.4 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.5 below). Copies of all documents announced to the ASX can be found at <https://www2.asx.com.au/markets/trade-our-cash-market/announcements.csf>.

5.5 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offers a copy of:

- (a) the financial statements of the Company for the financial year ended 30 June 2022, being the last financial statement for a full financial year of the Company lodged with ASIC before the issue of this Prospectus; and
- (b) the half-year financial report for the period ending 31 December 2021;
- (c) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the financial statements referred to in Section 5.5(a) above until the date of this Prospectus:

Date lodged	Subject of Announcement
16/11/2022	Application for quotation of securities - CSF
15/11/2022	Clarification Announcement - Quarterly Cashflow Report
31/10/2022	Quarterly Cashflow Report
31/10/2022	Quarterly Activities Report
21/10/2022	Notice of Annual General Meeting
20/10/2022	Appointment of Managing Director
20/10/2022	Clarification on Agreement of Supply Terms with Coles Local
18/10/2022	Escrow Release
17/10/2022	Catalano Agrees to Supply Terms with Coles Local
10/10/2022	Application for quotation of securities - CSF
03/10/2022	Escrow Release
03/10/2022	Corporate Governance Statement
03/10/2022	Appendix 4G

Date lodged	Subject of Announcement
03/10/2022	Annual Report to Shareholders
23/09/2022	Appendix 4C - correction
31/08/2022	Appendix 4E and Preliminary Final
29/07/2022	Quarterly Activities/Appendix 4C Cash Flow Report
12/07/2022	Initial Director's Interest Notice
12/07/2022	Final Director's Interest Notice
12/07/2022	Board Changes
24/06/2022	Correction to ASX Announcement
23/06/2022	First Victorian retailers enter into supply agreements
12/05/2022	Change of Director's Interest Notice
29/04/2022	Quarterly Cashflow Report
29/04/2022	Quarterly Activities Report
21/04/2022	Becoming a substantial holder
21/04/2022	Becoming a substantial holder
21/04/2022	Becoming a substantial holder
21/04/2022	Becoming a substantial holder
21/04/2022	Becoming a substantial holder
11/04/2022	Investor Presentation
24/03/2022	Change of Director's Interest Notice
17/03/2022	Initial Director Interest Notice x4
09/03/2022	Half Year Financial Report 31 December 2021
09/03/2022	Pre-Quotation Disclosure
09/03/2022	Top 20 Holders
09/03/2022	Distribution Schedule
09/03/2022	Trading Policy
09/03/2022	Corporate Governance Statement

Date lodged	Subject of Announcement
09/03/2022	Employee Securities Incentive Plan
09/03/2022	Financial Report 30 June 2021 and 30 June 2020
09/03/2022	Constitution
09/03/2022	Supplementary Prospectus
09/03/2022	Prospectus
09/03/2022	Appendix 1A and Information Form and Checklist
09/03/2022	ASX Market Release - Admission and Quotation

The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.13 and the consents provided by the Directors to the issue of this Prospectus.

5.6 Information excluded from continuous disclosure notices

Other than as set out above and in this Prospectus, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules.

5.7 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

5.8 Market price of Shares

The highest and lowest closing market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Lowest: \$0.072 on 16 November 2022.

Highest: \$0.155 on 17 August 2022.

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.072 on 16 November 2022.

5.9 Interests of Directors

- (a) **Information disclosed in this Prospectus**

Other than as set out in this Prospectus, no Director (or entity in which they are a partner or director) holds or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (iii) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (i) as an inducement to become, or to qualify as, a Director; or
- (ii) for services provided in connection with the formation or promotion of the Company, or the Offers.

(b) Security holdings

The relevant interests of each of the Directors in Securities as at the date of this Prospectus, together with their respective Entitlement (assuming no Shares are issued and no Options are converted into Shares), is set out below.

As at the date of this Prospectus, Directors eligible to participate have indicated that they (or their respective nominees) intend to take up all of their Entitlement under the Loyalty Options Offer.

Director	Shares	Options	Entitlement ⁽¹⁾
Nick Catalano	1,175,009	Nil	587,505
Koon Poh Low	1,744,531	Nil	872,266
Silvestro Morabito ⁽¹⁾	152,000	Nil	76,000
Mark Kei Wei Leong	Nil	Nil	Nil

Notes:

1. In accordance with section 608(3) of the Corporations Act, Mr Morabito has a relevant interest in 152,000 Shares, held as follows:
 - (a) 100,000 Shares held by Morabito Enterprises Pty Ltd as trustee for the Morabito Super Fund, being a company controlled by Mr Morabito; and
 - (b) 52,000 Shares held by Morabito Enterprises Pty Ltd as trustee for the Morabito Family Super Fund.

(c) Remuneration of Directors

The Constitution of the Company provides that the non-executive directors are entitled to be paid an amount of fees which does not in any year exceed in aggregate the amount last fixed by ordinary resolution. The aggregate amount fixed is \$500,000. This aggregate amount is to be allocated among the non-executive directors equally, having regard to the proportion of the

relevant year for which each director held office, or as otherwise decided by the Board. The amount may also be provided in a manner the Board decides, which may include provision of non-cash benefits, in which case, the Board must also decide the manner in which the value of those benefits is to be calculated.

The Constitution also provides that:

- (i) the Directors shall be entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors; and
- (ii) if any of the Directors being willing are called upon to perform extra services or make any special exertions on behalf of the Company or its business, the Directors may remunerate this Director in accordance with such services or exertions, and this remuneration may be either in addition to or in substitution for his or her share in the fee-pool described above.

The remuneration of executive directors is to be fixed by the Board.

The table below sets out the remuneration provided to the Directors of the Company and their associated companies as at the date of this Prospectus, inclusive of directors fees, consultancy fees, superannuation benefits and share-based payments.

Director	(\$) ¹
Nick Catalano	260,000
Koon Poh Low	40,000
Silvestro Morabito	40,000
Mark Kei Wei Leong	40,000

1. exclusive of GST and statutory superannuation.

5.10 Related party transactions

Except as disclosed in this Prospectus, there are no related party transactions involved in the Offers.

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting, unless it is resolved by the Board of Directors that the Director can be present at the meeting but does not vote on the matter.

5.11 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Loyalty Options offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Loyalty Options offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Loyalty Options offered under this Prospectus.

HWL Ebsworth Lawyers will be paid approximately \$12,500 (plus GST) in fees for legal services in connection with the Offers. Over the past 24 months HWL Ebsworth Lawyers has provided various legal services to the Company and its subsidiaries and has been paid approximately \$95,000.

Computershare Investor Services Pty Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

Auspac Financial Advisory Pty Ltd has been appointed as corporate advisor to the Company to provide the Corporate Advisory Services and will be issued the Loyalty Options pursuant to the Corporate Advisor Offer as consideration for the provision of these services (refer to Section 1.3 for a summary of the Corporate Advisory Services). In addition to the Loyalty Options, Auspac Financial Advisory Pty Ltd, from 9 May 2022, will be paid a monthly fee of \$3,000 (plus GST) in fees. Over the past 24 months the Auspac Financial Advisory Pty Ltd has provided various corporate advisory services to the Company and its subsidiaries, predominately in relation to the Company's initial public offering, and has been paid approximately \$252,290.

5.12 Expenses of Offers

The estimated expenses of the Offers are as follows:

Estimated expenses of the Offers	\$(¹)
ASIC lodgement fee	\$3,206
ASX quotation fee	\$25,316
Legal and preparation expenses	\$12,500
Share Registry expenses	\$11,375
Printing, mailing and other expenses	\$1,040
Total	\$53,437

Notes:

1. All amounts are exclusive of GST.

5.13 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

HWL Ebsworth Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus. HWL Ebsworth Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.


Computershare Investor Services Pty Limited has given its written consent to being named as the Share Registry to the Company in this Prospectus. Computershare Investor Services Pty Limited has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Auspac Financial Advisory Pty Ltd has given its written consent to being named as the corporate advisor to the Company in this Prospectus. Auspac Financial Advisory Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

6. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Nick Catalano
Managing Director & Chairman

Dated: 16 November 2022

7. Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Applicant means a person who submits an Entitlement and Acceptance Form or a Shortfall Application Form, as the context requires.

Application means a valid application for Loyalty Options made on an Entitlement and Acceptance Form or a Shortfall Application Form, as the context requires.

Application Monies means application monies for Loyalty Options received by the Company.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Operating Rules means ASX Settlement Operating Rules of ASX Settlement.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregistry System.

Company or **Catalano's** means Catalano Seafood Ltd (ACN 633 353 125).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporate Advisor Application Form means an offer acceptance form provided to the Corporate Advisor in respect of the Corporate Advisor Offer.

Corporate Advisor Offer has the meaning given in the exhibition of the Prospectus.

Corporations Act means *Corporations Act 2001 (Cth)*, as amended.

Directors mean the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a holder of Shares who is:

- a registered holder of Shares as at 5.00pm (WST) on the Record Date; and
- has a registered address in Australia, New Zealand, Hong Kong, Malaysia or Singapore or, subject to the offer restrictions in Section 1.15, a jurisdiction where it would be lawful to participate in the Loyalty Options Offer.

Entitlement means the number of Loyalty Options for which an Eligible Shareholder is entitled to subscribe under the Loyalty Options Offer, being one (1) Loyalty Option for every two (2) Shares held on the Record Date.

Entitlement and Acceptance Form means the entitlement and acceptance form provided by the Company with a copy of this Prospectus that describes the entitlement of Eligible Shareholders to subscribe for Loyalty Options pursuant to the Loyalty Options Offer.

Ineligible Foreign Shareholder means a person who is not an Eligible Shareholder.

IPO Prospectus means the prospectus dated 16 December 2021 lodged in respect of the Company's initial public offering and admission to the Official List.

Issuer Sponsored means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESSE.

Listing Rules means the listing rules of ASX.

Loyalty Option means a quoted Option to be issued under this Prospectus on the terms and conditions in Section 5.1.

Loyalty Options Offer means an offer under this Prospectus to subscribe for Loyalty Options on the basis of 1 Loyalty Option for every 2 Shares held on the Record Date.

Offer Closing Date has the meaning given to it in Section 1.3.

Offers means the Loyalty Options Offer, Shortfall Offer and Corporate Advisor Offer.

Official List means the official list of ASX.

Official Quotation means quotation of Securities on the Official List.

Option means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.

Prospectus means this prospectus dated 16 November 2022.

Record Date means 5:00pm (WST) on the date identified in the indicative timetable on page v of this Prospectus.

Section means a section of this Prospectus.

Securities mean any securities including Shares, Options or performance rights issued or granted by the Company.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Computershare Investor Services Pty Limited (ACN 078 279 277).

Shareholder or **Member** means a holder of Shares.

Shortfall means any Entitlement not taken up pursuant to the Loyalty Options Offer.

Shortfall Application Form has the meaning given in Section 1.2.

Shortfall Offer means the offer of Loyalty Options under this Prospectus which are not subscribed for by Eligible Shareholders under the Loyalty Options Offer.

Shortfall Options means Loyalty Options offered under the Shortfall Offer.

TMD means the target market determination as set out on the Company's website (<https://catalanos.net.au/>).

WST means Western Standard Time.