

Catalano Seafood Limited

ASX Statement

28 April 2023



QUARTERLY ACTIVITIES REPORT

For the quarter ended 31 March 2023

Catalano Seafood Limited (**Catalano's** or **the Company**) (ASX:CSF) is pleased to provide the following update regarding its activities for the quarter ending 31 March 2023.

Highlights

- » Consolidated sales to the end of March up 14.7% on last year.
- » Second Coles Local store in Mosman Park stocking Catalano products has commenced trading.
- » Seafood Category Management System (SMS) stores YTD sales of \$0.34m, up 4.9% on last year.
- » Preferred supplier stores (PSS) YTD sales of \$1.45m, up 19.5% on last year.
- » Wholesale sales up 42.0% on last year.
- » Sales to wholesaler, Metcash, up 29.2% on last year.
- » Contract processing sales up 36.5% on last year.
- » Frozen seafood range is now stocked in 40 independent supermarkets across the eastern states.
- » Stocked an additional 3 Reddrop stores throughout the quarter, now serving 11 Reddrop stores.
- » Product now stocked in LaManna Fresh Food Supermarket Group stores in Victoria and Bernardi Supermarket Group stores in NSW.
- » Receipts from customers in the quarter of \$3.64m.
- » Cash balance at the end of the quarter of \$0.99m.

BOARD OF DIRECTORS

Nick Catalano
Ceo & Chairman

Silvestro Morabito
Non Executive Director

Mark Leong
Non Executive Director

Koon Poh Low
Non Executive Director

Operations Summary

Below is a summary of the Company's 3 Pillar key operational events throughout the quarter:

Retail

- » Catalano retail sales for the March Quarter showing strong results, particularly from the Company's East Coast operations.
- » YTD Seafood Category Management System (SMS) sales of \$0.34m, up 4.9% on last year.
- » YTD sales from Preferred Supplier Stores (PSS) of \$1.46m, up 19.5% on last year.
- » Coles Local in South Perth continues to trade well with sales to date of \$79,000 after 21 weeks of trading.
- » Coles Local in Mosman Park commenced trading in late January 2023. Catalano sales at this store reached \$51,000 in the first 9 weeks of trading. This has outperformed sales from the South Perth store over the same period since commencement.
- » The Catalano frozen brand of assorted seafood for retail sales on the East Coast is now available at 40 independent stores across Foodworks, SupalGA, Flannery's and IGA banner groups.
- » Preliminary discussions have begun with two other large supermarket groups in the state of NSW.

Processing

- » Contract processing sales for the March Quarter total \$2.50m compared with the same quarter in FY22 of \$1.84m, a 36.5% improvement.
- » Improved sales in contract processing have been driven by an increase in the production of prawns and Toothfish, up \$0.43m on last year, plus an increase in the processing of Barramundi, Abalone and whole fish. These increases account for a \$0.32m improvement in sales.
- » Planned utilisation of the 380 pallet freezer rooms has experience delays and will not be fully operational until Q2 FY24. This will impact some projected improvements in production and flows.

Distribution

- » Wholesale sales to Metcash Limited continue to show excellent growth with the March Quarter ending at \$1.17m vs \$0.90m last year, up 29.2%.
- » Wholesale division continues to deliver sales results above last year with a YTD figure of \$1.48m vs last year of \$1.04m, an increase of 42.0%.

Appendix 4C Financial Disclosures and Use of Funds

Appendix 4C disclosures

The Appendix 4C provides details on the cashflows for the quarter ended 31 March 2023. As at 31 March 2023, the Company had a cash balance of \$0.99m. The Company's net cash used in operating activities for the quarter amounted to \$0.75m. This was comprised of \$3.60m receipts from customers, \$2.60m spent on product manufacturing and operating costs, \$38,000 on advertising and marketing, \$0.23m on leased assets, \$1.37m on staff costs, \$0.17m on administrative and corporate costs and \$34,000 in interest costs.

As disclosed in item 6.1 of the attached Appendix 4C, \$70,000 was paid in respect of directors' fees to directors (or their associated entities) during the quarter.

Use of funds statement

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

A comparison of the Company's actual expenditure since admission to 31 March 2023 against the estimated expenditure in the use of funds statement is set out below as required by ASX Listing Rule 4.7C.2.

Use of funds	Estimate of first 2 years after ASX admission (\$)	Actual expenditure to 31 Dec 22 (\$)	Actual expenditure Mar Qtr 23 (\$)	Balance Remaining (\$)
Sales and marketing distribution	1,200,000	478,714	192,827	528,459
Seafood Management Solution	1,200,000	167,257	157,635	875,108
Processing upgrade and equipment	1,000,000	647,372	169,447	183,181
General admin and working capital	1,364,438	723,858	242,615	397,965
Costs of the public offer	621,473	583,759	-	37,714
Total	5,385,911	2,600,961	762,524	2,022,426



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

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

-ENDS-

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

For more information, please contact:

Company enquiries

Catalano's Head Office

P: +61 8 9378 0900

E: info@catalanos.net.au

Registered office enquiries

P: +61 8 9482 0500

FORWARD LOOKING STATEMENTS

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



@catalanoseafood