

Catalano Seafood Limited

ASX Statement

19 July 2023



QUARTERLY ACTIVITIES REPORT

For the quarter ended 30 June 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 30 June 2023.

Highlights

- » Q4 consolidated sales of \$3.40m up 12.0% on Q4 prior year.
- » Consolidated YTD sales to the end of June of \$15.21m up 7.5% on prior year.
- » Q4 wholesale sales of \$0.45m up 92.5% on Q4 prior year.
- » YTD wholesale sales of \$1.94m up 53.5% on prior year. Increase attributed to the Company's east coast expansion.
- » YTD contract processing sales of \$3.14m up 53.5% on prior year.
- » YTD sales to wholesaler, Metcash of \$1.32m up 17.2% on prior year.
- » An exciting opportunity from Coles Group, who have engaged Catalano to pilot 5 products in 9 stores in WA over a 12-week period commencing 31st July.
- » Catalano to showcase frozen seafood range at the Metcash Expo in Queensland in July 2023.
- » Frozen seafood range is now stocked in 41 independent supermarkets across the east coast.
- » Receipts from customers in the quarter of \$3.41m.
- » Cash balance at the end of the quarter of \$0.56m.

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 June Quarter showing strong results, particularly from the Company's East Coast operations.
- » Q4 Seafood Category Management System (SMS) sales of \$0.091m, down 17.5% on Q4 prior year with YTD SMS sales of \$0.41m, down 4.3% on prior year.
- » Q4 Preferred Suppliers Store (PSS) sales down 43.9% on Q4 prior year. This has been impacted by the consumer inflationary response. Despite this, YTD PSS sales reached \$1.94m up 10.6% on prior year.
- » Due to success of the Catalano product in two Coles Local format stores in WA, this has prompted the main Coles Group to offer Catalano to pilot five products in nine WA stores over 12 weeks in order to gauge performance against competitor and Coles brand products. The pilot will commence on 31st July 2023. This is an exciting opportunity for the Company and shareholders will be updated in due course as to any developments.

Metcash

- » Six Catalano products will be ranged in the Queensland warehouse parallel to the national Metcash expo in July which will be attended by all national independent supermarket representatives. This presents a great opportunity for Catalano to gain further exposure to potential sales partners.

Processing

- » YTD contract processing sales of \$3.14m up 46.9% on prior year.
- » Improved sales in contract processing have been driven by an increase in the production of prawns and Toothfish.
- » Catalano has negotiated a packing contract with Wild Oceans Pty Ltd to launch a Woolworths home brand lobster pack for Q2 FY24 in time for Christmas.
- » 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

- » YTD wholesale sales to Metcash Limited of \$1.32m up 17.2% on prior year.
- » Second tier value imported brand, Fresca, is currently in development and will be targeted to the Metcash independent supermarket sector.
- » Further improvement in wholesale sales to Metcash expected in Q1 and Q2 of FY24 with a supply contract of premium extra large black tiger prawns from Malaysia which are not readily available in Australia.

Appendix 4C Financial Disclosures and Use of Funds

Appendix 4C disclosures

The Appendix 4C provides details on the cashflows for the quarter ended 30 June 2023. As at 30 June 2023, the Company had a cash balance of \$0.56m. The Company's net cash used in operating activities for the quarter amounted to \$0.62m. This was comprised of \$3.41m receipts from customers, \$2.22m spent on product manufacturing and operating costs, \$0.057m on advertising and marketing, \$0.090m on leased assets, \$1.46m on staff costs, \$0.18m on administrative and corporate costs and \$0.029m in interest costs.

As disclosed in item 6.1 of the attached Appendix 4C, \$0.020m was paid in respect of consultancy services provided by a related party 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 June FY23 quarter is included in a period covered by a use of funds statement in the prospectus lodged with ASX under Listing Rule 1.1 condition 3.

A comparison of the Company's actual expenditure since admission to 30 June 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 Mar 23 (\$)	Actual expenditure Jun Qtr 23 (\$)	Balance Remaining (\$)
Sales and marketing distribution	1,200,000	671,541	153,467	374,992
Seafood Management Solution	1,200,000	324,892	42,900	832,208
Processing upgrade and equipment	1,000,000	816,819	22,192	160,989
General admin and working capital	1,364,438	966,473	181,711	216,254
Costs of the public offer	621,473	583,759	-	37,714
Total	5,385,911	3,363,484	400,270	1,622,157

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.
- » 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:

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FORWARD LOOKING STATEMENTS

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

