

Catalano Seafood Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Catalano Seafood Limited
ABN:	47 633 353 125
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

2. Results for announcement to the market

				\$
Revenues from ordinary activities	Up	7%	to	15,518,935
Loss from ordinary activities after tax attributable to the owners of Catalano Seafood Limited	Down	79%	to	(2,912,177)
Loss for the year attributable to the owners of Catalano Seafood Limited	Down	79%	to	(2,912,177)

Dividends

No dividend has been declared or paid for the year ended 30 June 2023 (30 June 2022: \$nil).

Brief explanation of the figures reported above.

One of the primary drivers of the substantial revenue growth is the significant upsurge in contract processing during the current financial year. The company's contract processing revenue soared to \$12.4 million, showing a noteworthy increase from the previous year's figure of \$11.4 million.

Another instrumental factor contributing to the remarkable revenue increase is the company's strategic expansion of its market share in IGIA stores along the East coast.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.6</u>	<u>4.54</u>

4. Control gained over entities

There have been no entities over which control has been gained during the period or previous reporting period.

5. Loss of control over entities

There have been no entities over which control has been lost during the period or previous reporting period.

6. Details of associates and joint venture entities

There were no associates or joint ventures during the period or previous reporting period.

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7. Audit qualification or review

The financial statements are in the process of being audited.

Details of audit/review dispute or qualification (if any):

Not applicable

8. Attachments

Details of attachments (if any):

The preliminary final report of Catalano Seafood Limited for the year ended 30 June 2023 is attached.

Signature:



Nicolino Catalano
Managing Director

Perth
31 August 2023



Catalano Seafood Limited

ABN 47 633 353 125

**Preliminary Final Report
For the Year Ended 30 June 2023**

Catalano Seafood Limited
Consolidated Statement of Financial Position
As at 30 June 2023

	Note	30 June 2023 \$	30 June 2022 \$
Revenue	2	15,518,035	14,401,619
Cost of sales	5	(13,436,090)	(11,819,690)
Gross Profit		<u>2,081,945</u>	<u>2,581,929</u>
Other income	3	65,528	14,750
Selling and distribution expenses	4	(2,435,651)	(2,143,248)
Administrative expenses	4	(2,412,095)	(2,814,761)
Other expenses		(115,948)	(137,442)
Impairment expense		-	(2,647,195)
Operating loss		<u>(2,816,221)</u>	<u>(5,145,967)</u>
Finance costs		(95,956)	(54,757)
Loss before tax		<u>(2,912,177)</u>	<u>(5,200,724)</u>
Income tax expense		-	-
Loss after income tax expense		<u>(2,912,177)</u>	<u>(5,200,724)</u>
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		<u>(2,912,177)</u>	<u>(5,200,724)</u>
Earnings per share			
Basic loss per share (cents)		(3.64)	(8.87)
Diluted loss per share (cents)		(3.64)	(8.87)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Catalano Seafood Limited
Consolidated Statement of Financial Position
As at 30 June 2023

	Note	30 June 2023 \$	30 June 2022 \$
Assets			
Current assets			
Cash and cash equivalents		557,629	3,122,348
Trade and other receivables		651,115	372,398
Inventories		1,735,578	1,883,296
Other current assets	6	231,661	211,483
Total current assets		3,175,983	5,589,525
Non-current assets			
Property, plant and equipment	7	1,502,706	1,166,931
Right of use assets	8	1,109,324	498,108
Total non-current assets		2,612,030	1,665,039
Total assets		5,788,013	7,254,564
Liabilities			
Current liabilities			
Trade and other payables		1,544,564	1,631,574
Leases liabilities		721,631	403,891
Provisions		935,872	890,452
Total current liabilities		3,202,067	2,925,917
Non-current liabilities			
Lease liabilities		1,210,635	108,567
Provisions		69,171	44,325
Total non-current liabilities		1,279,806	152,892
Total liabilities		4,481,873	3,078,809
Net assets		1,306,140	4,175,755
Equity			
Issued capital	9	10,764,084	10,764,084
Share-based payment reserve	10	251,177	208,615
Accumulated losses		(9,709,121)	(6,796,944)
Total equity		1,306,140	4,175,755

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Catalano Seafood Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2023

	Note	Issued Capital \$	Share Based Payment Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2021		4,750,001	-	(1,596,220)	3,153,781
Loss for the year		-	-	(5,200,724)	(5,200,724)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	-	(5,200,724)	(5,200,724)
Issue of corporate adviser shares		50,000	-	-	50,000
Issue of management shares		500,000	-	-	500,000
Pre-IPO seed		750,000	-	-	750,000
Shares issued – convertible loan		300,000	-	-	300,000
Initial public offer – Public Offer		5,025,800	-	-	5,025,800
Initial public offer – Lead Manager		100,000	-	-	100,000
Options issued – Lead Manager		-	208,615	-	208,615
Share issue costs		(711,717)	-	-	(711,717)
Balance at 30 June 2022		10,764,084	208,615	(6,796,944)	4,175,755
Loss for the year		-	-	(2,912,177)	(2,912,177)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	-	(2,912,177)	(2,912,177)
Options issued		-	42,562	-	-
Balance a 30 June 2023		10,764,084	251,177	(9,709,121)	1,306,140

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Catalano Seafood Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2023

	Note	30 June 2023	30 June 2022
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		15,112,200	14,772,914
Payments to suppliers and employees (inclusive of GST)		(18,262,508)	(16,179,307)
Interest paid		(95,956)	(54,757)
Other income		65,528	14,750
Net cash used in operating activities		(3,180,736)	(1,446,400)
Cash flows from investing activities			
Payments for property, plant and equipment		(1,063,161)	(425,044)
Proceeds from sale of property, plant and equipment		7,028	5,455
Net cash used in investing activities		(1,056,133)	(419,589)
Cash flows from financing activities			
Proceeds from issue of share capital		42,563	5,775,800
Share issue costs		-	(403,102)
Repayment of lease liabilities		1,210,811	(620,851)
Proceeds from borrowings		418,776	-
Net cash from financing activities		1,672,150	4,751,847
Net (decrease) / increase in cash and cash equivalents		(2,564,719)	2,885,858
Cash and cash equivalents at the beginning of the financial year		3,122,348	236,490
Cash and cash equivalents at the end of the financial year		557,629	3,122,348

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Catalano Seafood Limited
Notes to the Financial Statements
For the year ended 30 June 2023

Note 1. Significant Accounting Policies

General

These consolidated financial statements present the financial information for Catalano Seafood Limited (the “Company”) and its controlled entities (the “Group”) for the year ended 30 June 2023.

Catalano Seafood Limited is a public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are 301 Collier Road, Bassendean, WA 6054.

Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (“AASB”) and the Corporations Act 2001. Catalano Seafood Limited is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with the Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements have been presented in Australian dollars (AUD), which is the functional currency of the Group.

The preliminary financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report. Accordingly, this report is to be read in conjunction with the accompanying notes, the 2023 Annual Financial Report, the 2023 Interim Financial Report and any public announcements made by Catalano Seafood Limited in accordance with the continuous disclosure obligations of the ASX listing rules.

The financial report has been prepared on the going concern basis. The accounting policies have been applied consistently for the purpose of the preparation of the financial statements.

Catalano Seafood Limited
Notes to the Financial Statements
For the year ended 30 June 2023

Note 2. Revenue

	30 June 2023	30 June 2022
	\$	\$
Revenue from contracts with customers		
The Group's revenue disaggregated by segment is as follows:		
Processing / Wholesale	12,419,918	11,477,426
Retail sales	3,098,117	2,924,193
	<hr/>	<hr/>
Total revenue	15,518,035	14,401,619
	<hr/>	<hr/>
Revenue recognised at point in time	15,518,035	14,401,619
Revenue recognised over time	-	-
	<hr/>	<hr/>
	15,518,035	14,401,619
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Note 3. Other income

	30 June 2023	30 June 2022
	\$	\$
Other income	41,606	13,825
Interest received	23,922	925
	<hr/>	<hr/>
	65,528	14,750
	<hr/> <hr/>	<hr/> <hr/>

Note 4. Expenses

	30 June 2023	30 June 2022
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Selling and distribution expenses mainly comprise of:</i>		
Employee expenses	1,817,427	1,606,073
Depreciation	320,665	380,767
Distribution expenses	297,559	156,408
	<hr/>	<hr/>
	2,435,651	2,143,248
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Catalano Seafood Limited
Notes to the Financial Statements
For the year ended 30 June 2023

Note 4. Expenses (continued)

	30 June 2023	30 June 2022
	\$	\$
<i>Administrative expenses mainly comprise of:</i>		
Audit fees	146,972	67,314
Accounting fees	102,911	60,143
Company Secretary	75,467	35,391
Legal fees	223,234	278,341
IPO related listing expenses	86,327	185,689
Consulting fees	153,232	276,964
Share based payment expense	-	550,000
Employee expenses	914,054	828,606
Other expenses	709,898	532,313
	2,412,095	2,814,761
<i>Employee benefits expense</i>		
Included in cost of sales		
Wages	2,601,362	2,051,940
Superannuation	262,668	206,486
Included in selling and distribution expenses		
Salaries and wages	1,347,096	975,337
Superannuation	136,159	82,426
Included in administrative expenses		
Salaries and wages	821,069	749,597
Superannuation	92,985	79,009

Note 5. Cost of sales

	30 June 2023	30 June 2022
	\$	\$
Raw materials	9,219,607	8,828,252
Overheads	844,687	397,184
Depreciation and amortisation	507,766	335,828
Labour – wages	2,601,362	2,051,940
Labour - superannuation	262,668	206,486
	13,436,090	11,819,690

Catalano Seafood Limited
Notes to the Financial Statements
For the year ended 30 June 2023

Note 6. Other current assets

	30 June 2023	30 June 2022
	\$	\$
Prepaid insurance	66,594	68,236
Prepayments for equipment purchases	-	141,850
Other prepayments	165,067	1,397
	231,661	211,483

Note 7. Property, Plant and Equipment

	30 June 2023	30 June 2022
	\$	\$
Leasehold Improvements – at cost	269,711	269,711
Less: Accumulated depreciation	(27,373)	(20,531)
	242,338	249,180
Plant and Equipment – at cost	1,627,645	1,158,364
Less: Accumulated depreciation	(367,277)	(240,613)
	1,260,368	917,751
	1,502,706	1,166,931

The following tables show the movements in property, plant and equipment:

	Leasehold Improvements	Plant and Equipment	Total
	\$	\$	\$
Cost			
Balance at 1 July 2022	269,711	1,158,364	1,428,075
Additions during the year	-	518,032	518,032
Disposals during the year	-	(48,751)	(48,751)
At 30 June 2023	269,711	1,627,645	1,897,356
Accumulated depreciation			
Balance at 1 July 2022	(20,531)	(240,613)	(261,144)
Depreciation	(6,842)	(143,298)	(150,140)
Disposals during the year	-	16,634	16,634
At 30 June 2023	(27,373)	(367,277)	(394,650)
Net carrying amount			
At 30 June 2023	242,338	1,260,368	1,502,706

Catalano Seafood Limited
Notes to the Financial Statements
For the year ended 30 June 2023

Note 8. Right of Use Asset

	30 June 2023	30 June 2022
	\$	\$
Land and Buildings – at cost	2,483,064	1,896,206
Less: Accumulated depreciation	(1,445,034)	(1,482,695)
	1,038,030	413,511
Motor vehicles – at cost	106,373	106,379
Less: Accumulated depreciation	(35,079)	(21,782)
	71,294	84,597
Total Right of Use Assets	1,109,324	498,108

The Group leases land and buildings for its offices, warehouses, and retail outlets under agreements of between five to fifteen years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Group also leases motor vehicles under agreements of between three to seven years.

The Group leases office equipment under agreements which either considered low-value or short-term, so have been expensed as incurred and not capitalised as right-of-use assets.

Note 9. Issued Capital

	30 June 2023		30 June 2022	
	No. of Shares	A\$	No. of Shares	\$
Fully paid ordinary shares	80,124,000	10,764,084	80,124,000	10,764,084
		No. of Shares		\$
<i>Movements in ordinary share capital</i>				
Balance as at 1 July 2021		4,750,001		4,750,001
Share issued during the year		75,373,999		6,014,083
Balance as at 30 June 2022		80,124,000		10,764,084
Balance as at 1 July 2022		80,124,000		4,750,001
Share issued during the year		-		-
Balance at 30 June 2023		80,124,000		10,764,084

Catalano Seafood Limited
Notes to the Financial Statements
For the year ended 30 June 2023

Note 10: Reserves

	30 June 2023	30 June 2022
	\$	\$
Share based payment reserve	251,177	208,615

The share-based payment reserve arises from share options issued to the IPO Lead Manager under the terms and conditions set out in their mandate letter.

<i>Movement during the year</i>	No. of Options	\$
Balance as at 30 June 2022	2,500,000	208,615
Options issued to Shareholders ¹	40,062,000	40,062
Options issued to corporate advisers ²	2,500,000	2,500
Balance as at 30 June 2023	45,062,000	251,177

¹ On 29 December 2022, 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.

² On 29 December 2022, 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.

Note 12. Events Subsequent to Reporting Period

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.