



'Ocean to Plate'

More than half a century of experience positioned
in the eye of Australia's seafood supply chain

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Initial Public Offering – Investor Presentation

January 2022

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Commercial situation

About

- Catalano's Seafood is a West Australian family business established in 1969
- Operates with around 70 staff – in 2020/21 it handled a total of 2,047 tonnes of seafood
- One of a few accredited Toll Processing Facilities (TPF) in Australia
- SQF Hazard Analysis & Critical Control Point (HACCP) accredited – an internationally recognised system for reducing the risk of safety hazards in food required by international clients.

Points of difference

- Strategically positioned in the 'eye' of the seafood supply chain – across processing, wholesaling & packaging, retail & export – we don't fish
- Unique Seafood Management Solution (SMS) is sold to established independent supermarkets
- The SMS optimises supply chain performance through experience, networks, technical processing expertise & packaging
- Established tier one brand with retail stores & a growing market share among independent supermarkets

Growth Outlook

- The Company is undergoing an Initial Public Offering to raise between AU\$5m & AU\$6m
- Use of funds will focus on an aggressive expansion strategy
- Australian Securities Exchange (ASX) debut expected in Q1 of CY2022



Commercial Opportunity



IBISWorld projects the Australian seafood wholesale market is expected to have revenue of \$4.3b through 2021-22 ⁽³⁾

International demand

- Domestic price of fish & other seafood – anticipated to fall in 2021-22 which will increase consumer demand & revenue for the industry ⁽¹⁾
- Seafood consumption – increased per capita in Australia in the past five years & is expected to increase further in value in 2025-26 to be 27.5 kilograms per capita – a compound growth of 0.90% ⁽²⁾
- Demand for processing from aquaculture, fish & seafood wholesaling, & from fishing are all forecast to increase in 2021-22 according to IBISWorld ⁽¹⁾

Australian seafood wholesale market

- IBISWorld reports the Australian wholesale market is expected to have revenue of \$4.3 billion through 2021-22 ⁽³⁾
- Demand for wholesale services from supermarkets has declined in the past five years – due to 'wholesale bypass' ⁽³⁾
- Major supermarkets increasingly purchase seafood directly from vertically integrated fish & seafood operators ⁽³⁾

Independent supermarkets large footprint

- The potential retail market for Catalano's to sell its total Seafood Management Solution (SMS) is vast
- As of October 2021, a total of 2,078 independent supermarkets operated across Australia
- Consisting of: SupalGA or large format stores x 2; IGA stores x 1083; small format IGA (less than 500sqmts) x 257; Foodworks stores x 358; Foodland Stores x 93; SPAR x 60; non-branded independent stores x 162; & Drakes Supermarkets x 63

Australian seafood retail market

- IBISWorld reports the industry is expected to have revenue of \$934 million through 2021-22 ⁽⁴⁾
- The value is forecast to grow at an annualised 1.5% during the five years through 2026-27 to \$1.0 billion ⁽⁴⁾
- The outlook for the species most relevant to Catalano's:
 - a. **Salmonids** – global farmed salmon production is projected to increase by 3% in 2021, while in Australia the domestic salmonid GVP projected to reach AU\$1b in 2022-23 ⁽⁶⁾
 - b. **Prawns** – in 2024-25 the value of the Australian prawn production is projected to rise due largely to an increase in prawn production from two planned large scale farms in northern Queensland & the Northern Territory ⁽⁷⁾
 - c. **Barramundi** – in Australia the current annual production volumes are around 4,000 metric tons (MT) of the estimated global production of about 30,000 MT. Production is increasing steadily at around 10% annually ⁽⁸⁾. The Australian Barramundi Farmers Association has a production target of 20,000t by 2025 ⁽⁹⁾

About Catalano's



Historical Milestones

1955

Established family farm in Waroona

1969

Purchased seafood & takeaway business

1984

Developed wholesale seafood supply & retail stores

1996

Became preferred supplier to Coles supermarkets

1998

Relocated to expanded processing facility

2005

Developed prepacked retail division

2008

Expanded licensed stores

2020

Launched Seafood Management Solutions platform

2021

IPO launch

2022

ASX listing

Financial Performance

	2021 (\$)	2020 (\$)	2019 (\$)
Revenue	17,162,025	12,179,274	12,316,190
Other income	65,783	104,967	60,736
Total Revenue	17,227,808	12,284,241	12,376,926
Cost of sales	13,990,815	8,798,410	6,667,854
Gross profit	3,236,993	3,485,831	5,709,072
Operating expenses:	2,924,952	3,165,535	6,391,367
EBITDA & Discontinued	312,041	320,296	-682,295

Business Model



Domestic & International Procurement



Internal Company & Toll Processing



Export Logistics



Retail Channels

Processing Customers



Processing Business

Toll Processing & Production



One of few nationally accredited Toll facilities



Catalano's operates high tech multispecies processing facility

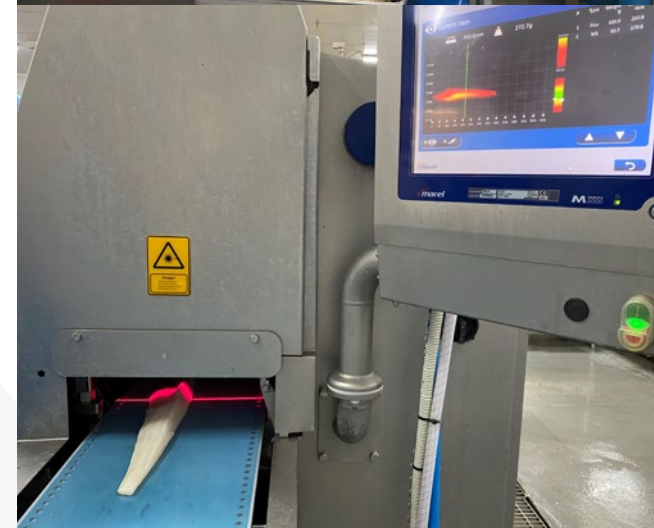


Experienced team of 70 staff

Key Customers

Portfolio of leading & respected customers that Catalano's prepares & packages multi-species seafood for:

- Austral Fisheries Pty Ltd – export & domestic
- Marine Produce Australia Pty Ltd – Barramundi export & domestic
- Ocean Grown Abalone – export retail packing
- MG Kailis Group – export packing & domestic logistics
- KB Foods (Kailis Bros) – export & domestic processing
- Wild Oceans Pty Ltd – retail packing to majors



Retail Business

Retail Channels



Currently operating in high-end metropolitan IGA supermarkets



Servicing Metcash, Australia's leading wholesale distribution & marketing company, with seafood product



Immediate focus post ASX debut is to expand offering to national outlets

Commerical Highlights

Owned stores – THREE company owned stores operate throughout metropolitan Perth – Garden City, Whitfords & factory direct in Bassendean

Reseller agreements – currently have installed THREE category managed, licenced IGA stores

Supply to 50+ independent supermarket clients

- Strong domestic supply base & logistics capability for rapid distribution
- Demonstrated understanding of majors & independent supermarket systems
- Experienced category management retail team
- The growth pathway is underpinned by collaborative relationships with highly skilled consulting services in the sector
- National roll out of Seafood Management Solution outlets in progress



Distribution Business

Export Logistics



Established trading division to act as a conduit to strengthen the supply base for its Seafood Management Solutions with growth in Australia



This channel will create opportunities to export the Seafood Management Solutions platform to new supermarkets offering an Australian Seafood Basket as a “one desk” procurement service

Commerical Highlights

- Established & well serviced distribution networks in WA
- Distribution through WA market via Metcash, the IGA franchisor
- Fresh wet counter shelf-ready & frozen seafood product range – more than 50 species in total
- Expansion of distributor network in Australia



Experienced Team

Mr Nick CATALANO

CEO & Chairman

Nick Catalano has been involved in the Catalano family seafood business since 1969. During this tenure he has carried out all the major roles from production, factory & sales management & possesses unrivalled knowledge & contacts in the national seafood industry.

Mr Silvestro MORABITO

Non Executive Director

An experienced senior executive having held senior roles across the wholesale distribution, logistics, seafood & commercial retail sectors across Australia, Singapore, New Zealand & Indonesia.

Ms Danielle TAN

Non Executive Director

Operations, Human Resources & Business leader with extensive experience in end-to-end solutions in industries relating but not limited to Oil & Gas, Transport, Banking & Finance sectors. Diverse professional exposure in international settings across Singapore, China, Japan, Brazil, Philippines, Japan, Vietnam, Korea & Australia.

Mr Low KOON POH

Non Executive Director

Involved in capital markets advisory positions in Australia, Singapore, Malaysia, Hong Kong, the US NASDAQ & NYSE markets. Mr. Low is a Chartered Accountant registered with the Malaysian institute of Accountants, fellow member of Chartered Certified Accountants (UK), & a member of the ASEAN Chartered Professional Accountants. Holds director roles on ASX & SGX companies.



Growth Strategy

Capital from the IPO will directly fund our three pillar growth strategy:

- 1 Additional investment will be made in new specialised equipment to enhance processing including fish scaling & portioning machines, nitro tunnel freezer, two additional prawn peelers & a batch weighing machine, skinning & skin packing machines.
- 2 Rollout its Seafood Management Solution (SMS) to independent supermarkets through increased investment in retail & marketing.
- 3 Expanding operations & network of distributors Australia-wide.



PILLAR ONE

PROCESSING

Growing demand for quality assured processing, packaging & delivery of wholesale & retail products. Toll Processing Facility services multiple customers, connecting fishing & aquaculture companies to market. Investment to increase toll processing service capability.



PILLAR TWO

RETAIL

Company owned stores, Catalano category managed licenced IGA projects, & six unbranded category managed supermarkets. Catalano's intends to rollout its Seafood Management Solution to independent supermarkets through increased investment in retail equipment & marketing.



PILLAR THREE

DISTRIBUTION

Trading division of business set up to capitalise on Catalano network of buyers & suppliers via Metcash to IGA supermarkets in WA. Broader penetration of IGA network with an extensive & evolving product range.



Initial Public Offering



IPO CAPITAL STRUCTURE (\$5M)	Ordinary shares	Options*	A\$ Market Cap
Existing securities on issue	52,995,000		10,599,000
Conversion shares issued at listing	1,500,000		300,000
Lead manager shares	500,000	2,500,000	100,000
Total shares issued at IPO	25,000,000		5,000,000
Subtotal (\$0.20)	79,995,000	2,500,000	15,999,000

IPO CAPITAL STRUCTURE (\$6M)	Ordinary shares	Options*	A\$ Market Cap
Existing securities on issue	52,995,000		10,599,000
Conversion shares issued at listing	1,500,000		300,000
Lead manager shares	500,000	2,500,000	100,000
Total shares issued at IPO	30,000,000		6,000,000
Subtotal (\$0.20)	84,995,000	2,500,000	16,999,000

USE OF FUNDS (Y1 & Y2 post IPO)	MINIMUM SUBSCRIPTION \$5 MILLION		MAXIMUM SUBSCRIPTION \$6 MILLION	
SALES, MARKETING & DISTRIBUTION	\$1,200,000	22%	\$1,700,000	27%
SEAFOOD MANAGEMENT SOLUTION (SMS)	\$1,200,000	22%	\$1,200,000	19%
UPGRADES & EQUIPMENT	\$1,000,000	19%	\$1,250,000	20%
WORKING CAPITAL	\$1,364,438	25%	\$1,553,318	24%
ESTIMATED EXPENSES OF THE OFFER	\$621,473	12%	\$682,593	10%
TOTAL		100%		100%

CORPORATE

ASX DEBUT

Q1, 2022

LEAD MANAGER

RM Corporate Finance

CO-LEAD MANAGER

Auspac Financial Advisory

IPO LAWYERS

HWL Ebsworth Lawyers

AUDITORS

Grant Thornton Australia

CORPORATE ADVISOR

Ventnor Capital

IR & MEDIA

Spoke Corporate

IPO Timetable



- 16 December 2021 Lodgement of Prospectus with ASIC
- 24 December 2021 Opening date for the offers
- 10 February 2022 Closing date for the offers
- 17 February 2022 Issue of Securities under the offers
- 18 February 2022 Expected dispatch of holding statements
- 24 February 2022 Expected date for official quotation on ASX



Investment Highlights



Sales strategy

The SMS is structured to compound growth by providing supermarket licencees with a 'peace of mind' seafood product line managed by experts & promoted through the established & well-regarded Catalano's Seafood brand

First mover advantage

Strategic investment across our three-pillar growth strategy including our SMS & Toll Processing Facility to accelerate market share

Expand distribution

Distribution network to be further developed through Australia with a view to developing more contractual processing & supply arrangements

Retail expansion

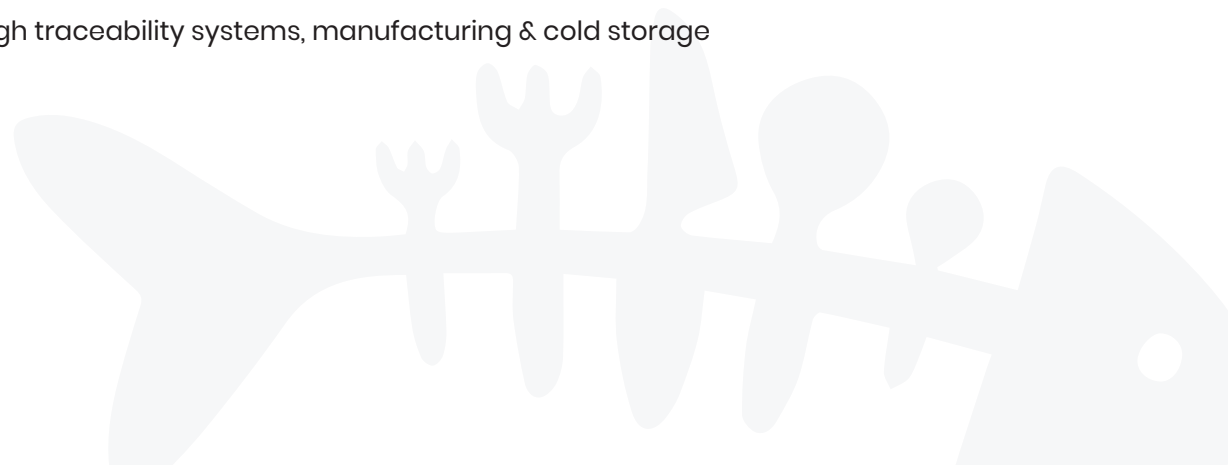
Expand its national footprint in branded stores across Australia

Scale processing

New technologies & equipment – enhance scale & capacity through traceability systems, manufacturing & cold storage

Import Export

Procurement strength – improved margin



Appendices



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