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**KATANA**  
CAPITAL LIMITED

## CORPORATE DIRECTORY

**Katana Capital Limited**  
ABN 56 116 054 301

**Board of Directors**

**Mr Dalton Gooding**  
Chairman, Non-Executive Director

**Mr Ben Laird**  
Non-Executive Director

**Mr Giuliano Sala Tenna**  
Non-Executive Director

**Mr Baden Bowen**  
Company Secretary

**Solicitors**

*Steinepreis Paganin*  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6001

**Auditors**

*BDO (WA) Pty Ltd*  
Level 9, Mia Yellagonga Tower 2  
5 Spring Street  
Perth WA 6000

**Share Registry**

*Computershare Investor Services Pty Ltd*  
Level 17  
221 St Georges Terrace  
Perth WA 6000

**Registered Office**

Level 9, The Quadrant Building  
1 William Street  
Perth WA 6000

**Stock Exchange**

*ASX LIMITED*  
152-158 St Georges Terrace  
Perth WA 6000  
ASX Code: KAT

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Katana Capital combines its listed investment company structure with the proven ability of its Manager ("KATANA ASSET MANAGEMENT LTD") to provide investors with access to comprehensive investment techniques aimed at providing capital and income returns. The Company and the Manager share similar investment philosophies. The role of the Company is to assess and monitor the Manager and liaise with the Manager with respect to its Mandate as detailed in the Management Agreement.

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## Our investment **philosophy**

As an 'All Opportunities' fund, the underlying goal of the Manager is to assess the risk adjusted return of every potential opportunity identified by the Manager. The Manager's approach includes selectively and modestly taking higher-risk positions, provided that the potential return exceeds the additional risk – preferably in terms of both value and time. Whilst the Manager intends to combine the best principles of value investing, fundamental and technical analysis, it does not wish to be constrained by the constructs of any one approach. The key to the longterm success of the Company is seen as the capacity of the Manager to integrate the best principles of each discipline with the extensive and varied experiences of the Manager. This is achieved by encouraging flexibility and adaptability, but within the confines of an overall framework that controls risk.

# INVESTMENT REPORT

The Manager is pleased to announce the fund generated a gross investment return of **19.42%** versus 9.71% for the All Ordinaries index.

This represented a gross investment out-performance of

**+9.71%**  
BEFORE EXPENSES

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## 2023 FINANCIAL YEAR REVIEW

The narrative throughout the 2023 financial year was largely shaped by the concerted efforts of central banks in combatting inflation. Every Consumer Price Index (CPI) print was center focus. Good news became bad news and vice versa. As it became clear that rates will likely stay higher for longer, investors en masse positioned for what's been termed 'the most anticipated recession in history'. Yet as the year progressed, the recession failed to materialize.

The fund started the 2023 financial year positioned defensively, following a violent 10% sell-off in June. As a recap, in the June half, the S&P500 had its worst period since 1970 and the NASDAQ the worst in its entire history.

Our assessment of the landscape at the time identified that the list of things to avoid far outweighed the opportunities we deemed investible. The fund moved to underweight *Financials* and reduced exposure in *Energy* and *Materials* as we saw a subtle yet swift shift in the rhetoric from inflation to recession. The fund was positioned overweight to the *EV/Decarbonization* thematic, as well as *LNG* and *Metcoal* based on strong underlying commodity prices at the time.

Putting pressure on our defensive stance, the market staged a solid recovery in July/August. In our view, investors were overly discounting headwinds of a recession, widespread earnings downgrades, escalating issues with Chinese housing and the ongoing Covid crises.

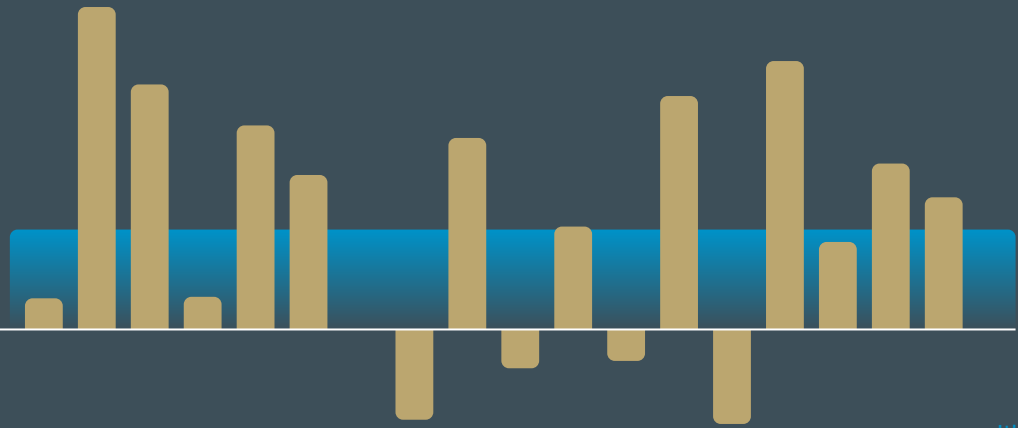
In fact in August we wrote that the structural outlook is more challenging than at any time in recent memory. For this reason we became more defensive, adding to our cash balance despite a near 10% rally in two months.

Investors faced a challenging conundrum. On the one hand, the likelihood of a recession seemed to grow more certain as central banks persisted in raising interest rates, despite signs of economic weakness. On the other hand, virtually every investor, had foreseen and prepared for a market crash, or at the very least, a significant correction. Consequently, a considerable portion of selling had already occurred, leaving a substantial amount of cash on the sidelines waiting for opportunities.

In September we saw the first of three distinct sell-offs for the year as the Index fell over 10%. The driver was US 10 year bond yields soaring nearly 60 basis points from 3.12% to 3.71%. Interest rate sensitive sectors were hit the hardest including Utilities (-13.8%) and A-REITs (-13.6%). This was short-lived as the market rallied +5% and +6% over the next two months. Perhaps this was an early indication of the magnitude of cash sitting on the sidelines anticipating opportunities to deploy.

Around November we started seeing a change in sentiment driven by the belief that rate rises have largely run their course and that the market was past the 'worst of it'. Dovish comments by the Chair of the US Federal Reserve provided a sizeable sugar hit. This was not our base case.

KATANA  
OUTPERFORMANCE  
vs ALL ORDS INDEX



YEAR ENDING		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	AVERAGE
Katana Gross Investment Return	%	9.20	49.05	-6.41	-23.57	24.54	19.10	-11.19	8.84	26.78	-1.57	4.98	6.23	26.27	-0.43	9.30	32.82	1.13	19.42	10.81
All Ords Index	%	6.91	25.36	-15.49	-25.97	9.55	7.75	-11.25	15.47	12.70	1.28	-2.58	8.54	9.12	6.51	-10.42	26.39	-11.06	9.71	3.47
<b>Outperformance</b>	<b>%</b>	<b>2.29</b>	<b>23.69</b>	<b>9.08</b>	<b>2.40</b>	<b>14.99</b>	<b>11.35</b>	<b>0.07</b>	<b>-6.63</b>	<b>14.07</b>	<b>-2.85</b>	<b>7.56</b>	<b>-2.31</b>	<b>17.15</b>	<b>-6.94</b>	<b>19.72</b>	<b>6.43</b>	<b>12.19</b>	<b>9.71</b>	<b>7.34</b>

Past performance is no guarantee of future performance

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From our research we saw evidence that the fight against inflation had some time to run. But even more importantly, the impact on consumer spending and corporate profitability had not even registered. This viewpoint was vindicated as the market dropped near 6% in December after the US Fed re-affirmed that rates will be 'higher for longer' despite weakening economic data.

Counter to our expectations, the *Consumer Discretionary* sector staged a 9.8% rally in January despite the sector being most exposed to the inevitable decline in consumer spending.

A series of strong but rear looking results from the large retailers buoyed the sector, and once again challenged the consensus viewpoint. The dilemma was once again 2-part. Firstly - the easier aspect; consumer spending could not defy gravity indefinitely: at some point it would have to rebase lower and impact corporate earnings. The more difficult aspect however, was gauging a) how much of this had been factored in and b) how much the 'market' may be prepared to look through this earnings valley to the other side. Accordingly, we were not prepared to chase the market.

## INVESTMENT REPORT

In March, news broke of the Silicon Valley Bank collapse followed quickly by First Republic Bank and Signature Bank. Markets began to capitulate, quickly plunging 6% as investors started to assess how wide this could spread. However, regulators responded quickly, and remarkably the index finished the month almost square. Extraordinary when one considers that in just one month we witnessed three of the four biggest bank failures in US history, which combined were bigger than the 25 banks that collapsed in 2008.

Towards the last few months of the financial year, some of the most experienced and well-regarded US hedge fund managers turned bullish. And open interest in retail put options - which has proven to be a contrarian indicator more often than not - remained near record levels. At the same time the

market staged an impressive but narrow rally in technology stocks fueled by momentum in *Artificial Intelligence* (AI). In fact for the half year ended June, almost 80% of the YTD return for the S&P500 was generated by just seven stocks - the "*Magnificent 7*".

Surprisingly given the difficult outlook at the start of the year, the index closed the year up 9.71%. The most anticipated recession has failed to materialize (to date) and the 'stale bears' are increasingly rolling over - they can 'bear' no more. Despite our average cash weighting for the year of 35% detracting from our performance, the investment team drew on every ounce of their 90+ years experience to generate enough bottom up alpha to not just match, but indeed double the index return. Not an easy task when over a third of the fund was defensively positioned in cash.

## OUTLOOK

The outlook for global equities remains uncertain. In fact, there is a 50% spread between the most bullish and most bearish year-end estimate for the S&P 500, which is the widest in over two decades. That highlights just how confused the professional community is about the market direction.

In the short term, markets are driven by the marginal buyer. The marginal buyer more often than not is the aggregation of investors that change their view. This premise has given rise to the popular idiom '*markets don't peak until the last bear capitulates*'. In recent months, we have certainly witnessed some high-profile bears capitulate. But did they get it wrong, or have the pressures of short-term performance forced their hand? Our focus is not to be lured into false viewpoints, but to filter out the noise and assess the drivers.

### Positive Drivers

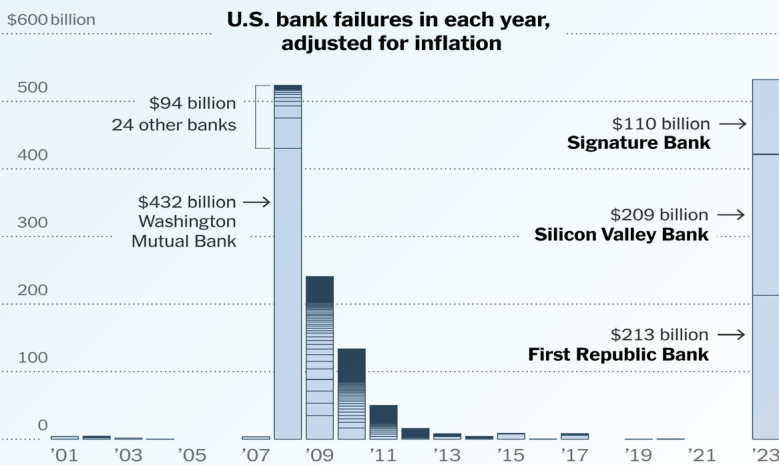
Market sentiment has noticeably shifted over recent months as the bears capitulate, and the viewpoint of a soft-landing gains momentum. Indeed, the technicals point to the probability that what we are experiencing is more than a bear market rally. That bullish sentiment has returned. In the US for example, the indices have

recovered more than 20% (the threshold for a new bull market) and have crossed above their respective 200 day moving averages. This historically has led to strong performance in the months ahead.

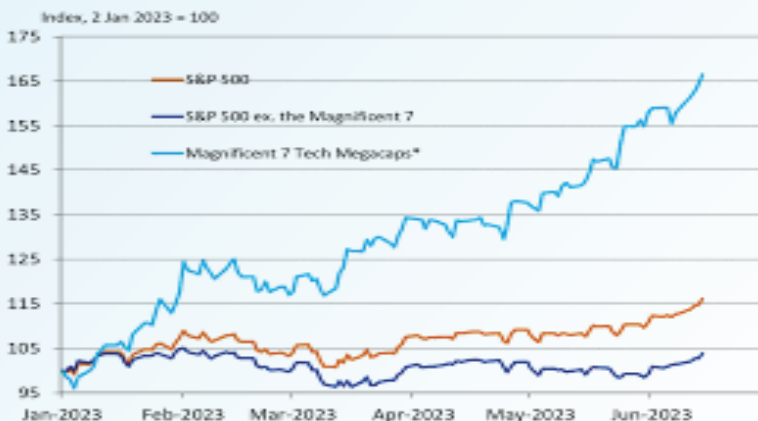
There are notable fundamental reasonings for this bullish turn point. It appears that central banks have gained control over their fight against inflation. Recent CPI prints in Australia and the US suggest inflation has peaked and is rapidly moderating. This of course reduces the need to continue raising rates and provides valuation tailwinds to equities.

The magnitude of any downside also seems limited as evidenced by the three pullbacks during 2023. The vast majority of fund managers are still underweight equities, which creates a base level of support as they look for opportunities to deploy capital. The latest rally, and sentiment shift, has made it increasingly uncomfortable for managers to be underweight and it is likely their hands will be forced to deploy into any weakness.

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SOURCE: THE NEW YORK TIMES



SOURCE: FACTSET, RUSSELL INVESTMENTS

### Uncertainties for the Year Ahead

In the US, the median time to recession post the inversion of the 10 year and 6 month yield curves, has historically been 11 months. We are currently sitting at around 13 months. It is important to remember that this is an average, as this lag has been as high as 21 months.

We are still in the infancy stages of seeing the full impact of the current rate rise cycle. During COVID, just under half of Australian mortgages were fixed at an average rate of 2.25%. As these expire they are resetting to rates between 6 and 7%. Consumers have been resilient to date but cracks are beginning to emerge. In June, Australian households had the biggest draw down on saving on record. A clear indication that rate increases and higher costs are starting to pinch. Further, retail forward orders a key leading indicator of economic activity, has seen its worst decline in history outside the pandemic and GFC. When you see historic records like these broken, it is difficult to conclude anything other than the view that trouble is brewing below the surface.

Corporates are also getting hit by a perfect storm. On the input side, companies are experiencing cost inflation and higher debt servicing charges. On the output side, lower consumer spending equates to lower revenue and tighter margins as corporates fight for the sales dollar.

However, the fact that earnings have declined materially and will decline further from here is (now) not in dispute. The issue is how investors respond to this decline in earnings. Market sentiment has overtaken market fundamentals. The fundamentals continue to point to a slow down. But as 2023 has demonstrated, the markets can climb a mountain of uncertainty, especially if it is already priced in.

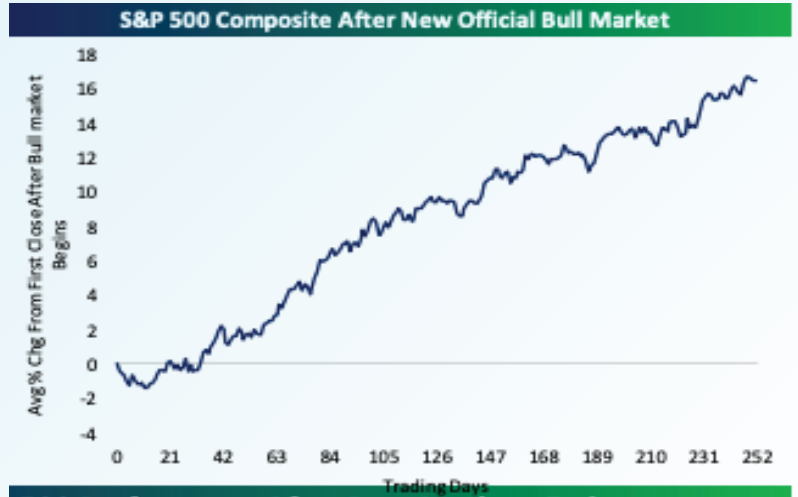
### POSITIVE DRIVERS

- Fund manager equity exposure is low and cash balances high
- Record US buy-backs driven by under-gearred corporate balance sheets
- Inflation moderating
- China commencing stimulus
- Market behavior broadening and displaying overall strong price action – indices have recovered over 20%, cross above 200 day moving averages

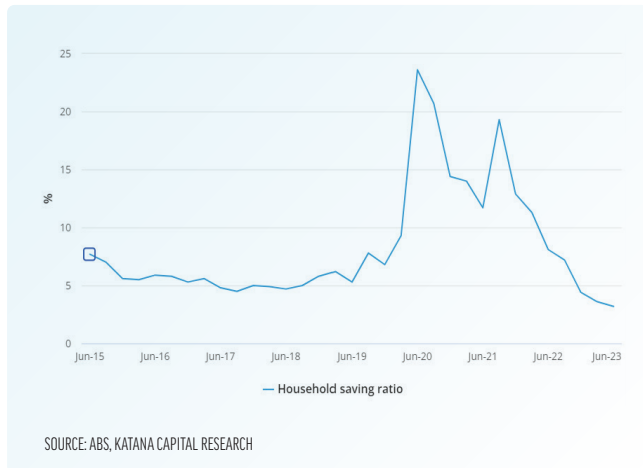
### UNCERTAINTIES

- Recession / Inverted yield curve highly indicative of recession
- Inflation (impact on company margins)
- Lack of guidance/outlook/EPS downgrade cycle underway
- Cost of servicing debt – spending capacity
- North American regional banks under pressure / International credit squeeze
- Question mark on refi's for commercial property – look through for valuations
- Consumer spending under pressure
- REITS starting to gate funds

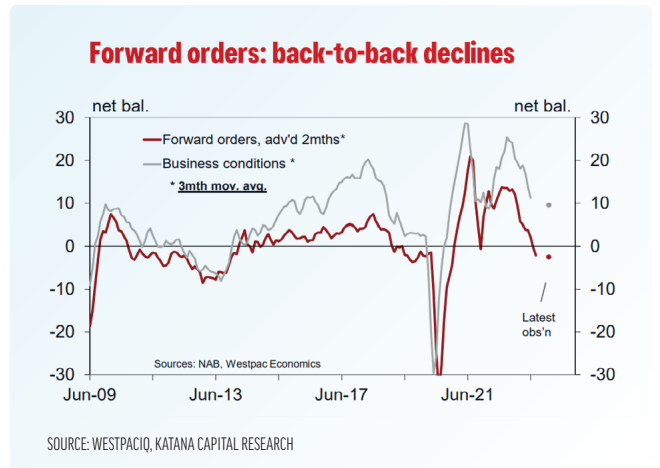
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SOURCE: BESPOKE INVESTMENT GROUP, KATANA CAPITAL RESEARCH



SOURCE: ABS, KATANA CAPITAL RESEARCH



SOURCE: WESTPACIQ, KATANA CAPITAL RESEARCH

## STRATEGIC POSITIONING

There remains a limited number of sectors that we consider to have a favorable outlook. Top of the list continues to be:

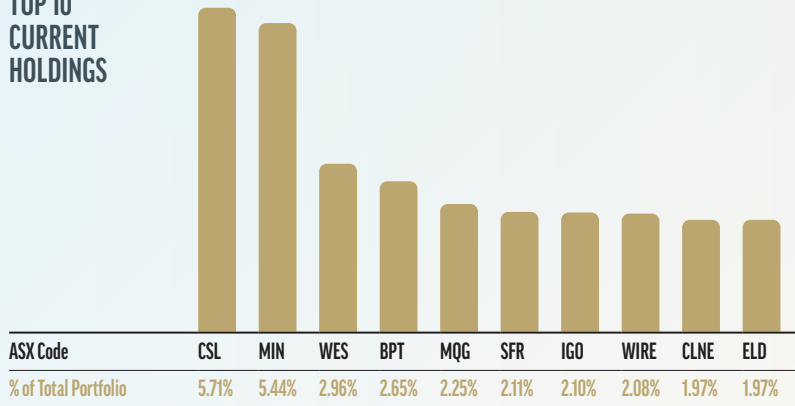
- **Copper** - supply/demand deficit supportive of medium to longer term price appreciation
- **EV / Renewables** - global initiatives supporting shift towards electric vehicles and renewables
- **Value laggards** - bottom up fundamentally driven ideas

The Manager remains committed to maintaining a low risk diversified portfolio, with a strong focus on capital preservation and long-term compounding.

It's difficult not to be cautious given the factors discussed above. In our view, certain parts of the market remain un-investible given the headwinds. Particularly retail and other consumer dependent sectors.

We understand an elevated cash level, particularly following a meaningful pivot in sentiment, isn't sustainable. If technical indicators continue to strengthen, the fund will cautiously deploy capital. Of course, this is a snapshot, if the facts change as we adjudge them, then we will change accordingly.

### TOP 10 CURRENT HOLDINGS



## CORPORATE

Katana Capital Ltd finished FY23 with 33,460,417 shares on issue. During the period from 1 July 2022 to 30 June 2023, 567,510 shares were bought back on market and were subsequently cancelled. The shares were acquired at an average price of \$1.08 with the price ranging from \$1.05 to \$1.11 per share. The buyback also provided liquidity and increased the underlying net asset backing for all existing shareholders.

Katana paid four quarterly dividends, totaling two cents during FY23. Once again, the dividends were all fully franked. The Manager remains committed to outperforming its benchmark and rewarding shareholders with solid dividends. The Fund has declared and paid a 0.5 cents fully franked dividend subsequent to the year end.

On behalf of all of the staff at Katana Asset Management, we take this opportunity to once again thank Katana Capital Limited for their continued support.

**Romano Sala Tenna** (LEFT)  
INVESTMENT MANAGER

**Hendrik Bothma** (RIGHT)  
ANALYST

Katana Asset Management Limited

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30 JUNE 2023

# DIRECTORS' REPORT

Your directors present their report with respect to results of Katana Capital Limited (the "Company" or "Katana Capital") and its controlled entities (the "Group" or "the Consolidated Entity") for the year ended 30 June 2023 and the state of affairs for the Company at that date.

## DIRECTORS

The following persons were directors of Katana Capital Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

### Information on Directors

#### **Dalton Gooding**

- BBUS, FCA

#### **Non-Executive Chairman**

Dalton Gooding is a Fellow of the Institute of Chartered Accountants Australia & New Zealand and he is the Senior Partner of Gooding Partners, which was established in 1998 after 14 years as a partner at Ernst and Young and has over 40 years' experience in business advisory and corporate finance related services.

Mr Gooding also has a number of other directorships of companies in many different segments of business.

#### **Giuliano Sala Tenna**

- BBUS (DISTINCTIONS)

#### **Non-Executive Director**

Giuliano Sala Tenna has worked in the Finance Industry for over 25 years in various fields including Credit, Business Development, Product Structuring, Funds Management, Investment Management and Corporate Advisory.

Mr Sala Tenna has completed a Bachelor of Commerce degree at Curtin University of Technology with a double major in Economics and Finance (With Distinctions). Giuliano has also completed the Graduate Diploma in Financial Planning at the Securities Institute of Australia, the Company Directors Course at the Australian Institute of Company Directors and is an ASX Derivatives Accredited Adviser.

Mr Sala Tenna is a Member of the Golden Key National Honour Society, Fellow of FINSIA and a Graduate Member of the Australian Institute of Company Directors. He is regularly quoted in the West Australian, Sunday Times and Australian Financial Review alongside appearing on the ABC News and Business Program.

#### **Ben Laird**

- BSC, CFA

#### **Non-Executive Director**

Ben Laird has 20 years of equity capital markets experience in funds management and stockbroking. Ben is currently the Chief Investment Officer of RAFFE Capital.

Prior to that, Ben was a Senior Analyst at Viburnum Funds and an Executive Director at Euroz Securities. He is also a Chartered Financial Analyst Charterholder.

## COMPANY SECRETARY

#### **Baden Bowen**

- BCOMM, FCA

Baden is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand with over 35 years' experience. Over the last 25 years Baden has held positions of Director, Company Secretary and Chief Financial Officer in public and private companies.

He has assisted a number of companies to list on the Australian Securities Exchange (ASX) and been involved with many equity raisings.

Baden has a sound understanding of the ASX Listing Rules and in-depth knowledge of the Corporations Act.

## DIRECTORS' REPORT

### DIRECTORS' MEETINGS

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2023, and the numbers of meetings attended by each director were:

	DIRECTORS' MEETING		AUDIT & COMPLIANCE COMMITTEE MEETING	
	A	B	A	B
Dalton Gooding	5	5	2	2
Ben Laird	5	5	2	2
Giuliano Sala Tenna	5	5	2	2

A = Number of meetings attended

B = Number of meetings held during the time the Director held office or was a member of the committee during the year

#### Committee membership

As at the date of this report the Company had an Audit and Compliance Committee.

Members acting on the Audit and Compliance Committee of the Board at the date of this report are:

- Giuliano Sala Tenna (Chairman of Committee)
- Dalton Gooding
- Ben Laird

#### Directors' interest in Shares and Options

As at the date of this report, the interest of the directors in the shares and options of the Company are:

	30 JUNE 2023	30 JUNE 2022
	NO. OF SHARES	NO. OF SHARES
Dalton Gooding	97,017	95,700
Giuliano Sala Tenna	-	-
Ben Laird	-	-

### EARNINGS PER SHARES

	YEAR ENDED 30 JUNE 2023	YEAR ENDED 30 JUNE 2022
	CENTS	CENTS
Basic and diluted earnings per share	12.70	(0.81)
Basic earnings from continuing operations attributable to the ordinary equity holders of the company	12.70	(0.81)

The weighted average number of ordinary shares on issue used in the calculation of basic earnings per share were 33,813,088 (2022: 34,634,505).

## DIVIDENDS

The following dividends have been paid by the Company or declared by the directors since the commencement of the financial year ended 30 June 2023:

YEAR ENDED 30 JUNE 2023	CENTS PER SHARE	TOTAL PAID (\$'000)
Dividends paid during 1st Quarter of the year	<b>0.50</b>	<b>170</b>
Dividends paid during 2nd Quarter of the year	<b>0.50</b>	<b>169</b>
Dividends paid during 3rd Quarter of the year	<b>0.50</b>	<b>169</b>
Dividends paid during 4th Quarter of the year	<b>0.50</b>	<b>169</b>
<b>Total paid (\$'000)</b>		<b>677</b>

YEAR ENDED 30 JUNE 2022	CENTS PER SHARE	TOTAL PAID (\$'000)
Dividends paid during 1st Quarter of the year	0.50	178
Dividends paid during 2nd Quarter of the year	0.50	174
Dividends paid during 3rd Quarter of the year	0.50	172
Dividends paid during 4th Quarter of the year	0.50	170
<b>Total paid (\$'000)</b>		<b>694</b>

## CORPORATE INFORMATION

The Company was incorporated on 19 September 2005. During the 30 June 2007 financial year it incorporated a wholly owned subsidiary Kapital Investments (WA) Pty Ltd. Kapital Investments (WA) Pty Ltd was de-registered on 14 December 2022. Katana Capital Limited is incorporated and domiciled in Australia. The registered office is located at Level 9, The Quadrant Building, Perth, Western Australia.

### Principal activity

The principal activity of the Group is that of an Investment Company with an 'all opportunities' investment strategy.

### Employees

As at 30 June 2023, the Group did not have any fulltime employees (2022: Nil).

## OPERATING AND FINANCIAL REVIEW

### Company overview

Katana Capital was incorporated in September 2005 as a listed investment company providing shareholders with access to the investment services of Katana Asset Management Ltd ("Fund Manager"). The Fund Manager employs a benchmark unaware long only Australian Equities investment philosophy with active use of cash holdings as a defensive mechanism within the portfolio to deploy into market weakness. The portfolio does not use gearing, derivatives, or short selling of securities.

Katana is pleased to report that the fund generated a gross investment return of +19.42% for FY23, versus +9.71% for the All Ordinaries index. This represented a gross investment out-performance of +9.71% (before expenses).

Financial year 2023 demonstrated markets can climb a mountain of worry, especially if it is already priced in. Investors remained conservatively positioned during the year for what's been termed the most anticipated recession in history. Consequently, a considerable portion of selling had already occurred, and downside moves lacked momentum. The market overcame notable events to close the year in positive territory. The Reserve Bank of Australia (RBA) implemented the most rapid tightening cycle in a generation. In March 2023 we saw three of the four largest bank failures in US history in quick succession. Yet extraordinary the index recovered to be square for the month as regulators came to the rescue. It has been a challenging year for investors, balancing the conundrum of a material earnings decline. Verse investor positioning at extreme bearish levels. Katana was defensively positioned for the year with an average cash weighting of 35%. Pleasingly even with the cash drag, Katana generated strong alpha to outperform. Katana achieved a net profit after tax of \$4,345,260 compared to FY22 prior year loss of \$282,271.

### Investments for future performance

The Manager remains committed to maintaining a low risk diversified portfolio, with a strong focus on capital preservation and long-term compounding. The fund ended the year with 52 individual stock positions, whilst this is slightly lower than previous years, the fund remains highly diversified. The funds active share remains high at 77% up from 76% in FY22, and turnover of 1.2 stabilised from 1.6 in the prior year.

We understand an elevated cash level, particularly following a meaningful pivot in sentiment, isn't sustainable. If technical indicators continue to strengthen, the fund will cautiously deploy capital. Of course this is a snapshot, if the facts change as we adjudge them, then we will change accordingly.

### Cash from operations

Net cash inflows from operations were \$4,838,000 (2022: \$3,811,000) during the year which reflects the Group's investment from the Australian equities market.

Due to the expected continuation in market volatility it is difficult to assess the Company's relative weighting in cash and defensive liquid positions.

### Liquidity and funding

The Company foresees no need to raise additional equity and will use its remaining cash reserves to invest into the Australian equities market along with continuing dividend payments and share buy-backs.

### Risk management

The Board is responsible for the risk management of the Company, however they have delegated this to the Fund Manager.

Implementation of the risk management system and day to day management of risk is the responsibility of the Fund Manager. The Fund Manager is primarily responsible for all matters associated with risk management associated with the Equity Markets and Investment of the Group's funds and has formalised an Investment Committee that meets on a regular basis to review the Group's investments.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Proceedings on behalf of the company" in accordance with s327 of Corps act.

In the opinion of the directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the year.

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## SIGNIFICANT CHANGES AFTER BALANCE DATE

Other than the events below, the Directors are not aware of any matter or circumstance that has significantly or may significantly affect the operation of the Company or the results of those operations, or the state of affairs of the Company in subsequent financial years.

On 11 July 2023, the company announced a fully franked 0.5 cent per share dividend.

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## LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The outlook for global equities remains uncertain. Year end forecasts for the S&P 500 is the widest in over two decades. This highlights just how confused investors are about the market direction. Market positioning over the past year has been heavily skewed to the short side. In recent months we have seen a change in sentiment and high-profile bears capitulate. Did the bears get it wrong, or is pressure on short term performance forcing their hand. We continue to see uncertainties ahead and the possibility of a recession still lingers. We are yet to see the full impact of the recent rate rise cycle flow through. This will un-doubtable impact consumers in the coming months with some cracks already begging to emerge.

On the other side, investors have already positioned for the imminent slowdown. The latest rally, and sentiment shift, has made it increasingly uncomfortable for managers to be underweight and it is likely their hands will be forced to deploy into any weakness. This will limit any downward momentum as we saw in 2023.

Katana will continue to report its monthly NTA result to the ASX.

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## ENVIRONMENTAL REGULATION AND PERFORMANCE

The principal activities of the Group are not subject to any significant environmental regulations.

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## ROUNDING

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand (\$000), except when otherwise indicated under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

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## SHARE OPTIONS

### **Unissued shares**

There were no options outstanding as at 30 June 2023.

### **Shares issued on the exercise of Options**

There were no options exercised during the financial year to acquire fully paid ordinary shares in the Group.

### **Options granted as remuneration**

There were no options granted as remuneration.

**REMUNERATION REPORT (AUDITED)**

This remuneration report outlines the director and executive remuneration arrangements of the Company and Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise).

This report outlines the remuneration arrangements in place for directors of Katana Capital Limited. Katana Capital Limited, at this stage of its development does not employ executive directors and does not have a Managing Director or a Chief Executive Officer. The Company has outsourced the management of the investment portfolio to the Fund Manager, Katana Asset Management Ltd. Katana Asset Management Ltd reports directly to the Board and is invited to attend all Board meetings to present its investment strategy and to discuss and review the financial performance of the Group.

**(a) Details of Key Management Personnel**

The following persons were directors of Katana Capital Limited during the financial year:

**(i) Chairman - non-executive**

Dalton Gooding

**(ii) Non-executive directors**

Giuliano Sala Tenna

Ben Laird

**(b) Key management services – Katana Asset Management Ltd**

In addition to the Directors noted above, Katana Asset Management Ltd, the Fund Manager for the Group provides the Group with key management services. The directors of Katana Asset Management Ltd are Brad Shallard and Romano Sala Tenna.

**Officer**

The Company Secretary is an officer of the Company but is not considered to be a key management person as he does not have the authority and responsibility for planning, directing or controlling the activities of the Group and is not involved in the decision-making process, with his main duties being aligned to his compliance function.

**Remuneration philosophy**

The performance of the Group depends upon the quality of its directors. To prosper, the Group must attract, motivate, and retain skilled non-executive directors.

As a result of the independence and separation of Non-Executive Directors' role of providing guidance and overview, the remuneration policy of the directors is not linked to company performance. However, Katana Asset Management Ltd's performance fees and management fees are linked directly to the performance of the Company.

The Company does not have a remuneration committee. The Board of Directors acts as the Remuneration Committee and is responsible for determining and reviewing compensation arrangements for the Company. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis, by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board.

## REMUNERATION REPORT (AUDITED) (CONTINUED)

### Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and senior management remuneration is separate and distinct.

#### (i) *Non-executive director remuneration*

##### *Objective*

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

##### *Structure*

The constitution and the ASX listing rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. At present the aggregate remuneration totals \$200,000 per year in respect of fees payable to non-executive directors. This amount was approved by shareholders at the annual general meeting held on 10 November 2005.

The amount of aggregate remuneration, including the issue of options sought to be approved by shareholders and the manner in which it is apportioned amongst directors, is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. During the year there were no external consultants utilised to provide remuneration recommendation.

The Board considers that the majority of the Group's performance lies with the Fund Manager.

Each director receives a fee for being a director of the Group and includes attendance at Board and Committee meetings. Any additional services provided are charged at a daily rate agreed in advance by the Chairman.

The remuneration of non-executive directors for the year ended 30 June 2023 is detailed on page 15 of this report.

#### (ii) *Senior manager and executive director remuneration*

As previously noted, the Company at present does not employ any executive directors or senior management. If the Company chooses in the future to employ executive directors, the Company will review the remuneration packages.

##### *Employment contracts*

As noted above the Group does not currently employ any executive directors or senior management, it does however have an agreement in place with Katana Asset Management Ltd to provide the Group with investment management services.

**REMUNERATION REPORT (AUDITED)** (CONTINUED)**Remuneration structure** (CONTINUED)**(iii) Compensation of Katana Asset Management Ltd**

No amount is paid by the Group directly to the directors of Katana Asset Management Ltd. Consequently, no compensation is paid by the Group to the Directors of Katana Asset Management Ltd as Key Management Personnel.

Compensation is paid to the Fund Manager in the form of fees and the significant terms of the agreement, and the amount of compensation is disclosed below.

The Company has entered into the Management Agreement with the Fund Manager with respect to the management of the Portfolio. The main provisions of the Management Agreement are summarised below.

The Management Agreement is for an initial period of 10 years from its commencement date (Initial Term) unless earlier terminated in accordance with its terms. The commencement date (Commencement Date) is the date on which the Company listed on the Australian Stock Exchange - 23 December 2005.

The initial Management Agreement was extended for a further period of five years on 24 November 2015. This was further extended for another five years on 14 October 2020. The Management Agreement was renewed on the following basis.

1. the renewal is approved by Shareholders of the Company, such approval being sought by ordinary resolution.
2. the Fund Manager is not in breach of the Management Agreement; and
3. the Fund Manager has not in the reasonable opinion of the Board, materially breached the Management Agreement.

The Fund Manager may terminate the Management Agreement at any time by providing a written notice at least three months prior to termination, if:

1. at any time during the term:
  - (a) the Company fails to make payment of the remuneration in accordance with the Management Agreement and the failure continues for 21 days from the delivery of a written notice by the Fund Manager to the Company requesting payment;
  - (b) the Company enters into liquidation (except voluntary liquidation for the purpose of reconstruction);
  - (c) the Company is guilty of any gross default, breach, non-observance or non-performance of any of the terms and conditions contained in the Management Agreement; or
  - (d) a receiver or receiver and manager is appointed to the whole or part of the undertakings of the Company.

## REMUNERATION REPORT (AUDITED) (CONTINUED)

### Management and performance fees

Total management and performance fees paid and accrued by the Group to Katana Asset Management Ltd for the year ended 30 June 2023 was \$1,011,972 (30 June 2022: \$558,162) as follows:

#### (i) Management fee

The Fund Manager receives a monthly management fee equal to 0.08333% (2022: 0.08333%) of the Portfolio value calculated at the end of each month. The fee for 2023 was \$414,951 (2022: was \$410,176). The directors and shareholders of Katana Asset Management Ltd are also shareholders of Katana Capital Limited.

#### (ii) Performance fee

Performance fee to be paid in respect of each performance calculation period of 15% (2022: 15%) of the amount by which the Fund Manager outperforms the ASX All Ordinaries during the calculation period (calculated annually for the 12-month period ending 30 June). The Fund Manager was qualified to receive a performance fee of \$570,240 for the financial year ended 30 June 2023 (2022: \$147,986).

### Company performance

The profit/(loss) after tax for the group from 2019 is as follows:

	2023	2022	2021	2020	2019
Profit/(loss) after tax expense \$'000	<b>\$4,293</b>	\$(282)	\$7,619	\$1,571	\$(628)
Earnings/(loss) per share - cents	<b>12.70</b>	(0.81)	20.54	3.92	(1.47)
Share Price 30 June	<b>1.12</b>	1.13	1.02	0.80	0.75

### Remuneration of directors and key management personnel of the Group

2023	SHORT-TERM EMPLOYEE BENEFITS	POST-EMPLOYMENT BENEFITS	TOTAL
	SALARY AND FEES	SUPERANNUATION	
NAME	\$	\$	\$
<b>Non-executive directors</b>			
Dalton Gooding	<b>70,000</b>	<b>7,350</b>	<b>77,350</b>
Giuliano Sala Tenna	<b>40,000</b>	<b>4,200</b>	<b>44,200</b>
Ben Laird	<b>40,000</b>	<b>4,200</b>	<b>44,200</b>
<b>Total non-executive directors &amp; KMP</b>	<b>150,000</b>	<b>15,750</b>	<b>165,750</b>
<b>2022</b>			
NAME	SHORT-TERM EMPLOYEE BENEFITS	POST-EMPLOYMENT BENEFITS	TOTAL
	SALARY AND FEES	SUPERANNUATION	
	\$	\$	\$
<b>Non-executive directors</b>			
Dalton Gooding	70,000	6,650	76,650
Peter Wallace - Resigned 31 March 2022	30,000	2,850	32,850
Giuliano Sala Tenna	40,000	3,800	43,800
Ben Laird	10,000	950	10,950
<b>Total non-executive directors &amp; KMP</b>	<b>150,000</b>	<b>14,250</b>	<b>164,250</b>

**REMUNERATION REPORT (AUDITED)** (CONTINUED)

**Equity instrument disclosures relating to key management personnel**
**(i) Option holdings**

The following options were granted and held by the directors or key management personnel during the financial year:

- Mr Dalton Gooding - nil (2022: nil)
- Mr Giuliano Sala Tenna - nil (2022: nil)
- Mr Ben Laird - nil (2022: nil)

**(ii) Shareholdings**

The numbers of shares in the Company held during the financial year by each director of Katana Capital Limited and other key management personnel of the Group, including their personally related parties, are set out below.

All equity transactions with key management personnel, other than those arising from the exercise of remuneration options, have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

2023	BALANCE AT THE START OF THE YEAR	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
NAME	(PURCHASES/ DISPOSALS)		
<b>Directors of Katana Capital Limited</b>			
<b>Ordinary Shares</b>			
Dalton Gooding	<b>95,329</b>	<b>1,778</b>	<b>97,017</b>
Ben Laird	-	-	-
Giuliano Sala Tenna	-	-	-

**Other transactions and balances with key management personnel**

Dalton Gooding is a partner of Gooding Partners Chartered Accounting firm and as part of providing taxation advisory services, Gooding partners received \$38,940 (2022: \$37,359) for tax services provided.

**END OF REMUNERATION REPORT (AUDITED)**

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## INDEMNIFICATION OF DIRECTORS AND OFFICERS

During or since the financial year, the Company has paid premiums in respect of a contract insuring all the directors of the Company and the Group against legal costs incurred in defending proceedings for conduct other than (a) a willful breach of duty and (b) a contravention of sections 182 or 183 of the *Corporations Act 2001*, as permitted by section 199B of the *Corporations Act 2001*.

During the year the Company paid for Directors' & Officers' insurance in the normal course of business, this amount has not been included in Directors remuneration.

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## INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company agreed to indemnify its auditors, BDO (WA) Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify BDO during or since the financial year.

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## AUDITOR INDEPENDENCE

The Directors have obtained an independence declaration from the Company's auditors, BDO (WA) Pty Ltd, as presented on page 18 of this Annual report.

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## NON-AUDIT SERVICES

No non-audit services were provided by our auditors, BDO Audit (WA) Pty Ltd during the year ended 30 June 2023.

Signed for and on behalf of the Directors in accordance with a resolution of the Board.



**Dalton Gooding**  
CHAIRMAN

Perth, Western Australia

22 September 2023

**AUDITOR'S INDEPENDENCE  
DECLARATION**



Tel: +61 8 6382 4600  
Fax: +61 8 6382 4601  
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2  
5 Spring Street  
Perth, WA 6000  
PO Box 700 West Perth WA 6872  
Australia

**DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF KATANA CAPITAL LIMITED**

As lead auditor of Katana Capital Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Katana Capital Limited and the entity it controlled during the period.

**Glyn O'Brien**  
**Director**

**BDO Audit (WA) Pty Ltd**  
Perth  
22 September 2023

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

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30 JUNE 2023

# FINANCIAL STATEMENTS

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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		YEAR ENDED 30 JUNE	2023	YEAR ENDED 30 JUNE	2022
	NOTE		\$'000		\$'000
<b>Revenue</b>					
Dividends			786		1,205
Interest			79		-
Other income			12		-
Investment income/(loss)	3		6,834		(520)
<b>Total net investment income</b>			<b>7,711</b>		685
<b>Expenses</b>					
Management fees			(414)		(410)
Custody and administration fees			(89)		(84)
Insurance fees			(77)		(78)
Other expenses			(234)		(264)
Listing and registry costs			(71)		(70)
Legal, accounting and professional costs			(182)		(200)
Performance fees			(572)		(148)
Directors' remuneration expense			(173)		(172)
<b>Profit/(loss) before income tax expense</b>			<b>5,899</b>		(741)
Income tax (expense)/benefit	4		(1,606)		459
<b>Profit/(loss) for the year attributable to shareholders of the Company</b>			<b>4,293</b>		(282)
Other comprehensive income for the year			-		-
<b>Total comprehensive income/(loss) for the year attributable to shareholders of the Company</b>			<b>4,293</b>		(282)
<b>Basic and diluted earnings/(loss) per share (cents per share)</b>	17		<b>12.70</b>		(0.81)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

AS AT 30 JUNE 2023

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	AS AT 30 JUNE <b>2023</b> \$'000	AS AT 30 JUNE <b>2022</b> \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	<b>10,689</b>	7,142
Other receivables		<b>77</b>	229
Financial assets at fair value through profit or loss	6	<b>32,658</b>	32,281
<b>Total current assets</b>		<b>43,424</b>	39,652
<b>Non-current Assets</b>			
<b>Total non-current assets</b>		-	-
<b>Total assets</b>		<b>43,424</b>	39,652
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Income tax payable		<b>(366)</b>	(293)
Payables		<b>(1,042)</b>	(608)
<b>Total current liabilities</b>		<b>(1,408)</b>	(901)
<b>Non-current liabilities</b>			
Deferred tax liabilities	9	<b>(413)</b>	(150)
<b>Total non-current liabilities</b>		<b>(413)</b>	(150)
<b>Total liabilities</b>		<b>(1,821)</b>	(1,051)
<b>Net assets</b>		<b>41,603</b>	38,601
<b>Equity</b>			
Issued capital	10	<b>34,889</b>	35,503
Reserves	11	<b>6,714</b>	3,098
<b>Total equity</b>		<b>41,603</b>	38,601

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	ISSUED CAPITAL	PROFITS RESERVE	ACCUMULATED LOSSES	TOTAL EQUITY
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2021</b>	37,233	4,074	-	41,307
Loss for the Year	-	-	(282)	(282)
Dividends paid	-	(694)	-	(694)
DRP shares allotted	73	-	-	73
Shares bought back from shareholders	(1,803)	-	-	(1,803)
Transfer from Profits Reserve	-	(282)	282	-
<b>Balance at 30 June 2022</b>	35,503	3,098	-	38,601

	ISSUED CAPITAL	PROFITS RESERVE	ACCUMULATED LOSSES	TOTAL EQUITY
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2022</b>	<b>35,503</b>	<b>3,098</b>	-	<b>38,601</b>
Profit for the Year	-	-	<b>4,293</b>	<b>4,293</b>
Buy-back of shares	<b>(614)</b>	-	-	<b>(614)</b>
Transfer to Profits Reserve	-	<b>4,293</b>	<b>(4,293)</b>	-
Dividends paid	-	<b>(677)</b>	-	<b>(677)</b>
<b>Balance at 30 June 2023</b>	<b>34,889</b>	<b>6,714</b>	-	<b>41,603</b>

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

FOR THE YEAR ENDED 30 JUNE 2023

## CONSOLIDATED STATEMENT OF CASH FLOW

	NOTES	YEAR ENDED 30 JUNE <b>2023</b> \$'000	YEAR ENDED 30 JUNE <b>2022</b> \$'000
<b>Cash flows from operating activities</b>			
Payments for purchases of financial assets		<b>(41,186)</b>	(57,404)
Proceeds on sale of financial assets		<b>47,016</b>	63,885
Payments to suppliers and employees		<b>(631)</b>	(1,618)
Dividends and distributions received		<b>897</b>	1,196
Tax paid		<b>(1,270)</b>	(2,248)
Other revenue		<b>12</b>	-
<b>Net cash provided by operating activities</b>	14	<b>4,838</b>	3,811
<b>Cash flows from financing activities</b>			
Payments for buyback of shares		<b>(614)</b>	(1,823)
Dividends paid		<b>(677)</b>	(621)
<b>Net cash used in financing activities</b>		<b>(1,291)</b>	(2,444)
<b>Net increase in cash and cash equivalents</b>		<b>3,547</b>	1,367
Cash and cash equivalents at the beginning of the year		<b>7,142</b>	5,775
<b>Cash and cash equivalents at end of the year</b>	5	<b>10,689</b>	7,142

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

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

The financial report of Katana Capital Limited (the "Company") and its subsidiaries (the "Group" or the "Consolidated Entity") for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors on 22 September 2023.

The Company was incorporated on 19 September 2005. In July 2006 it incorporated a wholly owned subsidiary - Kapital Investments (WA) Pty Ltd. Kapital Investments (WA) Pty Ltd was de-registered on 14 December 2022.

Katana Capital Limited is a company limited by shares, incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities are described in the Directors' report. The Company and its subsidiary are for-profit entities.

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis except for certain financial instruments, which have been measured at fair value.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report comprises the financial statements of Katana Capital Limited and its subsidiaries.

The financial report is presented in Australian dollars.

#### Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

#### Accounting standards and interpretations issued but not yet effective

##### *AASB 2020-1 Amendments to AASs - Classification of Liabilities as Current or Non-current (Effective on 1 July 2023)*

A liability is classified as current if the entity has no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. The AASB recently issued amendments to AASB 101 Presentation of Financial Statements to clarify the requirements for classifying liabilities as current or non-current. Specifically:

- > The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.
- > Management intention or expectation does not affect classification of liabilities.
- > In cases where an instrument with a conversion option is classified as a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current.

These amendments are applied retrospectively. Earlier application is permitted.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### b) **Statement of compliance** (CONTINUED)

#### **Accounting standards and interpretations issued but not yet effective** (CONTINUED)

##### **AASB 2021-2 Amendments to AASB 108 - Definition of Accounting Estimates (Effective 1 July 2023)**

An accounting policy may require items in the financial statements to be measured using information that is either directly observable or estimated. Accounting estimates use inputs and measurement techniques that require judgements and assumptions based on the latest available, reliable information.

The amendments to AASB 108 clarify the definition of an accounting estimate, making it easier to differentiate it from an accounting policy. The distinction is necessary as their treatment and disclosure requirements are different. Critically, a change in an accounting estimate is applied prospectively whereas a change in an accounting policy is generally applied retrospectively.

The new definition provides that 'Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty.' The amendments explain that a change in an input or a measurement technique used to develop an accounting estimate is considered a change in an accounting estimate unless it is correcting a prior period error.

- > For example, a change in a valuation technique used to measure the fair value of an investment property from market approach to income approach would be treated as a change in estimate rather than a change in accounting policy.
- > In contrast, a change in an underlying measurement objective, such as changing the measurement basis of investment property from cost to fair value, would be treated as a change in accounting policy.

The amendments did not change the existing treatment for a situation where it is difficult to distinguish a change in an accounting policy from a change in an accounting estimate. In such a case, the change is accounted for as a change in an accounting estimate.

The amendments are applied prospectively. Earlier application is permitted.

The Group is yet to assess the impact of the adoption of these standards and amendments on the financial statements and has not elected to early adopt any new standards or amendments that are issued but not yet effective.

### c) **Principle of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2023. Control is achieved when the Group is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual agreements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### c) **Principle of consolidation** (CONTINUED)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

#### **Investments and other financial assets**

Financial assets are classified as either amortised cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A financial asset is measured at amortised cost only if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group assesses its business model. The assessment of whether contractual cash flows are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets. Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment.

#### **Other income recognition**

##### **(i) Interest income**

Interest income is recognised on an accruals basis using the effective interest method, which is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the net carrying amount of the financial instrument. Interest on cash on deposit is recognised in accordance with the terms and conditions that apply to the deposit.

##### **(ii) Dividends and distributions**

Dividends and distributions are recognised as revenue when the right to receive payment is established.

#### **Income tax**

The income tax expense or revenue for the year is tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences between the carrying amount and tax losses to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position may comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the statement of cash flow, cash and cash equivalents includes short-term deposits (as defined above) with banks or financial institutions.

### h) Trade and other payables

Liabilities for creditors and other amounts are carried at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

Payables include outstanding settlements on the purchase of investments and distributions payable. The carrying period is dictated by market conditions and is generally less than 30 days.

Management fees, including performance fees, are calculated in accordance with the contractual arrangements and are payable in the year in which the returns are generated.

### i) Goods and Services Tax (GST)

Incomes, expenses, and assets, with the exception of receivables and payables, are recognised net of the amount of GST, to the extent that GST is recoverable from the Australian Tax Office (ATO). Where GST is not recoverable it is recognised as part of the cost of the asset or as part of the expense item as applicable.

Reduced input tax credits (RITC) recoverable by the Group from the ATO are recognised as receivables in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis and the GST component of the cash flows arising from investing and financing activities, which is recoverable from or payable to the taxation authority are classified as operating cash flows.

### j) Earnings per share

Basic earnings per share (EPS) are calculated as net profit attributable to shareholders divided by the weighted average number of shares. Diluted earnings per share are calculated as net profit attributable to shareholders of the parent, adjusted for:

- > costs of servicing equity (other than dividends) and preference share dividends;
- > other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

### k) Derivative financial instruments

The Group may use derivative financial instruments such as exchange traded options to manage its risks associated with share price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to net profit or loss for the year.

#### *Exchange traded options*

From time to time, the Group writes and then trades Exchange Traded Options ('ETO's), the Group's policy for managing its risk for ETO's is to ensure it only writes ETO's against shares that it physically holds. ETO's are governed by the Australian Stock Exchange ("ASX") and are traded on the ASX.

ETO's are recognised as liabilities at fair value. Any gains or losses arising from changes in the fair value of ETO's, are taken directly to net profit or loss for the year.

### l) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### m) Pension benefits

##### *Defined contribution plan*

Contributions to superannuation funds are charged to the statement of comprehensive income when incurred.

#### n) Parent entity financial information

The financial information for the parent entity, Katana Capital Limited, disclosed in note 22 has been prepared on the same basis as the consolidated financial statements.

#### o) Segment reporting

Operating segment are reporting in a manner consistent with internal reporting provided to the Board of Directors. The Board of Directors is the Chief Operating Decision Maker (CODM) and monitors operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

##### **Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying values of assets and liabilities. As such, actual results could differ from those estimates.

The Company's significant accounting estimates and judgements include fair value measurement of financial assets and liabilities that are not traded in an active market.

Details on the determination of fair value are provided in Note 16(h).

### INVESTMENT INCOME

	YEAR ENDED 30 JUNE <b>2023</b>	YEAR ENDED 30 JUNE <b>2022</b>
	\$'000	\$'000
Realised gains on financial assets at fair value through profit or loss	<b>2,562</b>	8,572
Unrealised gains/(losses) on financial assets at fair value through profit or loss	<b>4,272</b>	(9,092)
<b>Total income</b>	<b>6,834</b>	(520)

## 4. INCOME TAX EXPENSE

### a) Income tax expense

	YEAR ENDED 30 JUNE <b>2023</b>	YEAR ENDED 30 JUNE <b>2022</b>
	\$'000	\$'000
<b>Total income tax (benefit)/expense results in a:</b>		
Current tax expense	<b>1,349</b>	955
Change in deferred tax liability	<b>318</b>	(1,577)
Change in deferred tax asset	<b>(53)</b>	163
	<b>1,614</b>	(459)

### b) Deferred tax asset recognised through equity

	AS AT 30 JUNE <b>2023</b>	AS AT 30 JUNE <b>2022</b>
	\$'000	\$'000
Prior year under/(over)	-	-
	-	-

### c) Reconciliation of income tax expense to prima facie tax payable

	YEAR ENDED 30 JUNE <b>2023</b>	YEAR ENDED 30 JUNE <b>2022</b>
	\$'000	\$'000
Profit from continuing operations before income tax expense	<b>5,951</b>	(741)
Prima facie income tax expense calculated at 30%	<b>1,786</b>	(222)
Less the tax effect of:		
Imputation credit gross up	<b>66</b>	91
Foreign withholding tax on dividend	-	10
Withholding tax	<b>(1)</b>	(32)
Franking credit offset	<b>(221)</b>	(304)
Non-deductible expenditure	-	(2)
Adjustment for current tax for prior periods	<b>(24)</b>	-
	<b>1,606</b>	(459)

### d) Income tax receivable/(payable)

	AS AT 30 JUNE <b>2023</b>	AS AT 30 JUNE <b>2022</b>
	\$'000	\$'000
Balance at 1 July	<b>(293)</b>	(1,586)
Current tax expense	<b>(1,349)</b>	(955)
Payments made during the year	<b>1,276</b>	2,248
	<b>(366)</b>	(293)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 5. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	30 JUNE 2023	30 JUNE 2022
	\$'000	\$'000
Cash at banks	<b>10,689</b>	7,142

### 6. CURRENT ASSETS - FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 JUNE 2023	30 JUNE 2022
	\$'000	\$'000
Investment in listed equities	<b>32,257</b>	30,622
Investments in certificates of deposit	-	447
Investment in listed unit trusts	<b>401</b>	1,212
<b>Total financial assets at fair value through profit or loss</b>	<b>32,658</b>	32,281

The above investments consist primarily of investments in ordinary shares and therefore have no fixed maturity date or coupon rate. For fair value measurements refer to Note 16(h).

### 7. NON-CURRENT ASSETS - DEFERRED TAX ASSETS

	30 JUNE 2023	30 JUNE 2022
	\$'000	\$'000
Investments and unsettled shares	<b>97</b>	230
Provisions	<b>200</b>	118
Other	<b>2</b>	4
Set-off of deferred tax liabilities pursuant to set-off provisions (Note 10)	<b>(299)</b>	(352)
Net deferred tax assets	-	-

### 8. CURRENT LIABILITIES - PAYABLES

	AS AT 30 JUNE 2023	AS AT 30 JUNE 2022
	\$'000	\$'000
Trades payable	<b>323</b>	382
Management fees	<b>127</b>	117
Performance fee payable	<b>570</b>	71
Other payables	<b>22</b>	38
	<b>1,042</b>	608

Due to the short-term nature of these payables, their carrying value approximates their fair value.

## 9. NON-CURRENT LIABILITIES - DEFERRED TAX LIABILITIES

	30 JUNE 2023 \$'000	30 JUNE 2022 \$'000
The balance comprises temporary differences attributable to:		
Investments and unsettled shares	702	278
Dividends receivable	10	43
Other	-	17
Set-off of deferred tax liabilities pursuant to set-off provisions (Note 8)	<b>(299)</b>	(188)
	<b>413</b>	150

## 10. ISSUED CAPITAL

	30 JUNE 2023		30 JUNE 2022	
	NO. OF SHARES	\$'000	NO. OF SHARES	\$'000
Issued and paid up capital - Ordinary shares	<b>33,460,417</b>	<b>34,889</b>	34,027,927	35,503

### (a) Movements in ordinary share capital

DETAILS	NO. OF SHARES	\$'000
Opening balance 1 July 2021	35,629,062	37,233
Shares bought back from shareholders, net of Dividend Re-investment Plan	(1,601,135)	(1,730)
Closing balance 30 June 2022	34,027,927	35,503
Opening balance 1 July 2022	<b>34,027,927</b>	<b>35,503</b>
Shares bought back from shareholders, net of Dividend Re-investment Plan	<b>(567,510)</b>	<b>(614)</b>
Closing Balance 30 June 2023	<b>33,460,417</b>	<b>34,889</b>

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

During the period from 1 July 2022 to 30 June 2023, 567,510 shares were bought back on market and were subsequently cancelled. The shares were acquired at an average price of \$1.08 with the price ranging from \$1.05 to \$1.11 per share.

The Company has a dividend reinvestment plan (DRP) for its dividend distribution, which shareholders have the discretion to join or exit. The DRP shares are managed via an on-market buy-back of shares that are then re-distributed to shareholders. During the year as part of the DRP the Company issued nil new shares to meet the DRP shortfall for buy-back shares acquired on-market.

### (b) Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. Management is constantly adjusting the capital structure to take advantage of favorable costs of capital or high returns on assets. The Group defines its capital as the total funds under management, being \$41,655,000 at 30 June 2023 (30 June 2022: \$39,652,490), including equities and cash reserves. The Group does not have any additional externally imposed capital requirements however has as a goal the ability to continue to grow assets under management and maintain a sustainable dividend return to shareholders. To assist with meeting its internal guidelines, Katana Asset Management Limited holds regular Investment Committee meetings to assess the equity portfolio.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 11. RESERVES AND ACCUMULATED LOSSES

#### a) Profit reserve

The profit reserve is made up of amounts allocated from retained earnings / (accumulated losses) that are preserved for future dividend payments.

Movement in profit reserve was as follows:

	30 JUNE 2023	30 JUNE 2022
	\$'000	\$'000
Opening balance	3,098	4,074
Transfer from/(to) retained earnings/(accumulated losses)	4,293	(282)
Dividends paid	(677)	(694)
<b>Balance at the end of the year</b>	<b>6,714</b>	3,098

#### Accumulated losses

	30 JUNE 2023	30 JUNE 2022
	\$'000	\$'000
Balance at the beginning of the year	-	(4,829)
Transfer from/(to) retained earnings/(accumulated losses)	(4,293)	(2,790)
Profits for the period	4,293	7,619
<b>Balance at the end of the year</b>	<b>-</b>	-

### 12. KEY MANAGEMENT PERSONNEL DISCLOSURES

#### Key Management Personnel Compensation

	30 JUNE 2023	30 JUNE 2022
	\$'000	\$'000
Short-term employee benefits	-	-
Director fees	150	150
Post-employment benefits	16	15
	<b>166</b>	165

## 13. RELATED PARTY TRANSACTIONS

### (a) Directors

The names of persons who were Directors of the Katana Capital Limited at any time during the financial year and at the date of this report are as follows: Mr Dalton Gooding, Mr Giuliano Sala Tenna and Mr Ben Laird.

### (b) Related party transactions

All related party transactions are made at arm's length on normal commercial terms and conditions. Outstanding balances at period end are unsecured and settlement occurs in cash.

Related parties during the year are outlined below:

#### *Director related:*

Dalton Gooding is a partner of Gooding Partners Chartered Accounting firm and as part of providing taxation advisory services, Gooding Partners received \$38,940 (2022: \$37,359) for tax services provided.

#### *Other Key management services - Katana Asset Management Ltd:*

Katana Asset Management Ltd, the Fund Manager for the Group, provides the Group with Key Management Services. The directors of Katana Asset Management Ltd are Brad Shallard and Romano Sala Tenna.

Katana Capital incurred management fees of \$414,951 to the Fund Manager for management services provided during the year (2022: \$410,176). There was performance fee of \$572,022 due to the Fund Manager for the year (2022: \$147,986). The Fund Manager and its directors have the following shareholdings:

2023			
NAME	BALANCE AT THE START OF THE YEAR	CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
Brad Shallard	4,852,467	78,377	4,930,844
Romano Sala Tenna	5,737,082	93,636	5,830,718

2022			
NAME	BALANCE AT THE START OF THE YEAR	CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
Brad Shallard	4,737,001	115,466	4,852,467
Romano Sala Tenna	5,609,376	127,706	5,737,082

#### *Wholly owned group transactions*

There are no transactions with companies within the wholly owned group.

## 14. RECONCILIATION OF PROFIT AFTER INCOME TAX TO CASH INFLOW FROM OPERATING ACTIVITIES

	YEAR ENDED 30 JUNE 2023	YEAR ENDED 30 JUNE 2022
	\$'000	\$'000
<b>Profit/(loss) for the year attributable to shareholders after tax</b>	<b>4,345</b>	(282)
<b>Adjustments for:</b>		
Decrease in trade and other receivables	152	866
Change in financial assets held for trading	(377)	6,470
Increase/(decrease) in trade and other payables	382	(556)
Increase/(decrease) in deferred tax liabilities	263	(1,394)
Increase/(decrease) in current tax liabilities	73	(1,293)
<b>Net cash provided by operating activities</b>	<b>4,838</b>	3,811

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 15. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

The Group's overall risk management program focuses on ensuring compliance with the Company's Investment Mandate and seeks to maximise the returns derived for the level of risk to which the Company is exposed.

Financial risk management is carried out by the Investment Manager under policies approved by the Board of Directors (the "Board").

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ratings analysis for credit risk.

(a)

#### Mandate

The Fund Manager must manage the Portfolio in accordance with guidelines for management set out in the Mandate, which may be amended by written agreement between the Company and the Fund Manager from time to time. The mandate provides that the Portfolio will be managed with the following investment objectives:

- > to achieve a pre-tax and pre expense return which outperforms the ASX All Ordinaries Index; and
- > the preservation of capital invested. The Mandate permits the Fund Manager to undertake investments in:
  - (i) listed securities;
  - (ii) rights to subscribe for or convert to listed securities (whether or not such rights are tradable on a securities exchange);
  - (iii) any securities which the Fund Manager reasonably expects will be quoted on the ASX within a 24-month period from the date of investment;
  - (iv) listed securities for the purpose of short selling;
  - (v) warrants or options to purchase any investment and warrants or options to sell any investment;
  - (vi) discount or purchase of bills of exchange, promissory notes or other negotiable instruments accepted, drawn or endorsed by any bank or by the Commonwealth of Australia, any State or Territory of Australia, or by any corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia;
  - (vii) deposits with any bank or corporation declared to be an authorised dealer in the short term money market;
  - (viii) debentures, unsecured notes, loan stock, bonds, promissory notes, certificates of deposit, interest bearing accounts, certificates of indebtedness issued by any bank or by the Commonwealth of Australia, any State or Territory of Australia, any Australian government authority, or a corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia;
  - (ix) units or other interest in cash management trusts;
  - (x) underwriting or sub-underwriting of securities as and where permitted by relevant laws and regulations and the Fund Manager's AFSL; and
  - (xi) any other investment, or investment of a particular kind, approved by the Company in writing as and where permitted by the Fund Manager's AFSL.

The Mandate specifies the following risk control features:

The Portfolio may comprise securities in up to 80 companies from time to time.

- > no investment may represent more than 10% of the issued securities of a company at the time of investment.
- > total cumulative gearing on the Portfolio may not exceed 50% of the total value of the net tangible assets of the Group after tax.
- > the Fund Manager will adhere to the parameters on a pre stock basis as set out in the table below unless the prior approval of the Board is received to do otherwise.

## 15. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Portfolio composition and management

The aim of the Fund Manager is to build for the Group a portfolio of 20 to 60 companies, with an emphasis towards holding a larger number of smaller positions. Under the current Mandate, the Group's Portfolio may vary from between 0 to 80 securities, depending upon investment opportunities and prevailing market conditions. The Fund Manager may construct a Portfolio comprising of any combination of cash, investment and debt, subject to gearing limits in the Mandate. Under the Mandate, total cumulative gearing on the Portfolio may not exceed 50% of the total value of the net tangible assets of the Group after tax.

The capacity to short sell securities, as well as employ debt, allows the Fund Manager the flexibility to implement an absolute return strategy. It should also be noted that, despite the focus on emerging and green chip companies, in periods of overly negative market of stock sentiment, the best investment opportunities on a risk return basis are often found in the ASX S&P Index top 20 and ASX S&P Index top 100 stocks by market capitalisation. Often the larger stocks rebound first, hence providing not just safer returns, but quicker returns.

Under the current Mandate, the following parameters will apply to individual investments unless the prior approval of the Directors is received to do otherwise:

SIZE OF COMPANY	MINIMUM INVESTMENT PER SECURITY	INDICATIVE BENCHMARK INVESTMENT PER SECURITY	MAXIMUM INVESTMENT PER SECURITY
			AS A PERCENTAGE OF TOTAL PORTFOLIO
ASX S&P Top 20	1.0%	5.0%	12.5%
ASX S&P Top 100/Cash Hybrids	1.0%	3.0%	10.0%
ASX S&P Top 500	No Minimum	2.0%	7.5%
Outside of ASX S&P Top 500/Other Instruments	No Minimum	1.0%	5.0%

### (c) Asset allocation

The Fund Manager's allocation of the Portfolio will be weighted in accordance with various macro-economic factors. These factors will invariably impact the medium and long term Performance of the Group. These factors include:

- > global economy;
- > Australian economy and positioning within the economic cycle;
- > sectors within the Australian market;
- > phase of the interest rate cycle; and
- > state of the property market (e.g. comparative investment merit).

The Fund Manager may form views on the factors outlined above, may re-weight the Portfolio accordingly.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 15. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (d) Market risk

Market risk is the risk that changes in foreign exchange rates, interest rates and prices will affect the Group income or the carrying value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

##### (i) Price risk

The Group is exposed to equity securities, convertible notes and derivative securities price risk. This arises from investments held by the Group for which prices in the future are uncertain. The paragraph below sets out how this component of price risk is managed and measured.

Investments are classified in the statement of financial position as financial assets at fair value through profit/loss. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited.

The Investment Manager mitigates price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board.

The table on page 37 summarises the impact of an increase/decrease in the Australian Securities Exchange All Ordinaries Index on the Group's net assets attributable to shareholders at 30 June 2023. The analysis is based on the assumptions that the index increased/decreased by 10% (2022: 10%) with all other variables held constant and that the fair value of the Group's portfolio of equity securities and derivatives moved according to the historical correlation with the index. The impact mainly arises from the possible change in the fair value of listed equities, unlisted unit trusts and equity derivatives with combined value of \$32,658,000 (2022: \$32,280,881) that represented the maximum exposure as at reporting date.

##### (ii) Foreign exchange risk

The Group does not hold any monetary and non-monetary assets denominated in currencies other than the Australian dollar.

##### (iii) Interest rate risk

The Group's interest-bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

Compliance with the Group's policy is reported to the Board on a monthly basis. The Group may also enter into derivative financial instruments to mitigate the risk of future interest rate changes.

The table below summarises the Group's exposure to financial assets/liabilities at the balance sheet date.

	WEIGHTED AVERAGE INTEREST RATE (% P.A.)	30 JUNE 2023 \$'000	30 JUNE 2022 \$'000
Financial Assets			
Cash and short term deposits - floating	0.95%	10,689	7,142

The table above summarises the impact of an increase/decrease of interest rates on the Group's operating profit and net assets attributable to shareholders through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates changed by +/- 50 basis points (2022: +/- 50 basis points) from the year end rates with all other variables held constant. The impact mainly arises from changes in the interest rates of fixed interest securities.

## 15. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (e) Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's operating profit and other comprehensive income to interest rate risk and other price risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates, historical correlation of the Group investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Group invest. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

#### PRICE RISK

	-10%	10%	-10%	10%
	IMPACT ON OPERATING PROFIT		IMPACT ON OTHER COMPREHENSIVE INCOME	
<b>30 June 2023</b>	<b>(3,266)</b>	<b>3,266</b>	-	-
30 June 2022	(3,228)	3,228	-	-

#### INTEREST RATE RISK

	"-50BPS"	"+50BPS"	"-50BPS"	"+50BPS"
	IMPACT ON OPERATING PROFIT		IMPACT ON OTHER COMPREHENSIVE INCOME	
<b>30 June 2023</b>	<b>(53)</b>	<b>53</b>	-	-
30 June 2022	(36)	36	-	-

### (f) Credit risk

Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. None of these assets are impaired nor past due but not impaired.

As at 30 June 2023 the Group does not hold any debt securities (30 June 2022: nil).

The Group does trade in Exchange Traded Options ("ETO's"). The Investment Manager has established limits such that, at any time, such that options are not traded without holding the physical security in the portfolio and contracts are with counterparties included in the Board's Approved Counterparties list. As at 30 June 2023 the Group held no Exchange Traded Options (30 June 2022: nil).

Compliance with the Group's policy is reported to the Board on a monthly basis.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

The majority of cash assets are held with one bank, which has a credit rating of A-1, which is the significant concentration risk.

### (g) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments.

To control liquidity, the Group invests in financial instruments which under normal market conditions are readily convertible to cash. The Group held no derivatives (ETO's), as at 30 June 2023 (30 June 2022: \$nil).

Financial liabilities of the Group comprise trade and other payables and dividends payable. Trade and other payables have no contractual maturities but are typically settled within 30 days.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 15. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (h) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - valuation technique for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - valuation technique for which the lowest level input that is significant to the fair value measurement that is not observable.

For instruments for which there is currently no active market, the Company uses valuation methods generally accepted in the industry. Some of the inputs to those method may not be market observable and are therefore estimated based on assumptions. In the case of unlisted equities, recent transactional evidence has been obtained that supported current valuation. If, in the future, similar transactions occur at significantly different values, the fair value of unlisted equities will be revised appropriately.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table presents the Company's assets and liabilities measured and recognised at fair value at reporting date.

30 JUNE 2023	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Investment in listed equities	<b>32,257</b>	-	-	<b>32,257</b>
Investment in unit trusts	<b>401</b>	-	-	<b>401</b>
<b>Total financial assets designated at fair value through profit or loss</b>	<b>32,658</b>	-	-	<b>32,658</b>
30 JUNE 2022	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	\$'000	\$'000	\$'000	\$'000
Financial assets	-	-	-	-
Investment in listed equities	30,622	-	-	30,622
Investment in unit trusts	1,212	-	-	1,212
Investments in certificates of deposit	447	-	-	447
<b>Total financial assets designated at fair value through profit or loss</b>	<b>32,281</b>	-	-	<b>32,281</b>

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, unlisted investments) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. In determining the fair value of the securities the company holds in the unlisted investments, the company referred to the Net Tangible Assets of the investee, recent trading in units of the investment and all other market factors associated with the unlisted investment.

Financial assets at fair value through profit or loss are dependent on the change of input variables used to determine fair value, namely changes in market prices of equity securities. The majority of the investments are invested in shares of companies listed on the Australian Stock Exchange which are valued based on market observable information.

There were no transfers between level 1 and level 2 during the year.

There were no transfers of level 3 instruments for the year ended 30 June 2023 (2022: \$nil). The fair values of the investment in unlisted entities have been estimated using the redemption prices as at reporting date.

## 16. SEGMENT INFORMATION

For management purposes, the Group is organised into one main operating segment, which invests in equity securities, debt instruments, and related derivatives. All of the Group's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating disclosures are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The Group operates from one geographic location, being Australia, from where its investing activities are managed.

The Group does not derive revenue of more than 10% from any one of its investments held.

## 17. EARNINGS PER SHARE

### (a) Basic earnings per share:

	YEAR ENDED 30 JUNE <b>2023</b>	YEAR ENDED 30 JUNE 2022
	CENTS	CENTS
Basic and diluted earnings/(loss) per share	<b>12.70</b>	(0.81)

### (b) Reconciliation of earnings used in calculating earnings per share

	YEAR ENDED 30 JUNE <b>2023</b>	YEAR ENDED 30 JUNE 2022
	\$'000	\$'000
Profit/(loss) from continuing operations	<b>4,293</b>	(282)
Profit/(loss) attributable to the ordinary equity holders of the Company used in the calculation of basic and diluted (loss)/earnings per share	<b>4,293</b>	(282)

### (c) Weighted average number of shares used as the denominator

	YEAR ENDED 30 JUNE <b>2023</b>	YEAR ENDED 30 JUNE 2022
<b>Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share</b>	<b>33,813,088</b>	34,634,505
<b>Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share</b>	<b>33,813,088</b>	34,634,505

Basic earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

## 18. EVENTS OCCURRING AFTER REPORTING DATE

Other than the events below, the directors are not aware of any matter or circumstance that has significantly or may significantly affect the operations of the company or the results of those operations, or the state of affairs of the company in subsequent financial years.

On 11 July 2023, the company announced a fully franked 0.5 cent per share dividend.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 19. REMUNERATION OF AUDITORS

	YEAR ENDED 30 JUNE 2023 \$'000	YEAR ENDED 30 JUNE 2022 \$'000
<b>(a) Audit Services</b>		
<i>BDO (WA) Pty Ltd</i>		
Audit and review of financial reports	23,000	-
<i>EY</i>		
Audit and review of financial reports	-	55,000
<b>(b) Non-Audit Services</b>		
Other services - EY	-	5,250
	<b>23,000</b>	<b>60,250</b>

### 20. DIVIDENDS

The following dividends have been paid by the Company or declared by the directors since the commencement of the financial year ended 30 June 2023:

YEAR ENDED 30 JUNE 2023	CENTS PER SHARE	TOTAL PAID (\$'000)
Dividends paid during 1st Quarter of the year	0.50	170
Dividends paid during 2nd Quarter of the year	0.50	169
Dividends paid during 3rd Quarter of the year	0.50	169
Dividends paid during 4th Quarter of the year	0.50	169
<b>Total paid (\$'000)</b>		<b>677</b>

YEAR ENDED 30 JUNE 2022	CENTS PER SHARE	TOTAL PAID (\$'000)
Dividends paid during 1st Quarter of the year	0.50	178
Dividends paid during 2nd Quarter of the year	0.50	174
Dividends paid during 3rd Quarter of the year	0.50	172
Dividends paid during 4th Quarter of the year	0.50	170
<b>Total paid (\$'000)</b>		<b>694</b>

	30 JUNE 2023 \$'000	30 JUNE 2022 \$'000
Franking credits available for subsequent financial years based on tax rate of 30% (2022: 30%)	<b>4,078</b>	2,795

The above amounts represent the balance of franking account as at the reporting date, adjusted for:

- franking credits that will arise from the payment of the amount of the current tax liability;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and
- franking credits that may be prevented from being distributed in subsequent financial years.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

## 21. PARENT ENTITY FINANCIAL INFORMATION

### Parent Entity

	30 JUNE <b>2023</b>	30 JUNE <b>2022</b>
	\$'000	\$'000
Assets	<b>43,424</b>	39,652
Liabilities	<b>1,821</b>	1,051
Net Assets	<b>41,603</b>	38,601
Equity	<b>41,603</b>	38,601

	YEAR ENDED 30 JUNE <b>2023</b>	YEAR ENDED 30 JUNE <b>2022</b>
	\$'000	\$'000
Profit/(loss) for the year	<b>4,293</b>	(282)
Total comprehensive income for the year	<b>4,293</b>	(282)

### Investment in controlled entity at cost

The investment in the controlled entity is for 100% of the issued capital of Kapital Investments (WA) Pty Ltd. Kapital Investments (WA) Pty Ltd was de-registered on 14 Decemeber 2022.

### Tax consolidation legislation

Katana Capital Limited and its wholly owned Australian controlled entities implemented the tax consolidation legislation from 1 July 2017.

#### (i) Tax effect accounting by members of the tax consolidated Group

Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences are recognised in the separate financial statements of the members of the tax consolidated Group using the Group allocation method. Current tax liabilities and assets and deferred tax assets arising from the unused tax losses and tax credits of the members of the tax consolidated Group are recognised by Katana Capital Limited, the head entity of the tax consolidated Group.

Members of the tax consolidated Group have entered into a tax funding agreement. Amounts are recognised as payable to or receivable by the Company and each member of the consolidated Group in relation to tax contribution amounts paid or payable between the parent entity and other members of the tax consolidated Group in accordance with this agreement. Where the tax contribution amount recognised by each member of the tax consolidated Group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the distribution is recognised as a contribution from (or distribution to) equity participants.

## 22. COMMITMENTS AND CONTINGENCIES

There are no outstanding contingent liabilities or commitments as at 30 June 2023 (30 June 2022: Nil).

30 JUNE 2023

## DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Katana Capital Limited, I state that:

- (a) The financial statements and notes of the consolidated entity set out on pages 20 to 41 are in accordance with the *Corporations Act 2001*, including
  - (i) Giving a true and fair view of the financial position as at 30 June 2023 and of its performance for the year ended on that date of the consolidated entity.
  - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2011;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(b).
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (d) this declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2011 for the financial year ended 30 June 2023.

On behalf of the Board Katana Capital Limited



**Dalton Gooding**  
CHAIRMAN

Perth, Western Australia

22 September 2023

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## INDEPENDENT AUDITOR'S REPORT



Tel: +61 8 6382 4600  
Fax: +61 8 6382 4601  
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2  
5 Spring Street  
Perth, WA 6000  
PO Box 700 West Perth WA 6872  
Australia

### INDEPENDENT AUDITOR'S REPORT

To the members of Katana Capital Limited

#### Report on the Audit of the Financial Report

##### Opinion

We have audited the financial report of Katana Capital Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

##### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



**Carrying Value of Financial Assets at Fair Value through Profit or Loss**

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As disclosed in note 6 of the financial report, as at 30 June 2023, the carrying value of financial assets recognised at fair value through profit or loss represents a significant asset of the Group.</p> <p>The financial asset held largely consisted of listed securities.</p> <p>This is a key audit matter due to the volume of transactions and size of the Financial asset balance at reporting date.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We obtained the listing of Financial assets including movements for the financial year ended 30 June 2023 and perform the following procedures:</li> <li>• Understanding and documenting processes and controls used by the group in recording of acquisitions and disposals of Financial assets including pricing used for valuing the financial assets;</li> <li>• Checking the reliability and completeness of the investment listing and agreeing the balances in the listing to general ledger;</li> <li>• Assessing the fair value of financial assets on a sample basis against market values of shares obtained from publicly available information;</li> <li>• Agreeing acquisitions and disposals of financial assets on a sample basis against brokers certificates;</li> <li>• Assessing the calculations of movements in fair value on its financial assets held at fair value through profit or loss;</li> <li>• Agreeing a sample of financial assets held at 30 June 2023 to ownership documentation; and</li> <li>• Assessing the adequacy of the related disclosures in note 6 to the financial report.</li> </ul>

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#### **Other Matter**

The financial report of Katana Capital Limited, for the year ended 30 June 2022 was audited by another auditor who expressed an unmodified opinion on that report on 28 September 2022.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.



**Report on the Remuneration Report**

**Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 12 to 16 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Katana Capital Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

**Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**BDO Audit (WA) Pty Ltd**

BDO

**Glyn O'Brien**  
**Director**

Perth,  
22 September 2023

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## ADDITIONAL ASX INFORMATION

### Net tangible assets per security

	30 JUNE 2023	30 JUNE 2022
Net tangible asset backing per ordinary security (after tax and provision)	<b>\$1.245</b>	\$1.135

### Ordinary Fully Paid Shares - AS AT 21 AUGUST 2023

RANGE	TOTAL HOLDERS	UNITS	% UNITS
1-1,000	96	21,138	0.06
1,001-5,000	34	100,317	0.30
5,001-10,000	32	264,132	0.79
10,001-100,000	96	3,871,674	11.58
100,001 and over	56	29,170,227	87.27
<b>Total</b>	<b>314</b>	<b>33,427,488</b>	<b>100.00</b>

### Unmarketable Parcels

	MINIMUM PARCEL SIZE	HOLDERS	UNITS
Minimum \$500.00 parcel at \$1.1200 per unit	443	73	4,854

### Top 20 Shareholders - AS AT 21 AUGUST 2023

RANK	NAME	UNITS	% UNITS
1	JOVE PTY LTD	2,811,776	8.41
2	WONDER HOLDINGS PTY LTD	2,518,139	7.53
3	KATANA ASSET MANAGEMENT LTD	2,429,713	7.27
4	CLASSIC CAPITAL PTY LTD <BRL UNIT A/C>	1,685,600	5.04
5	MR ROMANO SALA TENNA + MRS LINDA SALA TENNA <THE SALA TENNA SUPER A/C>	1,452,152	4.34
6	MR BRAD JOHN SHALLARD + MRS LISA MAREE DUPEROUZEL <THE SHALLARD SUPER FUND A/C>	1,451,187	4.34
7	BS CAPITAL PTY LTD	1,363,851	4.08
8	MR MARK JOHN BAHEN + MRS MARGARET PATRICIA BAHEN <SUPERANNUATION ACCOUNT>	1,000,000	2.99
9	MRS LINDA SALA TENNA	935,931	2.80
10	AUXILIUM CAPITAL PTY LTD <ST FAMILY CHARITY A/C>	919,808	2.75
11	COLLORI PTY LTD <ELLSEE INVESTMENT A/C>	784,303	2.35
12	METHUEN HOLDINGS PTY LTD <THE PB FAMILY A/C>	655,910	1.96
13	BLU BONE PTY LTD	627,900	1.88
14	MR RONALD WILLIAM JAMES + MRS ELIZABETH JANET JAMES	600,000	1.79
15	MRS ELSIE DA SILVA	530,706	1.59
16	KEFIR PTY LTD <SNOWBALL SUPER FUND A/C>	500,000	1.50
17	WFF PTY LTD <WHEATLEY FAMILY FNDN A/C>	473,288	1.42
18	BOND STREET CUSTODIANS LIMITED <BKOHN - D06876 A/C>	400,000	1.20
19	MRS TIA ELLISON <TIA ELLISON FAMILY A/C>	390,269	1.17
20	JOHN SELWYN INVESTMENTS PTY LTD	375,000	1.12
<b>Top 20 holders of ORDINARY FULLY PAID SHARES (Total)</b>		<b>21,905,533</b>	<b>65.53</b>

### Substantial Shareholders - AS AT 21 AUGUST 2023

	SHARES	% OF SHARES
Brad Shallard	4,948,757	14.80
Romano Sala Tenna	5,850,145	17.50

## ADDITIONAL ASX REPORTING

### List of Investments Held as at 30 June 2023

#### *Katana Investment Portfolio*

ALLKEM ORD	MA FINANCIAL GROUP ORD
ALTUM ORD	MACH7 TECHNOLOGIES ORD
APM HUMAN SERVICES INTERNATIONAL ORD	MACQUARIE GROUP ORD
ARISTOCRAT LEISURE ORD	MEGAPORT ORD
ATLAS ARTERIA ORD	MINERAL RESOURCES ORD
BEACH ENERGY ORD	PANTORO ORD
BETASHARES AUSTRALIAN HIGH ETF	PEPPER MONEY ORD
BETASHARES NASDAQ 100 ETF	PERPETUAL ORD
BLUEBET HOLDINGS ORD	PILBARA MINERALS ORD
CARSALES.COM LIM ORD	RAMSAY HEALTH CARE ORD
CHALLENGER ORD	REGIS RESOURCES ORD
CORONADO GLOBAL RESOURCES CDI	RESMED CDI
CSL ORD	RESOURCE DEVELOPMENT GROUP ORD
DE GREY MINING ORD	SANDFIRE RESOURCES ORD
DELTA LITHIUM ORD	SANTOS ORD
DOMINO'S PIZZA ENTERPRISES ORD	SEVEN GROUP HOLDINGS ORD
ELDERS ORD	SEVEN WEST MEDIA ORD
GENESIS MINERALS ORD	SOUTH32 ORD G
GENUSPLUS GROUP ORD	SYMBIO HOLDINGS ORD
GLOBAL X COPPER MINERS ETF	TALON PETROLEUM ORD
GOODMAN GROUP UNT	TIETTO MINERALS ORD
INDEPENDENCE GROUP ORD	UNIBAIL-RODAMCO-WESTFIELD CDI
INTEGRATED RESEARCH ORD	VANECK VECTORS CHINA NEW ECONOMY ETF
JUMBO INTERACTIVE ORD	VANECK VECTORS GLOBAL CLEAN ENEY ETF
LITHIUM POWER INTERNATIONAL ORD	WESFARMERS ORD
LYNAS CORPORATION ORD	YANCOAL AUSTRALIA ORD

#### **Total Number of Transactions during the report period**

Total number of transactions during the 12 months to 30 June 2023 was 449 with brokerage fees of \$166,435.

#### **Total Management Fees Paid or Accrued and Summary of Agreement**

Please refer to disclosure made in Remuneration Report.

#### **Corporate Governance Statement**

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