



APPENDIX 4D

Results for announcement to the market

Financial Results	% movement	31 December 2022 \$'000	31 December 2021 \$'000
Revenue from ordinary activities	42.43%	5,596	3,929
Profit from ordinary activities after tax attributable to members	58.60%	3,329	2,099
Net profit for the period attributable to members	58.60%	3,329	2,099

Dividends	Amount per Ordinary Security	Franked amount per Security
2022 interim dividend*	\$0.0050	\$0.0050
2021 interim dividend	\$0.0050	\$0.0050

Record date for determining entitlements to the 2022 interim dividend.	18 January 2023
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Net Tangible Asset Backing	31 December 2022	31 December 2021
Net tangible asset backing per ordinary security	\$1.22	\$1.21

Other explanatory notes
*Dividend - the company declared a 0.5 cent (\$0.005) 100% franked dividend on 11 January 2023 for the quarterly period ended 31 December 2022.

The information required by listing rule 4.2A is contained in both this Appendix 4D and the attached half-year report. This half-yearly reporting information should be read in conjunction with the most recent annual financial report of the company.



Katana Capital Limited

ABN 56 116 054 301

Financial statements for the half-year ended 31 December 2022



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Financial statements for the half-year ended 31 December 2022

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Directors' report

Your directors present their report with respect to results of Katana Capital Limited (the "Company" or "Katana Capital") and its controlled entity (the "Group") for the half-year ended 31 December 2022 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 half-year and up to the date of this report:

Name	Title
Dalton Gooding	Non- Executive Chairman
Ben Laird	Non-Executive Director
Giuliano Sala Tenna	Non-Executive Director

OPERATING AND FINANCIAL REVIEW

The profit before tax for the half-year was \$4,574,455 (2021: \$2,808,019) and profit after tax for the half-year was \$3,328,634 (2021: \$2,099,152).

EARNINGS PER SHARE

The basic and diluted profit per share is 9.82 cents (2021: 5.99 cents).

DIVIDENDS

During the half-year the Company announced dividends payable for the June 2022 quarter of 0.50 cents per ordinary share (2021: 0.50 cents per ordinary share) and for the September 2022 quarter 0.50 cents per ordinary share (2021: 0.50 cents per ordinary share). The total dividends paid to shareholders were \$338,902 (2021: \$351,227). These dividends were declared and announced to the Australian Stock Exchange (ASX). The following is the summary of the announcements made and the total dividend paid:

Half year ended 31 December 2022:

Date of ASX announcement	Date of Payment	Dividend Declared	Dividend Amount
20 July 2022	12 August 2022	0.5 cents	\$169,844
13 October 2022	4 November 2022	0.5 cents	\$169,058
			\$338,902

Half year ended 31 December 2021:

Date of ASX announcement	Date of Payment	Dividend Declared	Dividend Amount
4 July 2021	6 August 2021	0.5 cents	\$177,763
13 October 2021	12 November 2021	0.5 cents	\$173,464
			\$351,227

Directors' report (continued)

DIVIDENDS (continued)

Subsequent to 31 December 2022, the Company has announced a dividend payable for the December 2022 quarter of 0.5 cents per ordinary share. The dividend was declared and announced to the ASX on 11 January 2023 and will be paid out on 10 February 2023.

PRINCIPAL ACTIVITY

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

In the opinion of the directors, it is unlikely that there will be any significant changes in the state of affairs of the consolidated entity for the half-year ahead. The company remains committed to a quarterly dividend policy subject to the generation of profits.

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.

AUDITOR INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3 of this half-year report.

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



Dalton Gooding
Chairman

8 February 2023

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

As lead auditor for the review of Katana Capital Limited for the half-year ended 31 December 2022, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

8 February 2023

Katana Capital Limited
Consolidated statement of comprehensive income
For the half-year ended 31 December 2022

		Half-year ended	
	Note	31 December 2022	31 December 2021
		\$'000	\$'000
Revenue			
Dividends and distribution income		493	546
Investment income	3	5,093	3,383
Interest		2	-
Other income		8	-
Total net investment income		5,596	3,929
Expenses			
Management fees		(217)	(235)
Performance fees		(410)	(458)
Legal and professional		(94)	(98)
Directors' fees and expenses		(155)	(149)
Administration		(69)	(74)
Investment transaction costs		(76)	(107)
Total expenses		(1,021)	(1,121)
Profit before income tax expense		4,575	2,808
Income tax expense		(1,246)	(709)
Net profit for the half-year attributable to shareholders of the Company		3,329	2,099
Other comprehensive income, net of tax		-	-
Total comprehensive income for the half-year attributable to shareholders of the Company		3,329	2,099
Basic and diluted earnings per share (cents per share)		9.82	5.99

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

Katana Capital Limited
Consolidated statement of financial position
As at 31 December 2022

	Note	31 December 2022 \$'000	30 June 2022 \$'000
Assets			
Current Assets			
Cash and cash equivalents	4	10,188	7,142
Receivables		22	193
Prepaid insurance		99	36
Financial assets at fair value through profit or loss	5	32,639	32,281
Total current assets		42,948	39,652
Total assets		42,948	39,652
Liabilities			
Current Liabilities			
Income tax payable		382	293
Payables	7	550	608
Total current liabilities		932	901
Non-current liabilities			
Deferred tax liabilities	6	619	150
Total non-current liabilities		619	150
Total liabilities		1,551	1,051
Net assets		41,397	38,601
Equity			
Issued capital	8	35,309	35,503
Reserves	9	6,088	3,098
Total equity		41,397	38,601

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

Katana Capital Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2022

	Note	Issued capital	Profits reserve	Accumulated losses	Total
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021		37,233	4,074	-	41,307
Profit for the half-year		-	-	2,099	2,099
Buy-back of shares	8	(1,310)	-	-	(1,310)
Dividends provided for or paid		-	(351)	-	(351)
Balance at 31 December 2021		35,923	3,723	2,099	41,745
 Balance at 1 July 2022		 35,503	 3,098	 -	 38,601
Profit for the half-year		-	-	3,329	3,329
Buy-back of shares	8	(194)	-	-	(194)
Dividends provided for or paid		-	(339)	-	(339)
Balance at 31 December 2022		35,309	2,759	3,329	41,397

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

Katana Capital Limited
Consolidated statement of cash flow
For the half-year ended 31 December 2022

		Half-year ended	
	Note	31 December 2022	31 December 2021
		\$'000	\$'000
Cash flows from operating activities			
Proceeds on sale of financial assets		24,320	30,121
Payments for purchases of financial assets		(19,967)	(25,036)
Payments to suppliers and employees		(759)	(761)
Interest Received		2	-
Dividends and distributions received		634	677
Tax paid		(676)	(77)
Other revenue		25	22
Net cash inflow from operating activities		3,579	4,946
Cash flows from financing activities			
Payments for shares bought back		(194)	(1,383)
Dividends paid		(339)	(278)
Net cash outflow from financing activities		(533)	(1,661)
Net increase in cash and cash equivalents		3,046	3,285
Cash and cash equivalents at the beginning of the half-year	4	7,142	5,775
Cash and cash equivalents at end of the half-year		10,188	9,060
Non cash activities - Dividend reinvestment		-	(73)

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

1. Corporate information

The financial report of Katana Capital Limited (the "Company") and its subsidiary (the "Group" or the "Consolidated Entity") for the half-year ended 31 December 2022 was authorized for issue in accordance with a resolution of the directors of Katana Capital Limited on 8 February 2023.

Katana Capital Limited 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 Stock Exchange.

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

2. Summary of significant accounting policies

(a) Basis of preparation

The general purpose condensed financial report for the half-year ended 31 December 2022 has been prepared in accordance with AASB 134 *Interim Financial reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2022 and considered together with any public announcements made by Katana Capital Limited during the half-year ended 31 December 2022 in accordance with the continuous disclosure obligations of the ASX listing rules.

(b) Adoption of new and revised accounting standards and interpretations

The Group adopted all the new standards and interpretations that were effective 1 July 2022 and they did not have any material impact to the financial statements. The accounting policies adopted in the preparation of the half-year report are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. Investment income

	Half-year ended	
	31 December 2022	31 December 2021
	\$'000	\$'000
Realised gains on investments held for trading	448	3,893
Unrealised gains/(losses) on investments held for trading	4,645	(510)
Total income	5,093	3,383

4. Current assets - Cash and cash equivalents

	31 December 2022 \$'000	30 June 2022 \$'000
Cash at banks	10,188	7,142

5. Current assets - Financial assets at fair value through profit or loss

	31 December 2022 \$'000	30 June 2022 \$'000
Investments in listed equities	30,637	30,622
Investments in certificates of deposit	575	447
Investment in listed unit trusts	1,427	1,212
Total financial assets at fair value through profit or loss	32,639	32,281

Held for trading investments consist primarily of investments in ordinary shares and therefore have no fixed maturity date or coupon rate.

6. Non-current assets - Deferred tax liabilities (net)

	31 December 2022 \$'000	30 June 2022 \$'000
Investments and unsettled shares	-	115
Provisions	-	70
Other	-	3
Set-off of deferred tax liabilities pursuant to set-off provisions	-	(188)
Net deferred tax assets	-	-
Investments and unsettled shares	621	278
Dividends receivable	(2)	43
Other	-	17
Set-off of deferred tax liabilities pursuant to set-off provisions	-	(188)
Net deferred tax liabilities	619	150

7. Current liabilities - payables

	31 December 2022	30 June 2022
	\$'000	\$'000
Trade payable	-	382
Management fees	119	117
Performance fee payable	409	71
Other payables	22	38
	550	608

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

8. Issued capital

	As at 31 December 2022		As at 30 June 2022	
	No. of shares	\$'000	No. of shares	\$'000
Issued and paid up capital - Ordinary				
shares	33,843,411	35,309	34,027,927	35,503

(a) Movements in ordinary share capital:

Half-year ended 31 December 2021

	No. of shares	\$'000
Opening balance - 1 July	35,629,062	37,233
Shares bought back from shareholders, net of Dividend Re-investment Plan	(1,224,031)	(1,310)

Half-year ended 31 December 2022

Opening balance - 1 July	34,027,927	35,503
Shares bought back from shareholders, net of Dividend Re-investment Plan	(184,516)	(194)
Closing balance - 31 December	33,843,411	35,309

8. Issued capital (continued)

(a) Movements in ordinary share capital: (continued)

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

During the period from 1 July 2022 to 31 December 2022, 184,516 shares were bought back on market and were subsequently cancelled. The shares were acquired at an average price of \$1.05 with the price ranging from \$1.05 to \$1.05 per share.

(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 Company defines its capital as the total funds under management, being \$42,947,789 at 31 December 2022 (30 June 2022: \$39,652,490), including equities and cash reserves. The Company 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 Ltd holds regular Investment Committee meetings to assess the equity portfolio.

9. Accumulated Losses and Reserves

(a) Profit reserve

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

Movement in profit reserve were as follows:

	As at 31 December 2022 \$'000	31 December 2021 \$'000
Opening balance	3,098	4,074
Dividends paid	(339)	(351)
Balance at the end of the period	2,759	3,723

(b) Retained earnings / (accumulated losses)

Movements in the retained earnings/(accumulated losses) were as follows:

	As at 31 December 2022 \$'000	31 December 2021 \$'000
Balance at the beginning of the year	-	-
Transfer to profits reserve	-	-
Profits for the period	3,329	2,099
Balance at the end of the period	3,329	2,099

10. Related party transactions

(a) Directors

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

(b) Related party transactions

All related party transactions are made at arm's length on normal commercial terms and conditions.

Outstanding balances at half-year end are unsecured and settlement occurs in cash.

Transactions between the Parent Company and related parties noted above during the year are outlined below:

Dalton Gooding is a partner of Gooding Partners Chartered Accounting firm and as part of providing taxation advisory services, Gooding Partners received \$22,550 (2021: \$21,560) for tax services provided.

11. Financial risk management

(a) 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:

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re assessing categorization (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 recognized at fair value at 31 December 2022 and 30 June 2022.

	31 December 2022			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Investment in listed equities	30,637	-	-	30,637
Investment in unit trusts	1,427	-	-	1,427
Investments in certificates of deposit	575	-	-	575
Total	32,639	-	-	32,639

11. Financial Risk Management (continued)

(a) Fair value measurements (continued)

	Level 1	30 June 2022 Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Investment in listed equities	30,622	-	-	30,622
Investment in unit trusts	1,212	-	-	1,212
Investments in certificates of deposit	447	-	-	447
Total	32,281	-	-	32,281

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 unlisted investments, the company refers to the Net Tangible Assets of that investment, 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.

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 period.

12. Segment information

For management purposes, the Group is organized 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.

13. 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 January 2023, the Company announced a 0.5 cent per share dividend and will be paid on 10 February 2023.

14. Commitments and contingencies

There are no outstanding contingent liabilities or commitments as at 31 December 2022 (30 June 2022: Nil).

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 4 to 14 are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the financial position as at 31 December 2022 and of its performance for the half-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) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 303(5)(a) of the *Corporations Act 2001* for the half-year ended 31 December 2022.

On behalf of the Board
Katana Capital Limited



Dalton Gooding
Chairman
8 February 2023
Perth, Western Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Katana Capital Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Katana Capital Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.



Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', is written over a faint, stylized 'BDO' logo.

Glyn O'Brien

Director

Perth,

8 February 2023