ANNUAL REPORT 2026

KATANA
CAPITAL LIMITED

CONTENTS

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 14, QV1 Building
250 St Georges Terrace
Perth WA 6000

Auditors

BDO Audit 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

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.

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.

KATANA ASSET MANAGEMENT LTD ('THE MANAGER') HAS COMPLETED A REPORT ON THE PERFORMANCE OF KATANA CAPITAL LIMITED'S (KATANA) PORTFOLIO FOR THE 12 MONTHS TO 30 JUNE 2026.

INVESTMENT REPORT

The Manager is pleased to announce the fund generated a gross investment return of **17.98%** versus 2.43% for the All Ordinaries index.

This represented a gross investment out-performance of +15.55% BEFORE EXPENSES

2026 FINANCIAL YEAR REVIEW

The 2026 financial year will be remembered as a year of rapidly pivoting narratives. The year opened with markets fixated on the potential fallout from draconian US tariffs. But like all headlines, this quickly receded as attention rotated in turn to the AI hyperscalers, a historic surge in precious metals, the return of domestic interest rate rises, US policy risk, and ultimately the sudden eruption of war in the Middle East. Against this constantly shifting backdrop, the Fund delivered one of its strongest years of relative performance in the past two decades.

Notably, the entire return of the Australian equity market for FY2026 was generated in the first two months of the year. From the end of August, the index effectively tracked sideways, closing out June at almost the identical level. For active managers, this created a rich environment. Beneath a flat index, sector and stock dispersion was pronounced.

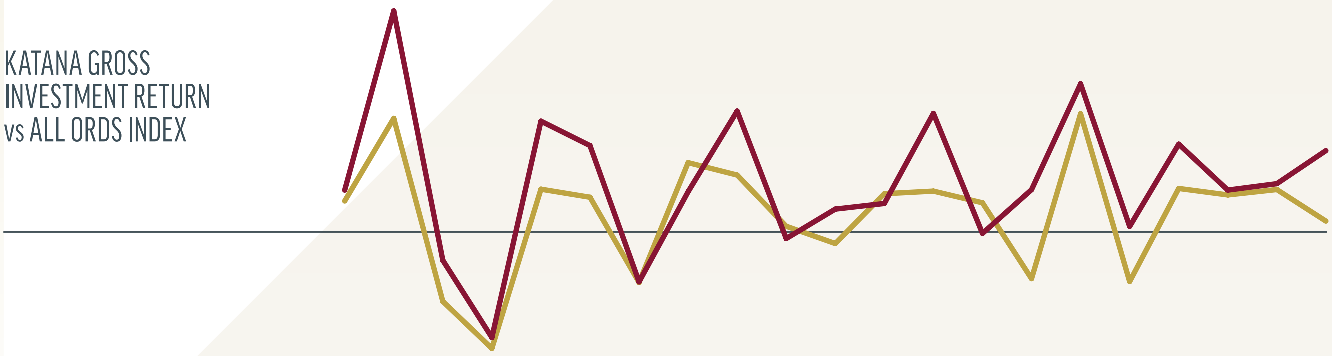
The year began exactly as we had positioned for. The long-awaited rotation out of high-priced financials and overvalued momentum names – and into the neglected materials, value and quality segments – finally arrived. Long-term holdings that had been ignored by the market for an extended period were re-rated in quick succession, and the Fund materially outpaced the benchmark in July, August and September. Importantly, this outperformance was not the product of some radical pivot in strategy or investment philosophy, but rather a patient and diligent belief in the process that has underpinned the portfolio's construction for over two decades.

Front and centre in the first half was Electro Optic Systems (EOS). As armies around the world cross the automated warfare Rubicon, the market began to grasp EOS's unique position in drone warfare technology. The stock tripled in value between June and October, becoming only the fourth stock in the strategy's 20-year history to exceed a 5% portfolio weighting. As we cautioned at the time, 'the speed with which the stock price has rerated also means that drawdowns are likely to be rapid and aggressive' – and so it proved, with the stock retracing some 40% during October. The team used the exuberance to lock in sizeable profits, to the point where the realised gains exceeded the entire purchase cost of the position.

Through the middle of the financial year, the Manager adopted a more defensive posture. Strong share price gains prompted broad profit-taking, and cash was rebuilt to above 20% – beyond our preferred ceiling – as valuations across sections of the market appeared stretched. Calendar 2025 nonetheless closed with the Fund strongly ahead of the benchmark, with the December quarter capping a stellar 6-month period.

February delivered the year's greatest test of conviction. The banking sector re-rated significantly and rapidly. CBA rose 16.91% in a single month to regain its mantle as the largest stock on the ASX, approaching 12% of the entire index. NAB rose 13.03%, Westpac 9.58% and ANZ 9.1%. The sheer speed of the move caught the vast majority of active managers by surprise – including ourselves. Our deliberate and sizeable underweight in the sector resulted in a notable underperformance during the month.

KATANA GROSS INVESTMENT RETURN vs ALL ORDS INDEX



YEAR ENDING		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
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	9.21	10.63	17.98
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	8.27	9.47	2.43

Past performance is no guarantee of future performance

In late February, war erupted in Iran. The unimaginable scale of the conflict had a sudden and pronounced impact on markets. As the flow of oil and gas through the Strait of Hormuz was restricted, the oil price spiked, re-igniting inflation and forcing the hand of central banks globally. The All Ordinaries Accumulation Index fell 7.30% in March – amongst the twenty largest monthly declines of the past 50 years. The Fund fared a little worse. At the same time, the Reserve Bank of Australia (RBA) delivered successive rate rises in February, March and May, rapidly altering investor positioning.

Historical context proved invaluable. Recognising March as a rare, extreme-left-tail month from which markets inevitably rebound, the Manager deployed capital into the drawdown. The Fund entered the conflict with over 20% in cash. By the end of March this had been reduced to approximately 12%, with a focus on the oversold gold and technology sectors. The decision was rewarded swiftly: roughly half of the drawdown was recovered in the first week of April alone, and the Fund posted strong gains through April and May. May in particular vindicated two long-held viewpoints, with the Materials sub-index rising 10.5% whilst Financials declined by nearly 3%.

The year closed quietly, with June broadly flat. Beneath the surface however, the Fund finished the year well positioned: ahead of the benchmark over every timeframe since inception, holding an elevated cash position, and stocked with companies trading below our assessed valuations.

TOP CONTRIBUTORS FOR FY2026

In FY2026, the top five contributors to the Fund's performance were **Electro Optic Systems (EOS), GenusPlus Group (GNP), Mineral Resources (MIN), Forrestania Resources (FRS)** and **Life360 (360)**. Each of these businesses was selected based on deep fundamental analysis, strong alignment with secular trends, and clear valuation upside at the time of investment.

Electro Optic Systems (EOS) was the standout performer of the year. Our preferred defence contractor on the ASX entered FY2026 at the commencement of a long contracting cycle, with unique exposure to the rapidly emerging drone warfare arena. The contract cycle accelerated throughout the year. December alone brought three large contracts worth up to US$80m, US$21m and US$33m respectively. The stock reached a record high of $11.20 in January. Having tripled in the first four months of the year, the position was actively managed. Sizeable profits were crystallised into strength, leaving the holding free-carried. Further sales were undertaken over the following months and the remaining holdings were largely exited by financial year end.

GenusPlus Group (GNP) delivered a second consecutive year of exceptional performance and finished FY2026 as the Fund's largest holding. GNP represents one of the largest positions the Manager has taken in two decades. As one of the purest exposures to the re-wiring of the nation, GenusPlus compounded a powerful long-term thematic with excellent operational execution.

The stock experienced consistent contract wins throughout the year and announced a number of earnings upgrades. The acquisition of MPC Kinetic at the back end of the financial year is highly EPS-accretive and will provide a runway for earnings growth into the foreseeable future.

Mineral Resources (MIN) completed a satisfying redemption arc after featuring amongst the largest detractors in FY2025. The company executed the ramp-up of its generational Onslow Iron Ore Project to nameplate capacity, received $200m from its JV partner, and completed a partial asset sale that ameliorated balance sheet concerns. This coincided with a re-rating of more than 30% in the lithium price, materially lifting the profitability of the Mt Marion and Wodgina operations. Interim results beat market expectations. As fears around peak debt subsided, broker upgrades ensued. The Fund's long-standing conviction – maintained through the depths of FY2026 – was ultimately rewarded with a strong rerating.

Forrestania Resources (FRS) is an emerging gold explorer and as such not typical of what the Fund would normally purchase. However, FRS offered a rare combination of a well-known and highly rated management team, a clear strategy and a pathway to production. FRS rapidly expanded the resource base through multiple acquisitions throughout the year. The subsequent purchase of the Lake Johnson processing plant created a credible path to gold production. On our current projections, we expect to see the plant in operation by December 2026, which is likely to provide the next rerating.

INVESTMENT REPORT

Life360 (360) continued to justify our multi-year conviction. The company beat market expectations with its FY25 result and became fully self-funding with multiple revenue sources including its new advertising pillar. The stock closed out the financial year with record Q1 results featuring 38% revenue growth and an upgraded full-year guidance. The journey however was far from linear. The stock was caught up in successive technology sell-offs mid-year. Despite the gyrations in sentiment, the underlying metrics remained strong throughout, and the share price rebounded emphatically into June.

Together, these five positions reflect the Fund's core principles: investing with conviction, focusing on valuation and quality, and staying patient through market dislocations. Each contributed materially to FY2026 outperformance and several continue to offer long-term upside.

MAIN DETRACTORS FOR FY2026

On the flipside, the largest detractors were **WiseTech Global (WTC), Technology One (TNE), Bapcor (BAP), ResMed (RMD)**, and **CSL Ltd (CSL)**.

WiseTech Global (WTC) bore the brunt of the mid-year technology sell-off. As one of the highest-multiple names on the ASX, WTC entered the year priced for perfection. The combination of successive domestic rate rises, a rotation towards resources and a broader de-rating of the AI-adjacent technology complex left little room for error. The decline was driven overwhelmingly by multiple compression rather than any deterioration in the underlying business. The CargoWise platform remains the global standard in logistics software, with the recurring revenue, retention and pricing power that defines a genuine compounder. The position detracted meaningfully in FY2026, but the long-term thesis remains intact.

Technology One (TNE), a long-term Fund holding and a top contributor in FY2025, gave back part of its gains despite the underlying business performing strongly. The company upgraded its earnings forecasts in February and appears to be embracing AI successfully, both to expand its product offering and to protect margins. However, as with WTC, a premium valuation proved a headwind in a rising rate environment. This saw the stock de-rated through the technology sell-offs in the middle of the year. TNE remains among the highest quality long-term compounders on the ASX, and the holding has been maintained.

Bapcor (BAP) was aggressively sold down as ongoing concerns around gearing levels resurfaced. We believe the market is discounting the company's strong position in a critical retail vertical, where demand for automotive parts is defensive across the cycle. The current weakness may well draw out potential bidders, who value the circa $2bn revenue pool. The Fund will continue to be patient in maintaining the position.

ResMed (RMD) was caught in the broadest healthcare selldown witnessed in more than two decades. Ongoing updates on weight-loss drugs re-ignited the GLP-1 narrative that the stock successfully looked through in FY2025. The weakness was further compounded by the sector-wide de-rating. However, the underlying business continues to perform, with its leadership in cloud-connected sleep health devices intact. Whilst part of the position has been trimmed, RMD remains in the top ten holdings as at the end of the financial year.

CSL Ltd (CSL) delivered a second consecutive disappointing year. A poor full-year result in August saw the Fund take a stop loss and progressively exit the position. The holding was subsequently rebuilt at materially lower levels, only for the stock to fall a further 19.10% in February following the sudden departure of the CEO and ongoing weakness in core plasma markets. Product development issues, increasing competition in the core IG market, repeated downgrades and tax loss selling into year-end compounded the decline. Trading on 14x past year's earnings moving to 13.8x FY27, CSL remains a high-quality, globally significant healthcare company. The Fund is looking to add to its holding once sentiment rebases.

Collectively, these underperformers share a common thread: four of the five are high-quality businesses that were de-rated by rising interest rates and sector rotation rather than by deteriorating fundamentals. Where conviction remains intact, positions have been maintained or increased, and the Fund remains confident in their medium-term prospects.

STRATEGIC OUTLOOK FOR FY2027

FY2027 begins with a macroeconomic landscape that has been reshaped over the past twelve months. Australia is now in a rate-rising cycle, with three increases delivered in quick succession. The inflationary impulse from elevated energy prices has yet to fully wash through. President Trump's sudden and unpredictable actions continue unabated. And the war in the Middle East continues to grind on. All of which are unfavourable for bottom-up stock performance.

However, the Manager does expect volatility to recede as hostilities in the Middle East are ultimately resolved. In due course, the other factors will also be addressed to varying degrees. In time, this will allow investors to once again focus on underlying company fundamentals.

Domestically, the housing market warrants close attention. Successive rate rises, combined with sudden and dramatic changes to negative gearing, have decimated auction clearance rates and sent a tremor through residential property markets. Residential property represents approximately 56% of Australian household wealth. By extension, a 10% decline in house prices is equivalent to a 50% decline in the ASX or a 30% fall in total superannuation balances. This dynamic has the potential to ripple through the broader economy and needs to be monitored closely.

Against this backdrop, the Fund remains deliberately underweight the banking sector, which looks particularly vulnerable at the current juncture. The February re-rating of bank equity valuations ran well beyond what earnings can sustain. The combination of rising funding costs, slowing credit growth and a softening property market are challenging headwinds. We therefore expect Financials to continue to underperform the wider benchmark in FY2027.

In contrast, the outlook for the resources sector remains constructive, albeit valuations have already rerated somewhat. The copper market is moving into structural deficit at a time of accelerating electrification demand. The Fund has built meaningful exposure through Capstone Copper Corp (CSC), BHP and more recently Firefly Metals Ltd (FFM). The rerating in the price of lithium has yet to be fully reflected in the underlying producers. The medium-term drivers of the gold price – de-dollarisation and US dollar devaluation – also remain firmly intact.

The Fund continues to see opportunities in the energy transition and the work to rewire the nation. Artificial Intelligence (AI) will also continue to be a major theme not just in FY2027 but well beyond. For the coming period, the Fund's focus will continue to be on those companies that are able to quickly deploy AI to their advantage. But this focus will change in coming years, as more and more business models are challenged and threatened.

The rise of index investing and passive momentum is a structural shift that is likely to feature again in FY27. Whilst it is not the primary decision for any purchase, it is increasingly important as a secondary consideration.

The recent Federal Budget changes also bring dividends back into the spotlight – especially those that are fully franked. 'Value' stocks normally have higher dividend yields. They have witnessed a resurgence in recent months, and we suspect that there may be more to play out.

At the sector level, we believe that few industries have a thematic as strong as healthcare. An ageing demographic, affluent middle class and rapid advancements in technology bode well for this sector. It has been a difficult space to invest in over the past 3 years, but in many respects this adds to its attractiveness as valuations have significantly contracted.

We also see continued momentum in the contractor space. In particular those that are focused on the electrification themes we highlighted above as well as companies with tangible exposure to the defence sector. Contracting is notoriously cyclical and it is brutal on investors who overstay the party. But we think the next 12 months (at least) continues to look robust.

Finally, whilst the Fund is currently underweight Consumer Discretionary, we are watching for green shoots. We believe that this sector may provide opportunities in the back half of the 2027 financial year.

Corporate activity is also likely to remain a feature of FY2027. The combination of a weak domestic currency, high private equity demand and depressed valuations across the mid- and small-cap segments of the market continues to point to a raft of activity. The portfolio holds a record number of companies that we believe are prime candidates to be acquired.

Finally, the Fund continues to renew itself. New positions were established late in the year in Generation Development Group (GDG) and Hansen Technologies (HSN). A pipeline of high-quality, high-growth companies is also on the radar. In some cases, valuations are now back within range. However, we are awaiting the technical price action to turn positive.

The Fund enters FY2027 with an elevated cash position, a highly diversified portfolio of more than 50 holdings, and a record of deploying capital decisively when opportunity is borne of volatility.

CLOSING COMMENT

The 2026 financial year validated the Fund's core philosophy: that disciplined, process-driven investing can deliver attractive outcomes, even in volatile environments. Patience with neglected holdings was rewarded emphatically in the first half. Our disciplined approach to taking profits was instrumental in protecting the resultant gains. And the willingness to deploy capital into the depths of the March drawdown positioned the Fund for the (inevitable) recovery that followed.

As markets continue to digest a complex array of macro variables – war, rates, property and politics – the Fund remains committed to its core process. The coming year presents both opportunities and risks, but with a strong research foundation, a patient mindset, and a clear thematic focus, the Fund is well placed to navigate what lies ahead.

CORPORATE

Katana Capital Ltd finished FY26 with 31,579,612 shares on issue. During the period from 1 July 2025 to 30 June 2026, 904,367 shares were bought back on market and were subsequently cancelled. The shares were acquired at an average price of $1.30 with the price ranging from $1.22 to $1.375 per share. The buyback also provided liquidity and increased the underlying net asset backing for all existing shareholders.

Katana paid four quarterly dividends, totalling 2 cents during FY26. 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 cent 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's valued shareholders for your support.

Romano Sala Tenna
INVESTMENT MANAGER

Katana Asset Management Limited

DIRECTORS' REPORT

Your directors present their report with respect to results of Katana Capital Limited (the "Company" or "Katana Capital") for the year ended 30 June 2026 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 an Emeritus 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 is also a director of Pentanet Limited.

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.

Mr Sala Tenna is not a director of any other listed companies.

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.

Mr Laird is not a director of any other listed companies.

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' MEETING

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2026, and the numbers of meetings attended by each director were:

	DIRECTORS' MEETING		AUDIT & COMPLIANCE COMMITTEE MEETING	
	A	B	A	B
Dalton Gooding	6	6	2	2
Ben Laird	5	6	2	2
Giuliano Sala Tenna	6	6	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 2026		30 JUNE 2025	
	NO. OF OPTIONS	NO. OF SHARES	NO. OF OPTIONS	NO. OF SHARES
Dalton Gooding	**-**	**101,861**	98,291	100,340
Giuliano Sala Tenna	**-**	**-**	-	-
Ben Laird	**-**	**-**	-	-

EARNINGS PER SHARES

	YEAR ENDED 30 JUNE 2026	YEAR ENDED 30 JUNE 2025
	CENTS	CENTS
Basic and diluted earnings per share	**12.04**	8.43
Basic earnings from continuing operations attributable to the ordinary equity holders of the company	**12.04**	8.43

The weighted average number of ordinary shares on issue used in the calculation of basic earnings per share were 31,637,828 (2025: 31,602,751).

DIRECTORS' REPORT

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 2026:

YEAR ENDED 30 JUNE 2026	CENTS PER SHARE	TOTAL PAID ($'000)
Dividends paid during 1st Quarter of the year	**0.50**	**154**
Dividends paid during 2nd Quarter of the year	**0.50**	**160**
Dividends paid during 3rd Quarter of the year	**0.50**	**159**
Dividends paid during 4th Quarter of the year	**0.50**	**158**
Total paid ($'000)		**631**

YEAR ENDED 30 JUNE 2025	CENTS PER SHARE	TOTAL PAID ($'000)
Dividends paid during 1st Quarter of the year	0.50	160
Dividends paid during 2nd Quarter of the year	0.50	159
Dividends paid during 3rd Quarter of the year	0.50	157
Dividends paid during 4th Quarter of the year	0.50	155
Total paid ($'000)		631

CORPORATE INFORMATION

The Company was incorporated on 19 September 2005. 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 Company is that of an Investment Company with an 'all opportunities' investment strategy.

EMPLOYEES

As at 30 June 2026, the Company did not have any full-time employees (2025: 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 Capital is pleased to announce the fund generated a gross investment return of 17.98% versus 2.43% for the All Ordinaries index. This represented a gross investment out-performance of +15.55% (before expenses).

The 2026 financial year will be remembered as a year of rapidly pivoting narratives. The year opened with markets fixated on the potential fallout from draconian US tariffs. But like all headlines, this quickly receded as attention rotated in turn to the AI hyperscalers, a historic surge in precious metals, the return of domestic interest rate rises, US policy risk, and ultimately the sudden eruption of war in the Middle East. Against this constantly shifting backdrop, the Company delivered one of its strongest years of relative performance in the past two decades.

INVESTMENTS FOR FUTURE PERFORMANCE

FY2027 begins with a macroeconomic landscape that has been reshaped as interest cycles across the developed world differ and inflationary pressures rise. President Trump's sudden and unpredictable actions continue unabated which creates a difficult environment for bottom up stock picking, one in which a more nimble approach is required.

Domestically, the housing market warrants close attention. Successive rate rises, combined with sudden and dramatic changes to negative gearing, have decimated auction clearance rates and sent a tremor through residential property markets.

Against this backdrop, the Company remains deliberately underweight the banking sector and overweight the resources sector as the fundamentals for a number of commodities improve. The Company sees more opportunities in the energy transition and the work to rewire the nation along with Artificial Intelligence (AI) which will continue to be a major theme in the year ahead.

The Company enters FY2027 with an elevated cash position, a highly diversified portfolio of more than 50 holdings, and a record of deploying capital decisively when opportunity is borne of volatility.

CASH FROM OPERATIONS

Net cash inflows from operations were $2,348,000 (2025: $3,103,000) during the year which reflects the Company'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 overseeing the establishment and implementation of an effective risk management system and reviewing and monitoring the Company's application of that system.

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 Company's funds and has formalised an Investment Committee that meets on a regular basis to review the Company's investments.

MATERIAL CHANGES IN STATE OF AFFAIRS

In the opinion of the directors, there were no material changes in the state of affairs of the Company that occurred during the year.

DIRECTORS' REPORT

MATERIAL CHANGES AFTER BALANCE DATE

Other than the event below, the Directors are not aware of any matter or circumstance that has materially or may materially 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 1 July 2026, the company announced a fully franked 0.5 cent per share dividend.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The 2026 financial year validated the Company's core philosophy: that disciplined, process-driven investing can deliver attractive outcomes, even in volatile environments. By avoiding momentum traps and focusing on companies with intrinsic value and strategic positioning, the Company has enjoyed one of its best years on record relative to the index.

The Company is entering FY2027 from a position of strength. Its existing portfolio is well diversified across sectors and factors, with meaningful exposure to inflation hedges, domestic resilience, and global growth proxies. The Company is focused on maintaining balance while staying true to its core process of fundamental valuation, patient capital deployment, and long-term thematic conviction.

We note that as the Company enters FY27 we are positioned with an overweight position in cash. This is a strategic decision that has been taken to act as both a cushion in market sell offs while also providing our shareholders with the flexibility required to deploy capital rapidly on an opportunistic basis given market gyrations.

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

ENVIRONMENTAL REGULATION AND PERFORMANCE

The principal activities of the Company are not subject to any material environmental regulations.

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.

SHARE OPTIONS

ISSUED SHARES

As at 30 June 2026, Katana Capital Ltd had no share options on issue.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were 1,753,638 share options exercised during the financial year to acquire fully paid ordinary shares in the Company.

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 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 Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise).

This report outlines the remuneration arrangements in place for directors of Katana Capital Limited. The Company 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 Company.

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 Company provides the Company 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 Company 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 Company depends upon the quality of its directors. To prosper, the Company 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 Company 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 Company's performance lies with the Fund Manager.

Each director receives a fee for being a director of the Company 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 2026 is detailed on page 14 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 Company 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 Company with investment management services.

(iii) Compensation of Katana Asset Management Ltd

No amount is paid by the Company directly to the directors of Katana Asset Management Ltd. Consequently, no compensation is paid by the Company 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 was 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 and on 4 March 2026. 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.

REMUNERATION REPORT (AUDITED) (CONTINUED)

REMUNERATION STRUCTURE (CONTINUED)

(iii) Compensation of Katana Asset Management Ltd *(Continued)*

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.

MANAGEMENT AND PERFORMANCE FEES

Total management and performance fees paid and accrued by the Company to Katana Asset Management Ltd for the year ended 30 June 2026 was $1,509,963 (30 June 2025: $498,663) as follows:

(i) Management fee

The Fund Manager receives a monthly management fee equal to 0.08333% (2025: 0.08333%) of the Portfolio value calculated at the end of each month. The fee for 2026 was $494,704 (2025: was $402,060). 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% (2025: 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 $1,015,260 for the financial year ended 30 June 2026 (2025: $96,603).

COMPANY PERFORMANCE

The profit/(loss) after tax for the Company from 2022 is as follows:

	2026	2025	2024	2023	2022
Profit/(loss) after tax expense $'000	**$3,808**	$2,665	$2,114	$4,293	$(282)
Earnings/(loss) per share – cents	**12.04**	8.43	6.39	12.70	(0.81)
Share Price 30 June	**1.40**	1.22	1.21	1.12	1.13

REMUNERATION REPORT (AUDITED) (CONTINUED)

REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL OF THE COMPANY

2026	SHORT-TERM EMPLOYEE BENEFITS	POST- EMPLOYMENT BENEFITS	TOTAL
	SALARY AND FEES	SUPERANNUATION	
NAME	$	$	$
Non-executive directors			
Dalton Gooding	**70,000**	**8,400**	**78,400**
Giuliano Sala Tenna	**40,000**	**4,800**	**44,800**
Ben Laird	**40,000**	**4,800**	**44,800**
Total non-executive directors & KMP	**150,000**	**18,000**	**168,000**

2025	SHORT-TERM EMPLOYEE BENEFITS	POST- EMPLOYMENT BENEFITS	TOTAL
	SALARY AND FEES	SUPERANNUATION	
NAME	$	$	$
Non-executive directors			
Dalton Gooding	70,000	8,050	78,050
Giuliano Sala Tenna	40,000	4,600	44,600
Ben Laird	40,000	4,600	44,600
Total non-executive directors & KMP	150,000	17,250	167,250

EQUITY INSTRUMENT DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

(i) Option holdings

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

- Mr Dalton Gooding – nil (2025: 98,291)
- Mr Giuliano Sala Tenna – nil (2025: nil)
- Mr Ben Laird – nil (2025: 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 Company, 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 that those the Company would have adopted if dealing at arm's length.

2026	BALANCE AT THE START OF THE YEAR	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
NAME		(PURCHASES/DISPOSALS)	
Directors of Katana Capital Limited			
Ordinary Shares			
Dalton Gooding	**100,340**	**1,521**	**101,861**
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 (2025: $41,140) for tax services provided.

END OF REMUNERATION REPORT (AUDITED)

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 Company 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.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company agreed to indemnify its auditors, BDO Audit 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.

AUDITOR INDEPENDENCE

The Directors have obtained an independence declaration from the Company's auditors, BDO Audit Pty Ltd, as presented on page 16 of this Annual report.

NON-AUDIT SERVICES

No non-audit services were provided by our auditors, BDO Audit Pty Ltd during the year ended 30 June 2026. The directors are satisfied that the provision of non-audit service is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

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

Dalton Gooding
CHAIRMAN

Perth, Western Australia

23 September 2026

AUDITOR'S INDEPENDENCE DECLARATION

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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 2026, 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.

Glyn O'Brien

Director

BDO Audit Pty Ltd

Perth

23 September 2026

FINANCIAL STATEMENTS

STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME

	NOTE	YEAR ENDED 30 JUNE 2026 $'000	YEAR ENDED 30 JUNE 2025 $'000
Revenue			
Dividends		**1,016**	977
Interest		**18**	16
Investment income	3	**6,964**	3,645
Total net investment income		**7,998**	4,638
Expenses			
Management fees		**(495)**	(402)
Custody and administration fees		**(102)**	(97)
Insurance fees		**(47)**	(52)
Other expenses		**(292)**	(224)
Listing and registry costs		**(80)**	(79)
Legal, accounting and professional costs		**(196)**	(185)
Performance fees		**(1,015)**	(97)
Directors' remuneration expense		**(175)**	(173)
Profit before income tax expense		**5,596**	3,329
Income tax expense	4	**(1,788)**	(664)
Profit for the year attributable to shareholders of the Company		**3,808**	2,665
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year attributable to shareholders of the Company		**3,808**	2,665
Basic and diluted earnings per share (cents per share)	17	**12.04**	8.43

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

AS AT 30 JUNE 2026

STATEMENT OF FINANCIAL POSITION

	NOTE	AS AT 30 JUNE 2026 $'000	AS AT 30 JUNE 2025 $'000
ASSETS			
Current assets			
Cash and cash equivalents	5	**5,447**	2,714
Receivables		**150**	513
Financial assets at FVPL	6	**45,052**	40,957
Total current assets		**50,649**	44,184
Non-current assets		**-**	-
Total non-current assets		**50,649**	44,184
Total assets			
LIABILITIES			
Current liabilities			
Income Tax Payable		**(1,237)**	-
Payables	8	**(1,327)**	(843)
Total current liabilities		**(2,564)**	(843)
Non-current liabilities			
Deferred tax liabilities	9	**(2,018)**	(1,467)
Total non-current liabilities		**(2,018)**	(1,467)
Total liabilities		**(4,582)**	(2,310)
Net assets		**46,067**	41,874
Equity			
Issued capital	10	**32,687**	31,671
Reserves	11	**13,380**	10,203
Total equity		**46,067**	41,874

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

FOR THE YEAR ENDED 30 JUNE 2026

STATEMENT OF CHANGES IN EQUITY

	ISSUED CAPITAL $'000	PROFITS RESERVE $'000	ACCUMULATED PROFITS $'000	TOTAL EQUITY $'000
Balance at 30 June 2025	**31,671**	**10,203**	**-**	**41,874**
Profit for the Year	**-**	**-**	**3,808**	**3,808**
Transfer to Profits	**-**	**3,808**	**(3,808)**	**-**
Dividends paid	**-**	**(631)**	**-**	**(631)**
Share options exercised	**2,192**	**-**	**-**	**2,192**
Buy-back of shares	**(1,176)**	**-**	**-**	**(1,176)**
Balance at 30 June 2026	**32,687**	**13,380**	**-**	**46,067**

	ISSUED CAPITAL $'000	PROFITS RESERVE $'000	ACCUMULATED PROFITS $'000	TOTAL EQUITY $'000
Balance at 30 June 2024	33,093	8,169	-	41,262
Profit for the Year	-	-	2,665	2,665
Transfer to Profits Reserve	-	2,665	(2,665)	-
Dividends paid	-	(631)	-	(631)
Share options exercised	1	-	-	1
Buy-back of shares	(1,423)	-	-	(1,423)
Balance at 30 June 2025	31,671	10,203	-	41,874

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

FOR THE YEAR ENDED 30 JUNE 2026

STATEMENT OF CASH FLOW

	NOTES	YEAR ENDED 30 JUNE 2026 $'000	YEAR ENDED 30 JUNE 2025 $'000
Cash flows from operating activities			
Payments for purchases of financial assets		**(54,318)**	(37,203)
Proceeds on sale of financial assets		**57,155**	40,199
Payments to suppliers and employees		**(1,579)**	(924)
Dividends and distributions received		**1,090**	855
Tax paid		**-**	176
Net cash provided/(used in) by operating activities	14	**2,348**	3,103
Cash flows from financing activities			
Payments for buyback of shares		**(1,176)**	(1,423)
Dividends paid		**(631)**	(631)
Share options exercised		**2,192**	1
Net cash used in financing activities		**385**	(2,053)
Net increase in cash and cash equivalents		**2,733**	1,050
Cash and cash equivalents at the beginning of the year		**2,714**	1,664
Cash and cash equivalents at end of the year	5	**5,447**	2,714

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

NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

The financial report of Katana Capital Limited (the "Company") for the year ended 30 June 2026 was authorised for issue in accordance with a resolution of the directors on 23 September 2026.

The Company was incorporated on 19 September 2005.

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 is a for-profit entity.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

A / 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.

The financial report is presented in Australian dollars.

B / STATEMENT OF COMPLIANCE

The financial report complies with Australian Accounting Standards and IFRS Accounting Standards as issued by the International Accounting Standards Board.

Accounting standards and interpretations issued but not yet effective

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

C / INVESTMENTS AND OTHER FINANCIAL ASSETS

Financial assets are classified as either amortised cost or fair value depending on the Company'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 Company 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.

The company classifies the following financial assets at fair value through profit or loss (FVPL):

- ebt investments that do not qualify for measurement at either amortised cost or FVOCI.
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

D / 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.

E / 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 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 Company 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.

F / 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.

G / 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 Company 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.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

H / 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.

I / DERIVATIVE FINANCIAL INSTRUMENTS

The Company 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.

J / 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.

K / PENSION BENEFITS

Defined contribution plan

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

L / 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.

M / 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 15(h).

3 INVESTMENT INCOME

	YEAR ENDED 30 JUNE 2026 $'000	YEAR ENDED 30 JUNE 2025 $'000
Realised gains on financial assets at fair value through profit or loss	**5,608**	3,387
Unrealised gains on financial assets at fair value through profit or loss	**1,356**	258
Total income	**6,964**	3,645

4 INCOME TAX EXPENSE

A / INCOME TAX EXPENSE

	YEAR ENDED 30 JUNE 2026 $'000	YEAR ENDED 30 JUNE 2025 $'000
Total income tax (benefit)/expense results in a:		
Current tax expense	**1,237**	934
Change in deferred tax liability	**435**	-
Change in deferred tax asset	**116**	(270)
	1,788	664

B / RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE

	YEAR ENDED 30 JUNE 2026 $'000	YEAR ENDED 30 JUNE 2025 $'000
Profit from continuing operations before income tax	**5,442**	3,329
Prima facie income tax expense calculated at 30% (2025: 25%)	**1,678**	832
Less the tax effect of:		
Imputation credit gross up	**79**	52
Franking credit offset	**(262)**	(207)
Adjustment for current tax for prior periods	**293**	(13)
	1,788	664

C / INCOME TAX RECEIVABLE/(PAYABLE)

	AS AT 30 JUNE 2026 $'000	AS AT 30 JUNE 2025 $'000
Balance at 1 July	**-**	176
Current tax expense	**1,237**	-
Payments made during the year	**-**	(176)
	1,237	-

5 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Cash at bank	**5,447**	2,714

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

	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Investment in listed equities	**43,600**	40,179
Investment in listed unit trusts	**1,452**	778
Total financial assets at fair value through profit or loss	**45,052**	40,957

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 15(h).

7 NON-CURRENT ASSETS - DEFERRED TAX ASSETS

	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Investments and unsettled shares	**42**	135
Provisions	**357**	63
Other	**2**	320
Set-off of deferred tax liabilities pursuant to set-off provisions (Note 9)	**(401)**	(518)
Net deferred tax assets	**-**	-

8 CURRENT LIABILITIES - PAYABLES

	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Trades payable	**139**	540
Management fees	**138**	115
Performance fee payable	**1,010**	96
Other payables	**40**	92
	1,327	843

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 2026 $'000	30 JUNE 2025 $'000
The balance comprises temporary differences attributable to:		
Investments and unsettled shares	**2,385**	1,937
Dividends receivable	**35**	48
Set-off of deferred tax liabilities pursuant to set-off provisions (Note 7)	**(401)**	(518)
	2,019	1,467

10 ISSUED CAPITAL

	30 JUNE 2026		30 JUNE 2025	
	NO. OF SHARES	$'000	NO. OF SHARES	$'000
Issued and paid up capital – Ordinary shares	**31,579,612**	**32,687**	30,730,341	31,671

A / MOVEMENTS IN ORDINARY SHARE CAPITAL

DETAILS	NO. OF SHARES	$'000
Opening balance 1 July 2024	31,907,411	33,093
Shares bought back from shareholders	(1,427,591)	(1,727)
Net of Dividend Re-investment Plan	250,021	304
Exercise of options – proceeds received	500	1
Closing balance 30 June 2025	30,730,341	31,671
Opening balance 1 July 2025	**30,730,341**	**31,671**
Shares bought back from shareholders	**(1,145,188)**	**(1,496)**
Net of Dividend Re-investment Plan	**240,821**	**320**
Exercise of options – proceeds received	**1,753,638**	**2,192**
Closing Balance 30 June 2026	**31,579,612**	**32,687**

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

During the period from 1 July 2025 to 30 June 2026, 904,367 (2025: 1,177,570) shares were bought back on market and were subsequently cancelled. In addition, 1,753,638 share options were exercised during 2026 (2025: 500). The shares were acquired at an average price of $1.30 (2025: $1.21) with the price ranging from $1.22 to $1.375 (2025: $1.17 to $1.235) 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 no 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 Company defines its capital as the total funds under management, being $46,067,000 at 30 June 2026 (30 June 2025: $41,874,000), 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 Limited holds regular Investment Committee meetings to assess the equity portfolio.

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 2026 $'000	30 JUNE 2025 $'000
Opening balance	**10,203**	8,169
Transfer from retained earnings	**3,808**	2,665
Dividends paid	**(631)**	(631)
Balance at the end of the year	**13,380**	10,203

B / ACCUMULATED PROFITS

	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Balance at the beginning of the year	**-**	-
Transfer to accumulated profits	**(3,808)**	(2,665)
Profits for the period	**3,808**	2,665
Balance at the end of the year	**-**	-

12 KEY MANAGEMENT PERSONNEL DISCLOSURES

A / KEY MANAGEMENT PERSONNEL COMPENSATION

	30 JUNE 2026 $	30 JUNE 2025 $
Short-term employee benefits	**-**	-
Director fees	**150,000**	150,000
Post-employment benefits	**18,000**	17,250
	168,000	167,250

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 was a partner of Gooding Partners Chartered Accounting firm and as part of providing taxation advisory services, Gooding Partners received $38,940 (2025: $41,140) for tax services provided.

Other Key management services – Katana Asset Management Ltd:

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

Katana Capital incurred management fees of $494,704 to the Fund Manager for management services provided during the year (2025: $464,980). There was performance fee of $1,015,260 due to the Fund Manager for the year (2025: $96,027). The Fund Manager and its directors have the following shareholdings:

2026	NAME	BALANCE AT THE START OF THE YEAR	CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
	Brad Shallard	**5,075,081**	**74,165**	**5,149,246**
	Romano Sala Tenna	**5,957,143**	**(672,810)**	**5,284,333**

2025	NAME	BALANCE AT THE START OF THE YEAR	CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
	Brad Shallard	5,003,493	71,588	5,075,081
	Romano Sala Tenna	5,899,870	57,273	5,957,143

Wholly owned company transactions

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

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

	YEAR ENDED 30 JUNE 2026 $'000	YEAR ENDED 30 JUNE 2025 $'000
Profit/(loss) for the year attributable to shareholders after tax	**3,808**	2,665
Adjustments for:		
Increase/(decrease) in trade and other receivables	**363**	(289)
Change in financial assets held for trading	**(4,095)**	(673)
Increase in trade and other payables	**484**	560
Increase in deferred tax liabilities	**551**	664
Increase in current tax liabilities	**1,237**	176
Net cash provided by operating activities	**2,348**	3,103

15 FINANCIAL RISK MANAGEMENT

The Company'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 Company'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 Company 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 Company 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 Company a portfolio of 20 to 60 companies, with an emphasis towards holding a larger number of smaller positions. Under the current Mandate, the Company'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 Company 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 Company. 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.

D / MARKET RISK

Market risk is the risk that changes in foreign exchange rates, interest rates and prices will affect the Company 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 Company is exposed to equity securities, convertible notes and derivative securities price risk. This arises from investments held by the Company 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 32 summarises the impact of an increase/decrease in the Australian Securities Exchange All Ordinaries Index on the Company's net assets attributable to shareholders at 30 June 2026. The analysis is based on the assumptions that the index increased/decreased by 10% (2025: 10%) with all other variables held constant and that the fair value of the Company'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 $45,052,000 (2025: $40,957,000) that represented the maximum exposure as at reporting date.

15 FINANCIAL RISK MANAGEMENT (CONTINUED)

D / MARKET RISK (CONTINUED)

(ii) Foreign exchange risk

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

(iii) Interest rate risk

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

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

	WEIGHTED AVERAGE INTEREST RATE	30 JUNE 2026	30 JUNE 2025
	(%P.A.)	$'000	$'000
Financial Assets			
Cash and short term deposits – floating	0.95%	**5,447**	2,714

The table above summarises the impact of an increase/decrease of interest rates on the Company'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 (2025: +/- 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.

E / SUMMARISED SENSITIVITY ANALYSIS

The following table summarises the sensitivity of the Company'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 Company 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 Company 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	
30 June 2026	**(4,505)**	**4,505**	**-**	**-**
30 June 2025	(4,096)	4,096	-	-

INTEREST RATE RISK

	"-50BPS"	"+50BPS"	"-50BPS"	"+50BPS"
	IMPACT ON OPERATING PROFIT		IMPACT ON OTHER COMPREHENSIVE INCOME	
30 June 2026	**(27)**	**27**	**-**	**-**
30 June 2025	(14)	14	-	-

15 FINANCIAL RISK MANAGEMENT (CONTINUED)

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 2026 the Company does not hold any debt securities (30 June 2025: nil).

The Company 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 2026 the Company held no Exchange Traded Options (30 June 2025: nil).

Compliance with the Company'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 Company will encounter difficulty in raising funds to meet commitments associated with financial instruments.

To control liquidity, the Company invests in financial instruments which under normal market conditions are readily convertible to cash. The Company held no derivatives (ETO's), as at 30 June 2026 (30 June 2025: $nil).

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

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 Company 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 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 Company 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.

15 FINANCIAL RISK MANAGEMENT (CONTINUED)

H / FAIR VALUE MEASUREMENTS (CONTINUED)

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

30 JUNE 2026	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	$'000	$'000	$'000	$'000
Financial assets				
Investment in listed equities	**43,600**	**-**	**-**	**43,600**
Investment in unit trusts	**1,452**	**-**	**-**	**1,452**
Total financial assets designated at fair value through profit or loss	**45,052**	**-**	**-**	**45,052**

30 JUNE 2025	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	$'000	$'000	$'000	$'000
Financial assets				
Investment in listed equities	40,179	-	-	40,179
Investment in unit trusts	778	-	-	778
Total financial assets designated at fair value through profit or loss	40,957	-	-	40,957

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 Company 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 2026 (2025: 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 Company is organised into one main operating segment, which invests in equity securities, debt instruments, and related derivatives. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating disclosures are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

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

The Company 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 2026	YEAR ENDED 30 JUNE 2025
	CENTS	CENTS
Basic and diluted earnings per share	**12.04**	8.43

B / RECONCILIATION OF EARNINGS USED IN CALCULATING EARNINGS PER SHARE

	YEAR ENDED 30 JUNE 2026	YEAR ENDED 30 JUNE 2025
	$'000	$'000
Profit from continuing operations	**3,808**	2,665
Profit attributable to the ordinary equity holders of the Company used in the calculation of basic and diluted earnings per share	**3,808**	2,665

C / WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

	YEAR ENDED 30 JUNE 2026	YEAR ENDED 30 JUNE 2025
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**31,637,828**	31,602,751
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**31,637,828**	31,602,751

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 event below, the directors are not aware of any matter or circumstance that has materially or may materially 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 1 July 2026, the company announced a fully franked 0.5 cent per share dividend.

19 REMUNERATION OF AUDITORS

A / AUDIT SERVICES

	YEAR ENDED 30 JUNE 2026	YEAR ENDED 30 JUNE 2025
	$	$
BDO Audit Pty Ltd		
Audit and review of financial reports	**52,000**	48,000
Other services		
Agreed upon procedures	**7,000**	6,000
Total services	**59,000**	54,000

NOTES TO THE FINANCIAL STATEMENTS

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 2026:

YEAR ENDED 30 JUNE 2026	CENTS PER SHARE	TOTAL PAID ($'000)
Dividends paid during 1st Quarter of the year	**0.50**	**154**
Dividends paid during 2nd Quarter of the year	**0.50**	**160**
Dividends paid during 3rd Quarter of the year	**0.50**	**159**
Dividends paid during 4th Quarter of the year	**0.50**	**158**
Total paid ($'000)		**631**

YEAR ENDED 30 JUNE 2025	CENTS PER SHARE	TOTAL PAID ($'000)
Dividends paid during 1st Quarter of the year	0.50	160
Dividends paid during 2nd Quarter of the year	0.50	159
Dividends paid during 3rd Quarter of the year	0.50	157
Dividends paid during 4th Quarter of the year	0.50	155
Total paid ($'000)		631

	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Franking credits available for subsequent financial years based on tax rate of 30% (2025: 30%)	**5,268**	3,978

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

(a) franking credits that will arise from the payment of the amount of the current tax liability;

(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;

(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and

(d) franking credits that may be prevented from being distributed in subsequent financial years.

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

21 COMMITMENTS AND CONTINGENCIES

There are no outstanding contingent liabilities or commitments as at 30 June 2026 (30 June 2025: nil).

30 JUNE 2026

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

PUBLIC COMPANY IS AN INVESTMENT ENTITY

Katana Capital Limited does not have any controlled entities and is therefore not required by the Australian Accounting Standards to prepare consolidated financial statements. Therefore, section 295(3A) of the Corporations Act 2001 does not apply to the entity. Katana Capital Limited is incorporated in Australia and is a tax resident of Australia.

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 company set out on pages 18 to 36 are in accordance with the *Corporations Act 2001*, including

   (i) Giving a true and fair view of the financial position as at 30 June 2026 and of its performance for the year ended on that date of the company.

   (ii) Complying with Accounting Standard, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(b) the financial statements and notes also comply with IFRS Accounting 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) the consolidated entity disclosure statement on page 37 is true and correct.

(e) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group will be able to meet any liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

The directors have been given the declarations by the chairman and company secretary required by section 295A of the Corporations Act 2011 for the financial year ended 30 June 2026.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Board Katana Capital Limited

Dalton Gooding
CHAIRMAN

Perth, Western Australia

23 September 2026

AUDITOR'S INDEPENDENCE REPORT

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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), which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

(i) Giving a true and fair view of the Company's financial position as at 30 June 2026 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 Company 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

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

Key audit matter	*How the matter was addressed in our audit*
As disclosed in note 6 and 15 of the financial report, as at 30 June 2026, the carrying value of financial assets recognised at fair value through profit or loss represents a significant asset of the Company. The financial asset held largely consists of listed securities. This is a key audit matter due to the volume of transactions and size of the financial asset balance at reporting date.	Our procedures included, but were not limited to the following: • Obtaining the listing of financial assets including movements for the financial year ended 30 June 2026 and performing the following procedures: • Understanding and documenting processes and controls used by the company in the management of and accounting for financial assets, including pricing used for valuing the financial assets; • Reviewing the Independent Services Auditor's Assurance Report on the Description of Controls over Investments Fund Administration Services and their design and operating effectiveness of Unity Fund Services Pty Ltd, the service organisation to the Company; • Verifying movements of acquisitions and disposals of financial assets on a sample basis to investment reports; • Confirming the existence and valuation of investments through testing investment movements and balances within investment reports; • Assessing the fair value of financial assets on a sample basis against market values of shares obtained from publicly available information; • Assessing the calculations of movements in fair value of the financial assets held at 30 June 2026; and • Assessing the adequacy of the related disclosures in note 6 and 15 to the financial report.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Company's annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 on the other information obtained prior to the date of this auditor's report, 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:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability 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 Company 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/ar2_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 on pages 11 to 14 of the directors' report for the year ended 30 June 2026.

AUDITOR'S INDEPENDENCE REPORT

In our opinion, the Remuneration Report of Katana Capital Limited, for the year ended 30 June 2026, 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 Pty Ltd

BDO

Glyn O'Brien

Director

Perth, 23 September 2026

ADDITIONAL ASX INFORMATION

NET TANGIBLE ASSETS PER SECURITY

	30 JUNE 2026	30 JUNE 2025
Net tangible asset backing per ordinary security (after tax and provision)	**$1.4560**	$1.3626

ORDINARY FULLY PAID SHARES - AS AT 24 AUGUST 2026

RANGE	TOTAL HOLDERS	UNITS	% UNITS
1-1,000	99	22,079	0.07
1,001-5,000	28	86,776	0.27
5,001-10,000	25	204,561	0.65
10,001-100,000	70	2,417,624	7.66
100,001 and over	49	28,847,128	91.35
Total	**271**	**31,578,168**	**100.00**

UNMARKETABLE PARCELS

	MINIMUM PARCEL SIZE	HOLDERS	UNITS
Minimum $500.00 parcel at $1.3750 per unit	364	69	2,530

TOP 20 SHAREHOLDERS - AS AT 24 AUGUST 2026

	UNITS	% OF UNITS
JOVE PTY LTD	2,949,796	9.34
KATANA ASSET MANAGEMENT LTD	2,548,978	8.07
WONDER HOLDINGS PTY LTD	2,518,139	7.97
BS CAPITAL PTY LTD	1,756,139	5.56
MR ROMANO SALA TENNA + MRS LINDA SALA TENNA <THE SALA TENNA SUPER A/C>	1,726,369	5.47
MR BRAD JOHN SHALLARD + MRS LISA MAREE DUPEROUZEL <THE SHALLARD SUPER FUND A/C>	1,522,420	4.82
AUXILIUM CAPITAL PTY LTD <ST FAMILY A/C>	1,366,704	4.33
MR MARK JOHN BAHEN + MRS MARGARET PATRICIA BAHEN <SUPERANNUATION ACCOUNT>	1,000,000	3.17
MRS LINDA SALA TENNA	973,552	3.08
AUXILIUM AETERNUM LTD	893,360	2.83
COLLORI PTY LTD <ELLSEE INVESTMENT A/C>	822,801	2.61
CITICORP NOMINEES PTY LIMITED	761,632	2.41
BS CAPITAL PTY LTD <THE SHALLARD FAMILY A/C>	685,724	2.17
BLU BONE PTY LTD	650,000	2.06
MR PETER DAVID WADE <WADE FAMILY A/C>	608,810	1.93
MRS ELSIE DA SILVA	530,706	1.68
WFF PTY LTD <WHEATLEY FAMILY FNDN A/C>	473,288	1.50
TEFT HOLDINGS PTY LTD <TIA ELLISON FAMILY A/C>	390,269	1.24
BOTSIS HOLDINGS PTY LTD	377,000	1.19
HAMMERHEAD HOLDINGS PTY LTD <HHH S/F A/C>	360,491	1.14
Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)	**22,916,178**	**72.57**

SUBSTANTIAL SHAREHOLDERS - AS AT 24 AUGUST 2026

	SHARES	% OF SHARES
Brad Shallard	5,149,246	16.31
Romano Sala Tenna	5,248,333	16.73

ADDITIONAL ASX REPORTING

LIST OF INVESTMENTS HELD AS AT 30 JUNE 2026

Katana Investment Portfolio

ALS ORD
AMCOR ORD
AMP ORD
AUSTBROKERS HOLDINGS ORD
AUSTIN ENGINEERING ORD
BAPCOR ORD
BETASHARES GLOBAL URANIUM ETF
BHP GROUP ORD
CAPRICORN METAL ORD
CAPSTONE COPPER CORP CDI
CARSALES.COM LIM ORD
CATALYST METALS ORD
CENTURIA OFFICE REIT
CHALICE GOLD MINES ORD
CHALLENGER ORD
CIVMEC ORD
CLEANAWAY WASTE MANAGEMENT ORD
CORPORATE TRAVEL MANAGEMENT ORD
CSL ORD
CUSCAL ORD
CYGNUS METALS ORD
DICKER DATA ORD
DIMERIX ORD
DOMINO'S PIZZA ENTERPRISES ORD
ELECTRO OPTIC SYSTEMS HOLDINGS ORD
FORRESTANIA RESOURCES ORD
GEMLIFE COMMUNITIES GROUP UNT (GLF.AX)
GENERATION DEVELOPMENT GROUP ORD
GENESIS MINERALS ORD
GENUSPLUS GROUP ORD
GOODMAN GROUP UNT
HMC CAPITAL ORD
IDP EDUCATION ORD
IPH ORD
JUDO CAPITAL HOLDINGS ORD
LIFE360 INC. CDI
LOVISA HOLDINGS ORD
MACH7 TECHNOLOGIES ORD
MACQUARIE GROUP ORD
MAGELLAN FINANCIAL GROUP ORD
METRO MINING ORD
MINERAL RESOURCES ORD
NEXGEN ENERGY (CANADA) CDI
NORTHERN STAR RESOURCES ORD
PALADIN ENERGY ORD
PEPPER MONEY ORD
PERPETUAL ORD
REGAL PARTNERS ORD
RESMED CDI
SANTANA MINERALS ORD
SGH ORD
SRG GLOBAL ORD
STOCKLAND UNT
TABCORP HOLDINGS ORD
TECHNOLOGY ONE ORD
TYRO PAYMENTS ORD
VAULT MINERALS ORD
WESFARMERS ORD
WEST AFRICAN RESOURCES ORD
WISETECH GLOBAL ORD
WORLEYPARSONS ORD
GDI PROPERTY GROUP UNT
HEALTHCO HEALTHCARE AND WELLNESS UNT

TOTAL NUMBER OF TRANSACTIONS DURING THE REPORT PERIOD

Total number of transactions during the 12 months to 30 June 2026 was 445 with brokerage fees of $233,545.

TOTAL MANAGEMENT FEES PAID OR ACCRUED AND SUMMARY OF AGREEMENT

Please refer to disclosure made in Remuneration Report.

CORPORATE GOVERNANCE STATEMENT

Please refer to **www.katanaasset.com**

KATANA
CAPITAL LIMITED

www.katanaasset.com