

NAOS SMALL CAP
OPPORTUNITIES
COMPANY LIMITED
(ASX: NSC)

ABN 47 107 617 381

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NAOS Small Cap Opportunities Company Limited

ASX Code NSC

ACN 107 617 381

Appendix 4E

Results Announcement for the year ended 30 June 2025

All comparisons are to the year ended 30 June 2024

	\$'000	up/down	% change
Revenue from ordinary activities	(5,634)	up	81%
Loss from ordinary activities before tax attributable to shareholders	(9,539)	up	72%
Loss from ordinary activities after tax attributable to shareholders	(9,071)	up	63%
The percentage changes presented above reflect the reduction in losses compared to the Financial Year 2024.			
Dividend Information	Cents per share	Level of franking	Tax rate for franking
2025 Final quarterly dividend	1.25	0%	0%
2025 Third quarterly interim dividend	1.25	0%	0%
2025 Second quarterly interim dividend	1.25	100%	25%
2025 First quarterly interim dividend	1.25	100%	25%
2025 Final Quarterly Dividend Dates			
Ex-dividend date		10 September 2025	
Record date		11 September 2025	
Last date for DRP election		12 September 2025	
Payment date		30 September 2025	
Dividend Reinvestment Plan			
The Dividend Reinvestment Plan is in operation and the recommended unfranked 2025 final quarterly dividend of 1.25 cents per share qualifies. The plan will be in effect per the latest dividend reinvestment rules.			
	30 June 2025	30 June 2024	
	\$	\$	
(Post Tax) Net tangible asset backing	0.47	0.59	
This report is based on the annual report which has been subject to an independent audit by the auditors, Deloitte Touche Tohmatsu Australia. The audit report is included with the Company's Annual Report, which accompanies this Appendix 4E. All the documents comprise the information required by Listing Rule 4.3A.			

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NAOS SMALL CAP OPPORTUNITIES
COMPANY LIMITED

ANNUAL REPORT 2025

ACN 107 617 381

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Acknowledgement of Country

We acknowledge the Traditional Owners of Country throughout Australia and recognise their continuing connection to lands, waters and communities. We pay our respects to Aboriginal and Torres Strait Islander cultures; and to Elders past and present.

Key Dates

2025 Annual General Meeting

Tuesday 11 November 2025

NAOS Small Cap Opportunities Company Limited advises that its Annual General Meeting (AGM) will be held at 9.45 am (AEDT) on Tuesday, 11 November 2025, at Castlereagh Room 1, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney NSW 2000.

Further details relating to the AGM will be advised in the Notice of Meeting to be sent to all shareholders and released to the ASX immediately after dispatch.

In accordance with the ASX Listing Rules, valid nominations for the position of Director are required to be lodged at the registered office of the Company no later than 5.00 pm (AEST) on 16 September 2025.



FY25 Final Quarterly Dividend Dates

Ex-Dividend Date

Wednesday 10 September 2025

Record Date

Thursday 11 September 2025

Last Date for DRP Election

Friday 12 September 2025

Payment Date

Tuesday 30 September 2025



NAOS Investor Roadshow

The NAOS Investor Roadshow will be coming to a city near you this October. Join us as the investment team discusses its investment philosophy and process, and provides an outlook on the market. We will also highlight a selection of stocks that are held within our Listed Investment Companies (LICs).

We invite you to come along with a guest, meet us in person, and understand more about NAOS Asset Management (NAOS) and our LICs. Register today to secure your seat.

Adelaide

The Playford Adelaide
120 North Terrace, Adelaide SA 5000

Thursday 9 October

10.30 am–12.00 pm

Perth

InterContinental Perth City Centre
815 Hay Street, Perth WA 6000

Thursday 16 October

10.30 am–12.00 pm

Brisbane

Sofitel Brisbane Central
249 Turbot Street, Brisbane QLD 4000

Tuesday 21 October

10.30 am–12.00 pm

Melbourne

Hilton Melbourne Little Queen Street
18 Little Queen Street Melbourne VIC 3000

Tuesday 28 October

10.30 am–12.00 pm

Sydney

Australian Museum
1 William Street, Sydney NSW 2010

Thursday 30 October

10.30 am–12.00 pm

Visit naos.com.au/events for more information.

NAOS Small Cap Opportunities Company Limited

NAOS Small Cap Opportunities Company Limited (ASX: NSC) seeks to provide long-term concentrated exposure to Australian and New Zealand emerging companies while providing a sustainable stream of dividends franked to the maximum extent possible, and long-term investment performance above the Benchmark Index, being the S&P/ASX Small Ordinaries Accumulation Index (XSOAI).

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Key Metrics as at 30 June 2025

Pre-Tax Net Tangible Assets per Share

\$0.38

Post-Tax Net Tangible Assets per Share

\$0.47

FY25 Dividend (cents per share)

5.0 cents

Dividend Yield

17.86%

Share Price

\$0.28

Shares on Issue

132,908,184

Directors' Shareholding (number of shares)

3,201,684

Profits Reserve (cents per share)

7.5 cents

Investment Portfolio Performance as at 30 June 2025

	NSC Investment Portfolio Performance*	S&P/ASX Small Ordinaries Accumulation Index	Performance Relative to Benchmark
1 Year	-9.08%	+12.26%	-21.34%
3 Years (p.a.)	-10.41%	+10.00%	-20.41%
5 Years (p.a.)	-0.58%	+7.38%	-7.96%
Inception (p.a.)	-2.36%	+5.33%	-7.69%
Inception (Total Return)	-16.57%	+48.23%	-64.80%

*Investment Portfolio Performance is post all operating expenses before fees, interest, taxes and capital-raising costs. Returns compounded for periods greater than 12 months. Performance has not been grossed up for franking credits received by shareholders. Inception performance (p.a. and Total Return) is from 1 December 2017.

Board Of Directors



David Rickards OAM

Independent Chair

David Rickards OAM has been an Independent Director of the Company since 28 February 2018 and was elected Chair of the Company on 10 November 2022. David is also the Independent Director of NAOS Ex-50 Opportunities Company Limited (ASX: NAC). He is also Co-Founder of Social Enterprise Finance Australia Limited (Sefa) and was a director and treasurer of Bush Heritage Australia for nine years.

David has over 25 years of equity market experience, most recently as an executive director at Macquarie Group, where he was head of equities research globally, as well as equity strategy from 1989 until he retired in mid-2013. David was also a consultant for the financial analysis firm Barra International.

David holds a Master of Business Administration majoring in accounting and finance from the University of Queensland. He also has a Bachelor of Engineering (Civil Engineering) and a Bachelor of Engineering (Structural Engineering) from the University of Sydney, and a Bachelor of Science (Pure Mathematics and Geology).



Sebastian Evans

Director

Sebastian Evans has been a Director of the Company since 20 October 2017. Sebastian is also a Director of NAOS Ex-50 Opportunities Company Limited (ASX: NAC), NAOS Emerging Opportunities Company Limited (ASX: NCC) and has held the positions of Chief Investment Officer (CIO) and Managing Director of NAOS Asset Management Limited, the Investment Manager, since 2010.

Sebastian is the CIO across all investment strategies. He holds a Master of Applied Finance (MAppFin) majoring in investment management, as well as a Bachelor of Commerce majoring in finance and international business, a Graduate Diploma in Management from the Australian Graduate School of Management (AGSM) and a Diploma in Financial Services.



Sarah Williams

Independent Director

Sarah Williams was appointed as an Independent Director of the Company on 25 August 2022. Sarah is also an Independent Director and Chair of NAOS Ex-50 Opportunities Company Limited (ASX: NAC) and NAOS Emerging Opportunities Company Limited (ASX: NCC).

Sarah has over 25 years' experience in executive management, leadership, IT and risk management in the financial services and IT industries. Most recently, Sarah was an executive director at Macquarie Group and head of IT for the group's asset management, investment banking and leasing businesses. During her 18-year tenure at Macquarie Group, she also led the Risk and Regulatory Change team and the Equities IT team and developed the IT M&A capability. Sarah has also held senior roles with JP Morgan and PricewaterhouseCoopers in London.

Sarah has been a director of charitable organisations, including Cure Cancer Australia Foundation and Make A Mark Australia. Sarah holds an honours degree in engineering physics from Loughborough University.



Trevor Carroll

Independent Director

Trevor Carroll has been a Director of the Company since 27 March 2017. Trevor was formerly Australia and New Zealand CEO of Electrolux Home Products. With over 30 years' experience in consumer-focused product strategy, brand marketing, and manufacturing, Trevor's experience extends to membership of the Electrolux Global Product Council, which is responsible for product development worldwide. Following retirement as CEO, Trevor undertook a role in Shanghai, advising Electrolux China on product strategy. In recent years, Trevor has been a director of The Good Guys, Fusion Retail Brands, Big Sister Food Group, and Crane Group.

He is an emeritus member of the Australian Industry Group Board, where he was National President between 2006 and 2008.

Trevor holds a Bachelor of Commerce from Canterbury University (NZ).



Warwick Evans

Director

Warwick Evans has been a Director of the Company since 20 October 2017. Warwick is also a Director of NAOS Ex-50 Opportunities Company Limited (ASX: NAC), NAOS Emerging Opportunities Company Limited (ASX: NCC) and Chair of NAOS Asset Management Limited, the Investment Manager.

Warwick has over 35 years of equity market experience, most notably as Managing Director of Macquarie Equities (globally) from 1991 to 2001, and as an executive director for Macquarie Group. He was founding Chairman and CEO of the Newcastle Stock Exchange (NSX) and was also Chairman of the Australian Stockbrokers Association. Prior to these positions, Warwick was an executive director at County NatWest.

Warwick holds a Bachelor of Commerce majoring in economics from the University of New South Wales.



Letter from the Chair

Dear fellow shareholders,

On behalf of the Board, welcome to the Annual Report of NAOS Small Cap Opportunities Company Limited (Company) for the financial year ended 30 June 2025. We extend our appreciation to all shareholders for your continued support and warmly welcome new shareholders who joined us in FY25.

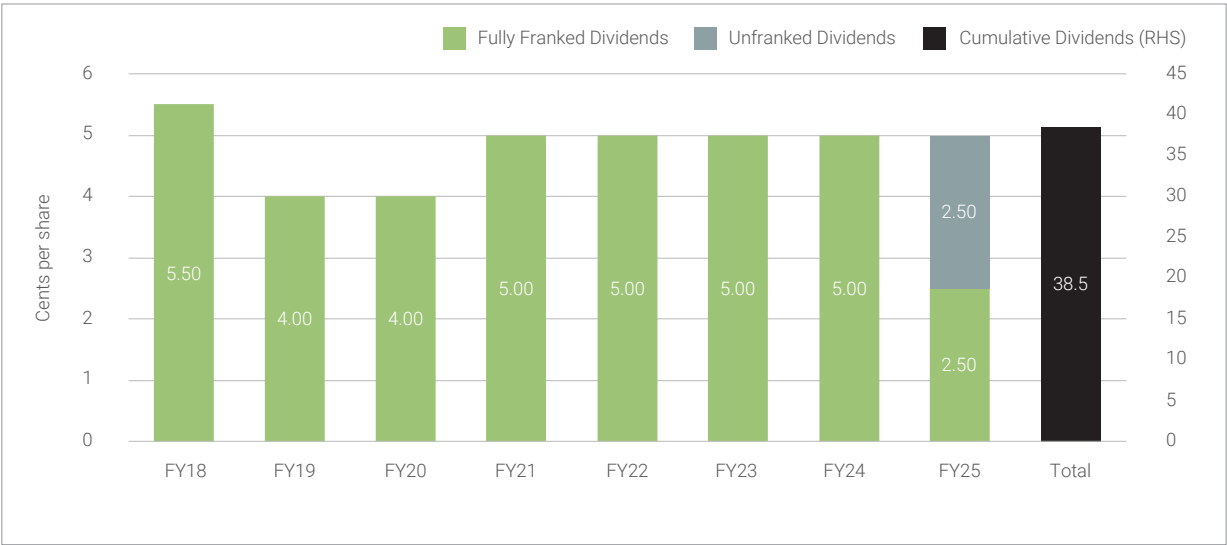
The past 12 months have been defined by a shifting economic environment, with the RBA cutting interest rates in late 2024 and early 2025 to bolster economic activity, offset by volatile commodity prices, lagging inflationary pressures and a volatile macro backdrop. What did remain constant was the continued demand for large and liquid listed businesses, which saw the continued outperformance of the largest listed businesses in Australia.

Against this backdrop, NSC delivered a -9.08% investment return for FY25, underperforming the S&P/ASX Small Ordinaries Accumulation Index return of +12.26%. While disappointing, this result was materially impacted by a one-off portfolio event in February 2025. Core holding, BSA Limited (ASX: BSA), lost a critical tender renewal from its largest customer, NBN Co., causing its share price to drop by ~90% by year-end. Encouragingly, from March to June 2025, the portfolio rebounded strongly with a cumulative return of ~+24%, reaffirming our confidence in the strength and quality of NSC's core investments.

For the financial year, the Company recorded an after-tax loss of \$9.08 million (compared to an after-tax loss of \$24.28 million in FY24). The Board has declared a final quarterly dividend of 1.25 cents per share (unfranked), bringing the full-year FY25 dividend to 5.0 cents per share (50% franked overall). This represents a yield of 17.86% based on the 30 June 2025 closing share price of \$0.28.

Since inception, the Company has declared 38.5 cents per share in dividends, or 53.57 cents on a grossed-up basis, with the majority fully franked. The profits reserve of the Company stands at 7.5 cents per share as at 30 June 2025.

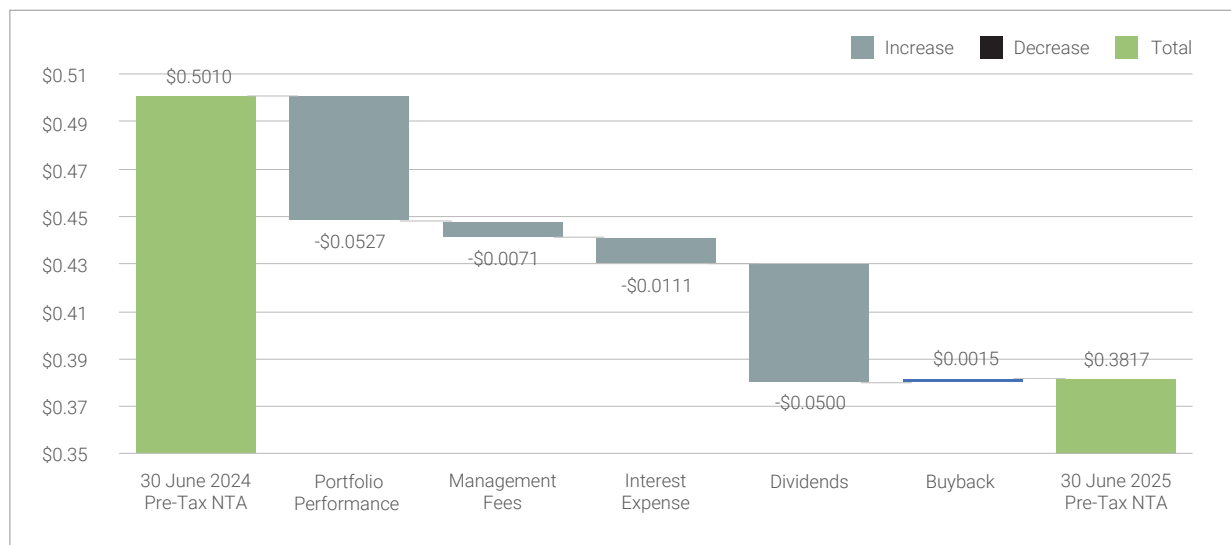
NSC Dividend History



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Through FY25, the pre-tax Net Tangible Asset backing (NTA) per share of the Company decreased from \$0.50 to \$0.38 over the financial year, as shown in the following chart.

NSC Pre-Tax NTA Performance



Throughout the year, the Board maintained a disciplined and opportunistic capital management strategy focused on enhancing long-term shareholder value. Key initiatives included:

- **No Dilutionary Share Issues** – When shares are trading at a discount to NTA, the Company acquires DRP shares on-market, eliminating dilution and preserving NTA integrity.
- **Dividends** – The Company continues to focus on delivering a sustainable stream of dividends, franked to the maximum extent possible, while maintaining an adequate profit reserve balance and funds available to reinvest into investment opportunities that could add significant long-term value for shareholders.
- **On-Market Buyback** – 2.07 million shares were acquired and cancelled, enhancing shareholder value by buying significantly below pre-tax NTA. NSC has acquired and cancelled 36.32 million shares since inception.

Despite the challenging year for NSC, as we enter FY26, the Board strongly believes that the NSC investee companies will continue to re-rate to fair value as they have started to do so since March of this calendar year. Importantly, alignment between shareholders, the Board, and the Investment Manager continues to deepen, with Directors and the NAOS staff now holding 3.2 million NSC shares.

On behalf of the Board, thank you once again for your ongoing trust and support.

Kind Regards,

David Rickards OAM

Independent Chair

21 August 2025



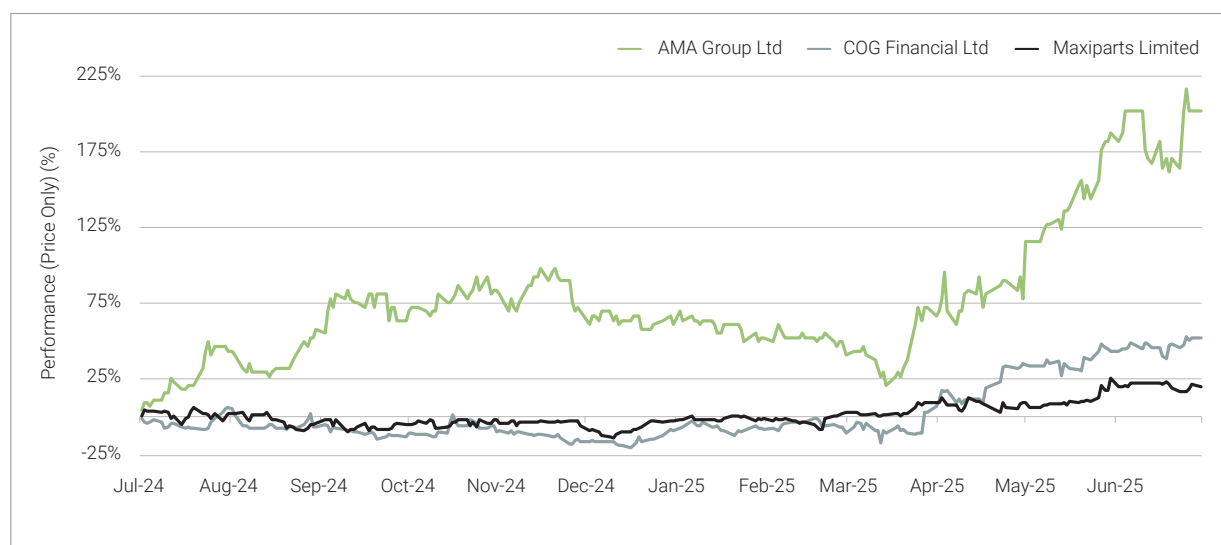
Investment Manager's Report

Dear fellow shareholders,

For the financial year ending 30 June 2025 (FY25), the NSC Investment Portfolio decreased by -9.08% compared to the Benchmark S&P/ASX Small Ordinaries Accumulation Index (XSOAI), which increased by +12.26%. As most readers may know, FY25 was turned on its head in February when core holding BSA Limited (ASX: BSA) lost a critical tender renewal from its largest customer, NBN Co., causing its share price to drop by ~90% by year-end. As the BSA investment, its risks, and subsequent events were covered in detail in the FY25 Q3 Quarterly Investment Report, I won't revisit them here. For those interested in a deeper understanding, I encourage you to refer to that report for further context.

Post February, the Investment Portfolio delivered a ~+24% return, driven by substantial share price gains in core holdings such as COG Financial Services (ASX: COG), MaxiPARTS (ASX: MXI), and AMA Group (ASX: AMA), which had experienced flat or negative returns in prior years (as shown in the below chart). Despite these recent gains, we believe these investments retain significant medium-term upside potential as their cash generation strengthens and growth opportunities emerge, with further details provided later in this letter.

Share Price Performance - AMA, COG & MXI



Source – Koyfin

For several years, I have noted that high interest rates, significant inflows into passive investing, and the rise of alternative strategies, such as private credit, have driven many investors away from emerging companies as a serious investment class. This has resulted in reduced liquidity, lower valuations, and fewer investable businesses due to market consolidation, with numerous listed emerging companies acquired by strategic investors.

Over the past six months, however, we have seen early signs of investors returning to the emerging companies segment. It appears to us that declining interest rates and supply-demand challenges in alternative strategies, such as private credit, are shifting the risk-return dynamics. As the economic outlook improves, it has placed many emerging companies in stronger positions to produce more consistent earnings growth over the medium term. We believe these combined forces could spark a valuation renaissance for emerging companies, with those generating stable, growing cash flows likely to command premium valuations over the next 2-3 years.

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Relevance, Momentum and Index Inclusion

Reflecting on my FY24 Investment Manager's Report, I dedicated significant discussion to the distinctive market dynamics that emerged, where valuations were often overshadowed by the influence of passive capital flows and index inclusion. A prime example was the share price of Commonwealth Bank of Australia Ltd (ASX: CBA), which soared to a record valuation despite maintaining a flat earnings per share (EPS) profile for several years.

Fast forward to the end of FY25, and this market dynamic, if anything, has only strengthened, and generally, equity investors of all types are being forced to 'play the game' and therefore focus on companies that form part of the index or are a good chance of index inclusion in the short term.

Turning to CBA, its share price, excluding dividends, has increased by +46% in FY25, following a 37% increase in FY24, marking the seventh consecutive year of share price growth. For further context, the chart below compares the grossed-up yield of CBA shares to Australian Government 10-year bond yields over a 10-year period. As the chart illustrates, despite CBA's flat profit growth outlook, its shares are arguably being priced similarly to a government bond. This suggests investors perceive CBA's risk profile as being closely correlated with the Australian government's balance sheet.

Commonwealth Bank vs Australian 10 Year Bond - Yield



Source – Koyfin

CBA has several qualitative attributes that continue to drive its rising valuation. In our view, these include:

- **Relevance** – CBA is now the 9th largest listed bank by market capitalisation. This makes CBA relevant not only to Australian investors but also to some of the largest investors around the world. As CBA's relevance grows, the pool of passive buyers expands against a relatively fixed supply of CBA shares, fuelling demand.
- **Momentum** – As CBA continues to become a larger part of numerous indices, alongside its growing relevance, a self-reinforcing cycle emerges. Investors who are underweight in CBA, and thus lagging in relative performance, may feel compelled to purchase shares to align their portfolios with index exposure, further amplifying price momentum.
- **Index Inclusion** – With a market capitalisation exceeding A\$300 billion, CBA is not only the largest company on the ASX but also a significant constituent in numerous global indices, including those tracking Asian financials and developed market banks. As CBA's size grows, it attracts greater attention from prominent global indices, reinforcing its appeal to investors.

From a NAOS standpoint, we will continue to focus on what we can control. Our investment philosophy centres on investing in emerging companies that deliver high returns on invested capital and are led by experienced, aligned management teams. These companies operate in industries poised for sustained revenue growth, where they hold clear competitive advantages, and their business models are transparent to investors. Notably, 100% of NSC's portfolio is outside the ASX indices, ensuring our investments diverge significantly from the benchmark, the S&P/ASX Small Ordinaries Accumulation Index.

Over the page, I have expanded upon a number of core investments within the NSC investment portfolio, outlining why we believe these companies have the potential to generate significant long-term value for shareholders irrespective of their share price movements in FY25.

COG Financial Services (ASX: COG) – Board Overhaul and Strategic Reset

In last year's letter, I outlined the critical changes we felt were necessary for COG to restore shareholder value and establish a sustainable path to growing earnings per share (EPS). Through early FY25, COG persisted with its prior strategy, resulting in a share price decline from \$1.10 to a low of \$0.86 in March 2025.

COG Financial - Share Price & Key Events



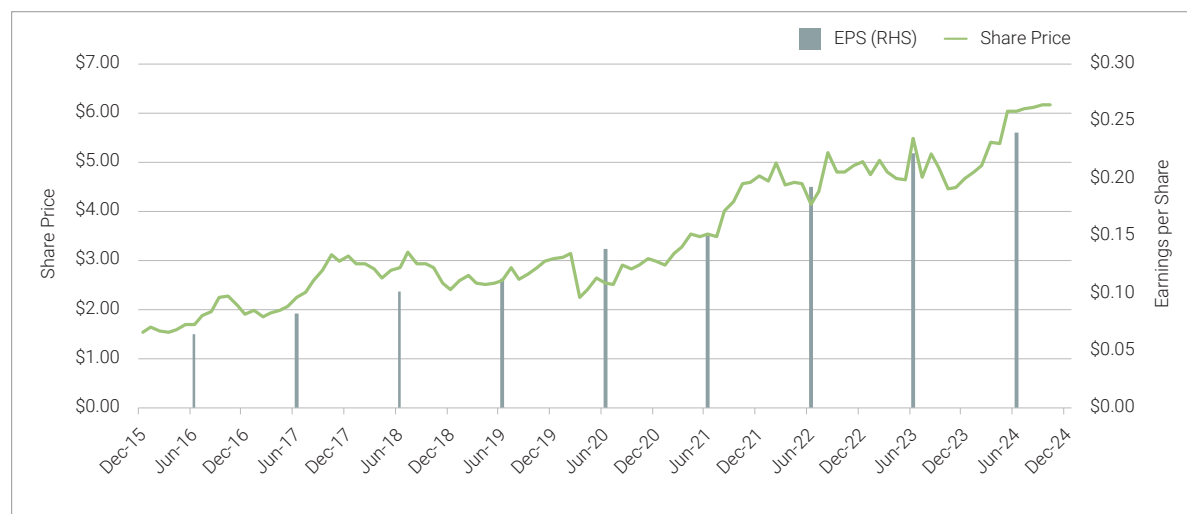
Source - Iress

This trajectory shifted dramatically following a significant board overhaul: three directors, including the Chair, resigned, one transitioned to a non-executive role, and two new non-executive directors were appointed, with one assuming the Chair position. To support this transition, NAOS and other major shareholders sold a significant portion of their holdings, which enhanced liquidity in COG shares and enabled new directors and institutional investors to acquire meaningful stakes. We believe owning a smaller share of a revitalised, high-potential business is preferable to a larger stake in an underperforming company with limited prospects for improvement.

The most notable outcome of all the changes mentioned above was the appointment of Tony Robertson as Chair and John Dwyer as a Non-Executive Director. These appointments are significant for several reasons:

- Proven Insurance Broking Expertise** – Tony Robertson and John Dwyer co-founded PSC Insurance (ASX: PSI), a listed insurance broking business that debuted in late 2014 at \$1.50 per share and was acquired in mid-2024 by the UK-based Ardonagh Group for \$6.20 per share, valuing the company at \$2.26 billion. Over the ~9-year listing, a \$1 investment in PSI grew to ~\$7 (including dividends), delivering a ~25% IRR. Importantly, in our opinion, an insurance broking business shares many of the attributes of a finance broking business and, to a lesser extent, a novated leasing business. PSC's success in driving organic growth, executing accretive acquisitions, and maintaining aligned management offers a proven playbook for COG's transformation.

PSC Insurance - Share Price



Source - Iress

- **Track Record in Leading ASX-Listed Companies** – Robertson and Dwyer have an exemplary track record of running a listed business and maintaining a strong business valuation. Many management teams find it challenging to lead a public company, often due to difficulties in managing expectations, communicating a clear strategy, and consistently focusing on key financial metrics, such as EPS growth, to demonstrate strategic execution. COG has historically lacked this discipline, resulting in an incoherent strategy and insufficient focus on EPS growth and return on invested capital (ROIC). Their expertise addresses this critical gap.
- **Significant Alignment with COG Ordinary Shareholders** – Once appointed, both Robertson and Dwyer were quick to acquire ordinary shares in COG. At the time of writing, John Dwyer owns ~4.5m shares with a further ~2.5m options exercisable at \$1.30, and Tony Robinson owns ~2.5m ordinary shares with the same number of options. For us, this highlights their commitment to restoring COG's value and driving consistent earnings growth over the medium term.

With the new board in place, COG has swiftly advanced its simplification strategy. The sale of minority stakes in Earlypay Ltd (ASX: EPY) and Centrepont Alliance Ltd (ASX: CAF) has generated ~\$25 million in cash proceeds. The remaining step in this simplification effort, in our view, is addressing the Westlawn Group, COG's asset management business. We believe this business contributes less than \$2 million to group profitability but adds significant complexity to the balance sheet and cash flow statement due to Westlawn's debenture program. If this business were to be sold, it would enable current and prospective shareholders to clearly see the capital-light nature and strong free cash flow generated by COG's core operations.

Ultimately, for COG to achieve long-term success, it must deliver consistent organic earnings growth, even if that growth rate is ~5-10% p.a. While the full strategy is yet to be disclosed, we anticipate that Robertson and Dwyer's insurance broking expertise will drive improvements in COG's underdeveloped insurance broking division. Given the thousands of finance broking transactions that occur through a COG-owned or aligned broker, the potential for cross-selling insurance products is substantial.

At the very least, we believe COG now has a credible opportunity to unlock its full potential as Australia's largest finance, broking & aggregation business. While its ultimate scale and valuation remain uncertain, comparable businesses with steady organic growth and strategic acquisitions have historically commanded premium earnings multiples. Accordingly, COG's future valuation could be significant, provided it executes effectively under its revitalised leadership.

Insurance Broking Addressable Market in COG Asset Finance Network	FY25 NAOS Estimates
COG Net Amount Financed	\$9,000,000,000
Average Size of Asset Finance Loan	\$73,000
Total # of Asset Finance Loans Completed	123,288
Insurance Cost % of Asset Finance Loan	5.0%
Average Insurance Cost per Loan	\$3,650
Est. % of COG Asset Finance Loans Requiring Insurance	100.0%
Number of COG Asset Finance Loans Requiring Insurance	123,288
Total Insurance Premiums on COG Asset Finance Loans	\$450,000,000
Est. Average Insurance Commission	15.0%
Total Insurance Broker Commissions on COG Asset Finance Loans	\$67,500,000
Est. Insurance Broker EBITDA margins	30.0%
Total EBITDA on Insurance Premiums Written on COG Asset Finance Loans*	\$20,250,000

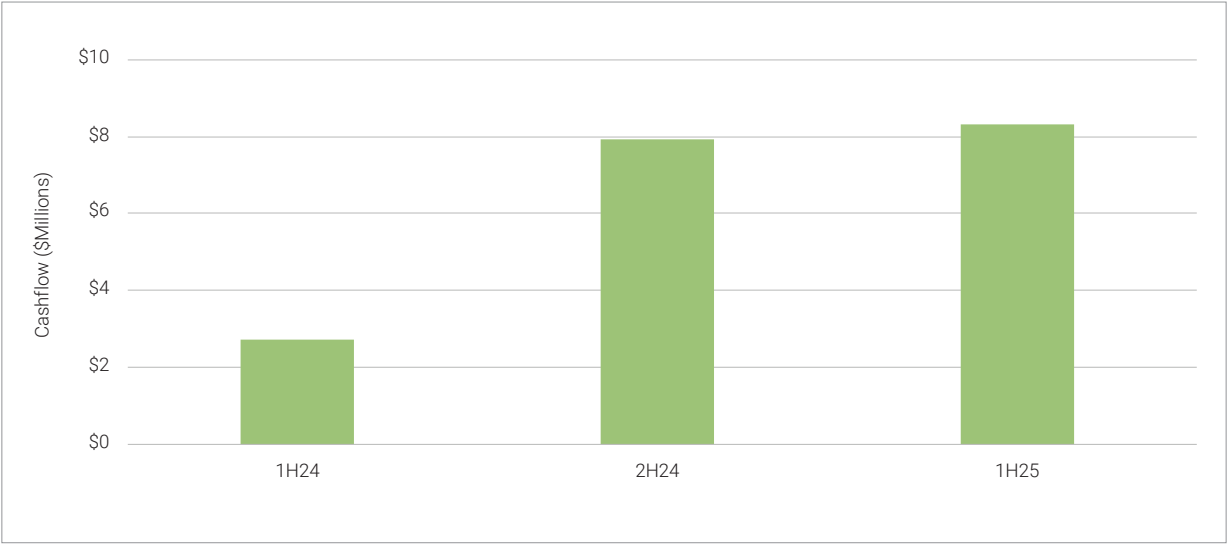
*In FY22 COG reported ~\$1.5m of NPATA from Insurance Broking

Source – Company, NAOS

MaxiPARTS (ASX: MXI) – Half-Year Results, ATSG Dispute Settlement and Other Initiatives

MaxiPARTS (ASX: MXI) has presented challenges for investors seeking to assess its true value, given the numerous moving parts and one-off events that have occurred over the past two to three years. However, the release of a cleaner half-year result in FY25 has been a welcome development for shareholders. This provides a clearer view of MXI's cash flow generation (see the chart below), ongoing margin improvements, and organic revenue growth, marking a step towards a more stable operating environment over the next 18 months. While a single half-year result does not establish a trend, we believe it lays the foundation for investors to make informed assumptions about revenue growth, margin enhancement, and cash flow consistency—metrics typically predictable in MXI's distribution business.

Operating Cashflow



Source – Company, NAOS

A significant factor in MXI's complexity was its strained relationship with Australian Trailer Solutions Group (ATSG), which acquired MXI's loss-making trailer operations a few years ago under a vendor finance agreement. This tension escalated into legal proceedings as MXI sought to recover owed payments. In mid-FY25, MXI announced a \$2.2 million settlement in its favour, resolving the dispute. Though less than the full vendor finance amount, this outcome delivers certainty, frees the executive team from a significant distraction and allows both parties to part ways. With the agreement ending, MXI can discontinue supplying low-margin products to ATSG (a requirement for a period of time under the sale agreement), potentially boosting overall margins and optimising warehousing space previously occupied by bulky, lower-margin items. For a distribution business like MXI, we believe that incremental improvements in efficiencies and returns on capital can meaningfully enhance profitability.

Adding to this, at the end of FY25, MXI announced it had renegotiated its debt facility with the Commonwealth Bank of Australia, renewed their exclusive, nationwide Forch distribution agreement with the German parent company, acquired the outstanding minority interests (20%) of the Forch Australia business (so now MXI owns 100%) and finally has announced the opening of a new Kalgoorlie store which will commence trading in August 2025. Although these are incremental positive improvements, as detailed below, we believe that these improvements signal the start of significant gains for MXI shareholders in FY26 and FY27.

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Outlook for FY26

At our October 2024 national roadshows, we emphasised the goal of delivering a +10-20% return for the NSC portfolio in FY25, supported by the low valuations of our core holdings and modest earnings growth projections.

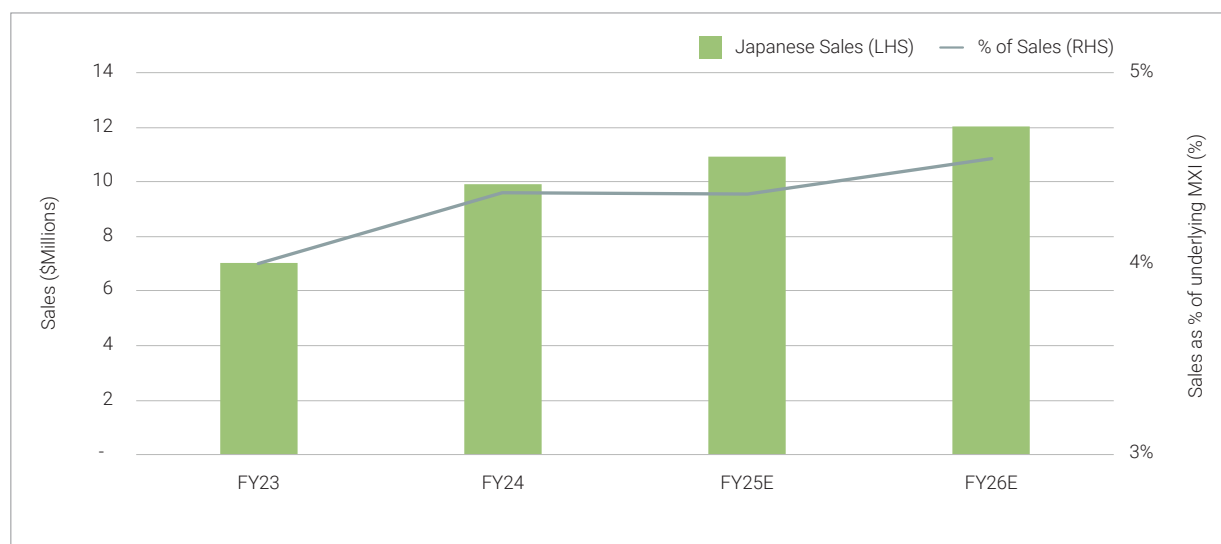
FY25 was shaped by the BSA outcome, which masked what was otherwise a year of underlying progress. Excluding that specific event, the portfolio delivered +5.6% in the seven months to January and rebounded by +20% from March to June. This recovery was not coincidental; it demonstrates the strengthened qualitative and quantitative attributes of our core holdings.

In my experience, often the last thing to change for many businesses is the share price. Emerging companies usually need one or more catalysts to spark a valuation surge, and below, I highlight key FY26 catalysts for select holdings, each poised to drive substantial market re-ratings:

MaxiPARTS (ASX: MXI)

- **First 'Clean' Full-Year Result** – Over the circa three years since NAOS became a shareholder, MXI's half-year and full-year results have been consistently impacted by one-off events, complicating the assessment of its true earnings potential. While these events have generally supported long-term value creation, they have introduced short-term complexity. Our investment thesis for MXI centres on it being a capital-light, scaled distribution business, which generates strong cash flows, has solid (and growing) barriers to entry and enjoys a high degree of repeat business, bolstered by a structurally increasing demand for its products and services. For MXI, the FY25 result is expected to provide a clear financial picture, highlighting robust cash flow, rising margins, and revenue growth.
- **Enhanced Capital Management Flexibility** – MXI has deployed significant capital over the past 2-3 years to fuel its growth strategy and achieve scale. As the business transitions to organic growth, we anticipate substantial cash flow generation post-capex and lease obligations, further supported by income tax loss credits for the next ~12-18 months. This should shift MXI's net debt position to a net cash position, granting the board greater flexibility in capital management. With a current dividend payout ratio of just 30% of post-tax profits—despite no tax liability—an obvious option is to significantly increase this ratio or conduct a buyback should the share price continue to sit materially below intrinsic value.
- **Entry into European Truck Parts Market** – Supply Network Limited (ASX: SNL), trading as Multispares, competes with MXI in a similar, albeit slightly different space. SNL enjoys EBITDA margins roughly double what MXI currently generates. We believe this is largely due to its well-established catalogue of European as well as Japanese truck parts. We believe their dominance in European parts is so substantial that they are essentially the only aftermarket provider of scale, meaning the only alternative to the Original Equipment Manufacturers (OEMs) for European parts. Recently, Sampa, a European truck parts manufacturer, entered the Australian market with a major distribution centre in Truganina. Over time, this could provide MXI with access to a large-scale European parts catalogue. Recent history shows that MXI has a solid track record of growing its Japanese truck parts catalogue (see graph below), so hopefully, the opportunity with Sampa could potentially transform MXI's European sales into a key driver of growth for the business.

MXI's Japanese Sales



Source – Company, NAOS

Big River Industries (ASX: BRI)

- **Strengthened Executive Leadership** – Over the past two years, BRI has significantly expanded and revitalised its executive team to support its ambition of achieving ~\$1 billion in annual revenue. Key roles, such as Head of Supply Chain (which have been filled for over 12 months), are driving strategies with the potential to enhance long-term profitability, particularly at the gross margin level. As market conditions normalise, these initiatives are expected to deliver more apparent financial benefits, currently offset by a challenging market environment.
- **Property Consolidation** – BRI's acquisitions of complementary private businesses over the past five years have left it with multiple sites across Australia, some facing rising rental costs amid a dynamic construction materials market. BRI has initiated a consolidation strategy to ensure each site is fit for purpose, with sufficient scale to boost profit margins over time. Stabilising lease-related expenses, such as depreciation and interest, should amplify profit growth as gross margins and revenue recover.
- **Improved Market Conditions** – BRI's end markets, with ~65% tied to residential construction, have generally been at cyclical lows for the past 12-18 months. However, structural tailwinds supporting long-term growth, such as Australia's housing shortage, remain robust and have strengthened. More importantly, we have started to see progress in addressing constraints such as interest rate reductions, reduced planning red tape and tradesman availability. As these reforms take effect, increased activity in residential, commercial, and infrastructure projects (e.g., the 2032 Olympics capital expenditure, as shown in the chart below) could drive ~10-20% annual growth, significantly boosting BRI's profitability.

Infrastructure Program	Estimated Costs
Brisbane Area	\$2.5
Gabba refurbishment	\$2.7
New & upgraded minor venues	\$1.9

Source – Queensland Audit Office

COG Financial Services (ASX: COG)

- **New Board and Strategic Overhaul** – Following the March 2025 board renewal, new Chair Tony Robertson and Director John Dwyer, former PSC Insurance founders, have yet to fully implement their vision for COG. Their expertise suggests a simple and repeatable strategy with an emphasis on driving consistent organic growth, which we expect to take shape in FY26.
- **Business Simplification** – As previously stated, COG's CY23-24 share price decline stemmed from poor capital allocation and operational complexity. We have already seen steps to unwind this complexity via sales of COG's minority investments in Earlypay (ASX: EPY) and Centrepont Alliance (ASX: CAF). Divesting Westlawn Finance, which adds over \$100 million in assets and liabilities via its debenture program, would further simplify COG's balance sheet and clarify its cash flow profile.
- **Insurance Broking Opportunity** – COG facilitates ~\$10 billion in annual finance for assets and equipment. Insurance broking has always been considered a growth lever for COG, given the complementary nature of offering insurance alongside finance for the purchase of business-critical equipment. COG's insurance broking strategy has historically underperformed, falling short of expected growth. With the expertise of the new directors, we anticipate a renewed focus on revitalising this division. Given COG's scale in finance broking, facilitating thousands of significant transactions annually, enhancements to the insurance broking operations could drive substantial organic growth for years to come.

MOVE Logistics (NZX/ASX: MOV)

- **Stabilised Leadership** – MOV has faced significant challenges from adverse economic conditions and management missteps, marked by two CEO resignations over the past three years. FY25 marks the first full year under the leadership of CEO Paul Millward and a refreshed executive team. Given the team has only been together as a group for <6 months, we don't expect transformative results immediately, but a stronger 1H FY25 and optimistic FY25 guidance suggest a robust 2H and instil confidence in MOV's path to profitability in FY26.
- **New Zealand Economy Recovery** – Through late FY25, New Zealand's economy endured a two-year recession, marked by budget constraints, high interest rates, and reduced post-COVID immigration, performing worse than many developed nations. With a new government and declining interest rates, expected to continue, early signs suggest rising economic activity. For MOV, a logistics provider, this could drive significant tailwinds: (1) increased volumes from existing customers, (2) improved pricing power, and (3) less aggressive tendering as competitors prioritise efficiency over volume. While the timing, FY26 or FY27, remains uncertain, any economic upturn could substantially boost MOV's profitability.
- **Market Consolidation** – New Zealand's logistics sector remains fragmented, with numerous small private operators and a single dominant player. Due to the recent downturn, as well as ageing ownership (e.g. baby boomers), a significant number of these private operators have ceased trading or, in our view, will exit the logistics industry in the near term. We expect this trend to continue or even accelerate, as operators must have the network, systems, and assets to run an efficient and productive business that can offer clients a clear value proposition, as opposed to a pure trucking-only operation.

While the catalysts outlined above may appear nuanced, we believe their realisation in FY26 could deliver substantial shareholder value, particularly if accompanied by valuation re-ratings and sustained earnings growth.

This reinforces our conviction that the intrinsic value of our investments significantly exceeds their current share prices, despite the modest performance in FY25. We remain optimistic that, building on FY25, the Investment Portfolio can achieve significantly strong cumulative returns by FY26, driven by the strength of our core holdings.

I look forward to updating you over the next 12 months on the progress of these investee companies concerning these catalysts, and we remain confident that many should materialise as anticipated. The NAOS team and I remain steadfastly committed to delivering sustainable, positive returns for all NSC shareholders through a concentrated portfolio of Australian and New Zealand emerging companies.

I would also like to acknowledge our long-standing NSC shareholders for their unwavering support, particularly during periods of performance volatility. As a sign of my confidence in NSC's long-term value creation, I have continued to acquire shares and will do so as long as this potential remains.

Kind regards,



Sebastian Evans

Managing Director and Chief Investment Officer
NAOS Asset Management Limited

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NSC Core Investments



MaxiPARTS

ASX: MXI

MaxiPARTS (MXI) is a supplier of commercial truck and trailer aftermarket parts to the road transportation industry. In operation for over 30 years, MXI is one of the largest operators in Australia, with a unified support and distribution network providing over 162,000 different parts across 29 sites nationwide.



COG Financial Services

ASX: COG

COG Financial Services (COG) is Australia's leading aggregator of finance brokers and equipment leasing services to small and medium-sized enterprises (SMEs). COG's operations are spread across three complementary business divisions: Finance Broking & Aggregation (FB&A), Lending & Funds Management, and Novated Leasing, all of which service the financial needs of SMEs nationwide. As at the end of FY24, COG had a ~21% market share of the Australian Asset Finance Broking market, with the COG network financing \$8.9bn in assets for SMEs in FY24. COG has been highly acquisitive in recent years, acquiring finance brokers, insurance brokers, as well as funds management and novated leasing businesses.



AMA GROUP



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Big River Industries Limited

ASX: BRI

Big River Industries Limited (BRI) is a leading manufacturer and distributor of value-added timber and building material products in Australia and New Zealand. BRI has gained scale in recent years through the acquisition of bolt-on businesses to diversify its product offering and expand its geographical network, which now sits at 26 sites. BRI operates in the commercial sector, with customers using BRI products in real estate developments (detached and multi-residential), commercial construction projects and civil construction, among others. BRI has over 9,000 active trading accounts, serviced by ~640 staff members. BRI achieved \$415 million in revenue in FY24.

AMA Group

ASX: AMA

AMA Group (AMA) is a leading vehicle aftercare and repair business, with over 3,200 team members across Australia and New Zealand. Through its extensive network of repair centres and integrated supply chain, AMA Group delivers long-lasting mobility solutions for customers, partners, and communities. Committed to quality, innovation, and sustainability, AMA gets over 300,000 people and businesses back on the road each year.

Bravura Solutions

ASX: BVS

Bravura Solutions (BVS), headquartered in Australia, is a leading technology provider to the global funds and wealth management industries. Its solutions automate processes, connect to financial networks, and innovate for efficiency, enabling in-house control over operations. Managing over £4.5 trillion in assets monthly, with offices worldwide, it drives competitive advantages through scalable tech.

Investing With NAOS Asset Management

NAOS Asset Management is a specialist fund manager that provides concentrated exposure to quality Australian and New Zealand emerging companies.

NAOS takes a concentrated and long-term approach to investing and aims to work collaboratively with businesses rather than be a passive shareholder. NAOS seeks to invest in businesses with established moats and significant exposure to structural industry tailwinds, which are run by proven, aligned and transparent management teams who have a clear understanding of how to compound capital.

We aim to make significant investments in businesses and, on occasion, seek board representation or appoint highly regarded independent directors. Importantly, NAOS, its Directors and staff are significant shareholders in the NAOS LICs, ensuring strong alignment with all shareholders.

NAOS is B Corp Certified. As a B Corp in the financial services industry, we are counted among businesses that are leading a global movement for an inclusive, equitable and regenerative economy.

NAOS launched its first LIC in 2013 with 400 shareholders. Today, NAOS manages three LIC vehicles and one private investment fund for approximately 6,000 shareholders.



Our Values



Encourage Independent Thinking

Rather than follow the crowd, we prefer to pave the way with innovation and provide a better outcome for our stakeholders. We have a disciplined investment process and avoid getting caught up in the hype and noise of the market.



Do One Thing and Do It Really, Really Well

At NAOS, we focus on providing concentrated exposure to quality Australian and New Zealand emerging companies, and we strive to be the best at this.



Tell It Like It Is

At NAOS, we are committed to honesty and transparency. We continue to exist due to the earned trust of our shareholders.



Have the Right People in the Right Environment

Each NAOS employee has been specifically chosen for their unique ability, proven experience and willingness to learn. At NAOS, we have created an inclusive work culture that supports all our employees.



Be Invested and Aligned

As NAOS Directors and employees, we have a significant interest in NAOS' investment strategies. This means we are invested alongside our shareholders, creating a strong alignment of interests.



Have a Long-term Perspective

We believe in investing in businesses where today's earnings do not accurately reflect what the same business may earn over the longer term. Prior to investing in a business, we ask ourselves: Do we want to own this business forever?



Act Responsibly

We are responsible for investing the funds of our fellow shareholders, and we take this responsibility seriously. At NAOS, we strive to act responsibly and diligently in all matters, from our investment choices to our shareholder communications.



Be an Owner

NAOS employees strive to make NAOS a success by taking ownership of their tasks and responsibilities. In addition, NAOS Asset Management Limited is majority-owned by its employees and Directors.



Give Back

As a company, we have committed to pledging 1% of our revenue, time and knowledge to movements and missions that matter. We aim to make a difference and contribute to economic, social, and environmental change.

Our Investment Beliefs



Value with Long-Term Growth

We believe in investing in businesses where the earnings today are not a fair reflection of what the same business will earn over the longer term. Ultimately, this earnings growth can be driven by many factors, including revenue growth, margin growth, cost cutting, acquisitions and even share buybacks. The result is earnings growth over a long-term investment horizon, even if the business was perceived to be a value-type business at the time of the initial investment.



Invest for the Long Term

As investors who are willing to maintain perspective by taking a patient and disciplined approach, we believe we will be rewarded over the long term. If our investment thesis holds true, we persist. Many of our core investments have been held for three or more years, where management execution has been consistent and the value proposition is still apparent.



Ignore the Index

This means we are not forced holders of stocks with large index weightings that we are not convinced are attractive investment propositions. We actively manage each investment to ensure the best outcome for our shareholders and only invest in companies that we believe will provide excellent, sustainable, long-term returns.



Quality Over Quantity

Excessive diversification, or holding too many investments, may be detrimental to overall portfolio performance. We believe it is better to approach each investment decision with conviction. In our view, to balance risk and performance most favourably, the ideal number of quality companies in each portfolio would generally be zero to 20.



Management Alignment

We believe in backing people who are proven and aligned with their shareholders. One of the most fundamental factors consistent across the majority of company success stories in our investment universe is a high-quality, proven management team with 'skin in the game'. NAOS Directors and employees are significant holders of shares on issue across our strategies, so the interests of our shareholders are well aligned with our own.



Investing Within Our Circle of Competence

As a specialist fund manager since 2004, NAOS has over the years developed a strong "circle of competence" (or mental models) in specific industries. We openly acknowledge that we avoid businesses that are either too complex to understand or heavily influenced by one or two variables, such as interest rates or commodity prices. Instead, we concentrate on businesses that fall within our circle of competence, aiming to minimise the risk of permanent capital loss. Unlike others, we are comfortable setting aside investments that we consider "too hard" while we compound our knowledge in specific industries where we believe we have a competitive edge.



Performance vs. Liquidity Focus

We believe in taking advantage of inefficient markets. The perceived risk associated with low liquidity (or difficulty buying or selling large positions) combined with investor short-termism, presents an opportunity to act based purely on the long-term value proposition where the majority may lose patience and move on. Illiquidity is often caused by aligned founders or management having significant holdings in a company. The NAOS LICs benefit from a closed-end structure, which means they do not suffer 'redemption risk', and we can focus on finding quality, undervalued businesses regardless of their liquidity profile.



Constructive Engagement

At NAOS, we seek to work collaboratively with businesses and their respective management teams. We are often the largest shareholder in the businesses we invest in, and from time to time, we will seek board representation either via an independent or a non-independent representative. This approach allows us to supportively engage with the boards and/or management teams of our portfolio holdings and maximise the potential for our invested capital to compound at a satisfactory rate over the long term.

Examples of constructive engagement where the NAOS investment team looks to add value include:

- growth capital if/when required;
- messaging and communications;
- capital management decisions;
- company strategy;
- board composition.



Environmental, Social, and Governance (ESG)

As an investment manager, NAOS recognises and accepts its duty to act responsibly and in the best interests of shareholders. We believe that a high standard of business conduct and a responsible approach to environmental, social and governance (ESG) factors is associated with a sustainable business model over the longer term. This benefits not only shareholders but also the broader economy. NAOS is a signatory to the United Nations-supported Principles for Responsible Investment (PRI) and is guided by these principles in incorporating ESG into its investment practices. NAOS is also B Corp certified.

Our Investment Process

Investment Criteria

Management & Culture

- What is the management team's industry experience and what is its track record on results, integrity and transparency?
- What ownership levels (shareholder alignment) does the management team have?
- What is the staff turnover level and what does this say about business loyalty among employees?
- What ethical standards do employees have?
- Does the culture promote long-term strategic thinking, even at the expense of short-term profits?
- Is there a company-wide desire to be an industry leader?

Valuation, Growth & Margin of Safety

- Does the company have a moat from competition (patents, assets, monopolies, uniqueness, pricing power)?
- Is this company moat increasing over time?
- Is the business scalable without incurring large increases in overheads?
- Is the industry growing (demographic, technological, cyclical and consumer trends)?
- Is there an obvious margin of safety (earnings quality, multiple, cash levels, growth runway)?
- What is its free cash-flow generation history and potential (capex levels, operating costs etc.)?
- What is its balance sheet flexibility (cash reserves, undrawn debt, hard assets, liability obligations)?
- Is the business growing organically (does it have avenues for internal growth)?
- What are the trends in the company's return on invested capital (ROIC) and future potential?
- Are there catalysts that can drive an increase in the share price?

Considering ESG Factors

- Identify ESG factors we think are relevant to each proposed investment.
- Consider our stance on these ESG factors, based on the principles and frameworks we believe can help to influence positive social return.
- Integrate our findings into our broader investment process which focuses on quantitative and qualitative analysis.

Total ASX-Listed Companies

2,407

Investment Universe Funnel

Company Size & Security Type

Remove: ASX Top 50, <\$20m market cap, ETFs

Revenue

Remove: No substantial revenue

Industry

Remove: Industries in structural long-term decline and not conducive to long-term growth

ESG Negative Screen: Tobacco, Gambling, Nuclear and Uranium, Controversial Weapons, Coal Mining Operations, Oil and Gas Production and Animal Cruelty

Balance Sheet

Remove: Unsustainable debt levels

Companies in the NAOS Universe

307

NAOS Active Investment Universe Watchlist

42-88

ASX: NSC

NAOS Small Cap Opportunities Company Limited

NSC generally invests in 0-20 Australian and New Zealand emerging companies.

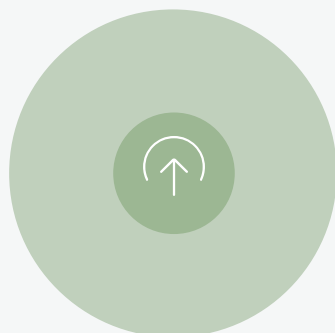
0-20

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NAOS Qualitative Information Sources

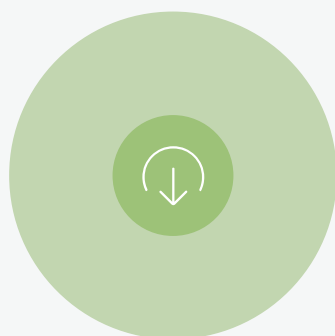
The NAOS investment team undertakes fundamental analysis on potential and current investments.

Some examples of key focus areas include:



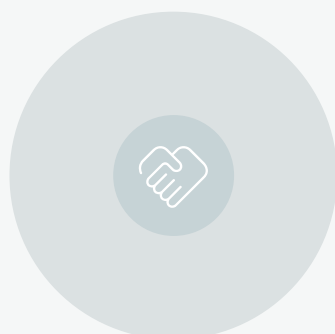
Internal Engagement

- Executive team, including CEO, CFO, COO and CTO
- Board of directors (independent and non-independent)
- Wider management team and staff, for example, general managers and sales executives to assistant/associates



External Engagement

- Former employees
- Listed and unlisted competitors
- Suppliers (current and former)
- Customers (current and former)
- Industry contacts and industry associations



Hands On

- Company announcements and reports
- Product/service sampling and testing
- Cold calling



Research

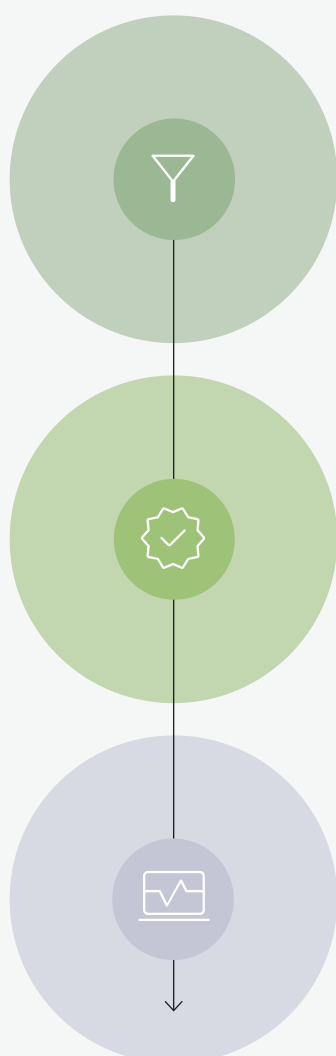
- Company announcements and reports
- Transcripts (company specific and other)
- Industry reports and journals
- Social media and industry forums
- Surveys, ratings and proprietary analytical tools
- ESG and positive impact analysis

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Considering ESG Factors in the NAOS Investment Process

At NAOS, as an investment manager, we recognise and accept our duty to act responsibly and in the best interests of all stakeholders. We believe that a high standard of business conduct and a responsible approach to environmental, social and governance (ESG) factors are associated with a sustainable business model over the longer term, which also benefits the broader economy.

We recognise the material impacts that ESG factors can have on investment returns and risk, and also the wider implications for achieving a positive social return.



Screening

NAOS excludes investment in specific industries and companies whose products, services or ethics do not align with our responsible investment goals, such as:

- Tobacco
- Gambling
- Nuclear & uranium
- Controversial weapons
- Coal mining operations, oil & gas production
- Animal cruelty

Due Diligence and Investment Decision

- Identify ESG factors we think are relevant to each proposed investment
- Consider our stance on these ESG factors, based on the principles and frameworks we believe can help to influence positive social return
- Integrate our findings into our broader investment process, which focuses on quantitative and qualitative analysis

Ownership and Monitoring

- With our long-term, concentrated investment approach, we are often a substantial shareholder in our investee companies and can meaningfully influence them to address identified ESG issues
- Creating accountability through ongoing monitoring and engagement with our investee companies

Our Guidelines

Our approach to considering ESG factors in our investment process is guided by:

Signatory of:



The Principles for Responsible Investment (UNPRI)

A globally recognised framework consisting of six principles that guide the incorporation of ESG factors into investment analysis.



The United Nations Sustainable Development Goals (UNSDG)

A global framework that addresses sustainability challenges worldwide, offering 17 interconnected goals to achieve by 2030.

Accreditation

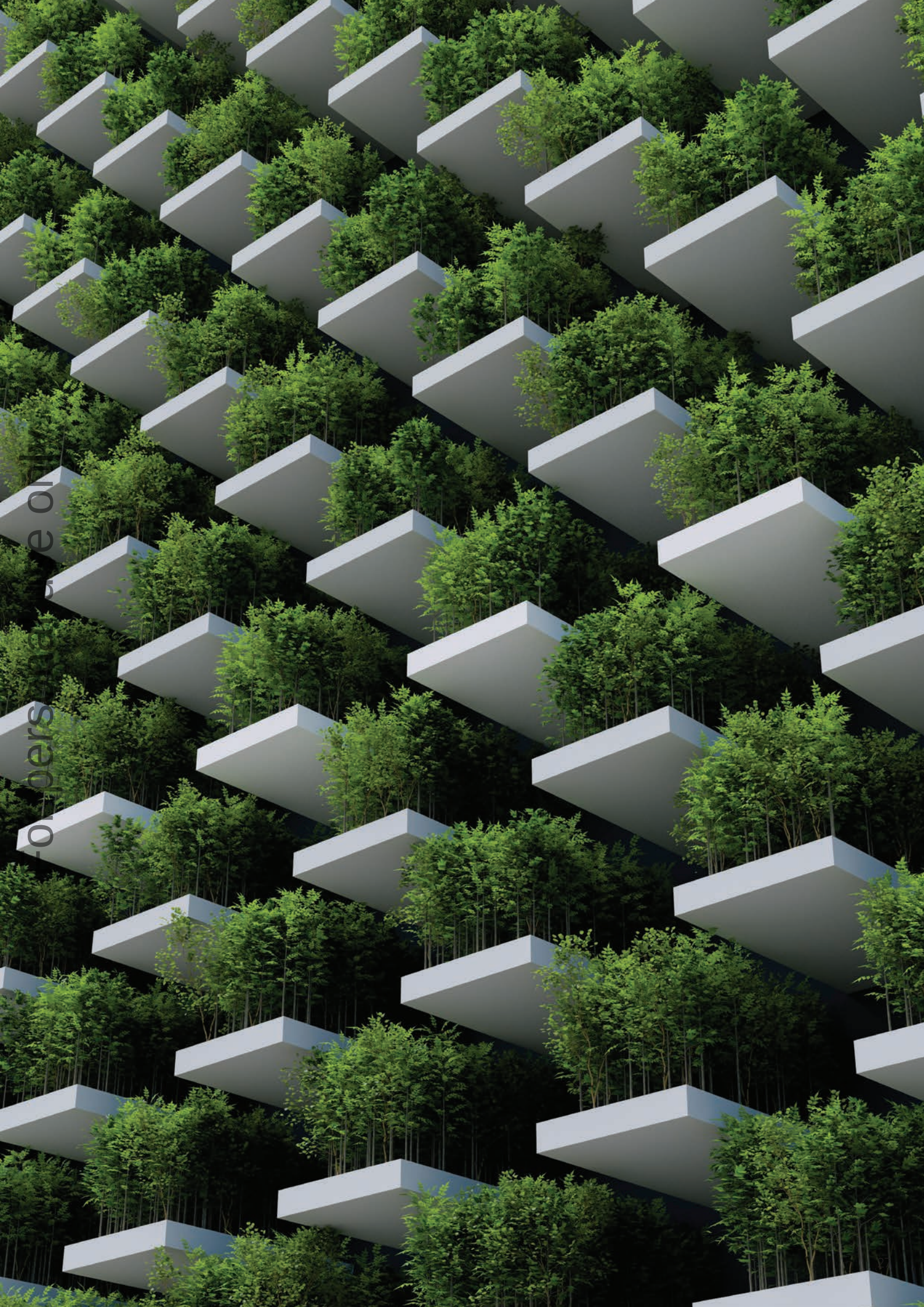
Certified



Certified B Corporation

B Corporation certification is afforded to companies that demonstrate high standards of verified performance, accountability and transparency in the areas of social and environmental responsibility.

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Investee Company in Focus

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John Lorente
Managing Director and CEO
Big River Industries Ltd



Big River Industries Ltd

ASX: BRI

At NAOS Asset Management, we believe in providing shareholders with meaningful insights into the companies in which we invest. We recently spoke with John Lorente, Managing Director and CEO of Big River, to gain a deeper understanding of the company's strategic priorities, competitive positioning, and long-term alignment with shareholders.

How is Big River positioned to benefit from long-term construction trends?

Big River is well-placed to capitalise on Australia's structural tailwinds—such as population growth, housing demand, and infrastructure investment—through its national footprint, diverse product mix, and vertically integrated manufacturing. We focus on trade customers and high-growth segments, with targeted expansion into categories that offer margin resilience. Strong relationships with leading brands, deep category expertise, disciplined capital allocation, and a focus on innovation enable us to unlock opportunities and create value throughout the construction cycle.

What sets Big River apart from competitors?

We combine national scale with local service and deep trade expertise. Our model focuses on value-added solutions, consistent pricing with local flexibility, and strong supplier partnerships. Digital tools and automation help protect margins and improve customer experience.

What impact has your national expansion had on customer service and growth?

Our national footprint combines local service with coordinated support, allowing builders to access consistent products, pricing, and service across regions. This simplifies operations and strengthens our role as a trusted partner. The acquisition of Timberwood Panels, for example, expanded access to premium certified panels nationwide. Customers benefit from improved lead times, reliable supply, and a seamless experience, driving repeat business and supporting revenue growth.

How are you responding to sustainability and prefabrication trends?

We're meeting the growing demand for sustainable construction by expanding our range of certified timber and environmentally responsible panel products. Our manufacturing sites produce PEFC- and FSC-certified plywood, and our national distribution network offers a range of low-emission and recycled materials. At the same time, our investment in Frame & Truss capabilities supports the shift toward modular prefabrication, further strengthening our customer value proposition.

How does your strategy align with shareholder expectations?

We focus on sustainable growth, margin expansion, and operational efficiency, driven by optimised sales, disciplined category strategies, and cost-to-serve improvements. Investments in people, automation, and digital platforms are streamlining operations and enhancing execution. Our targeted trade focus enables us to offer higher-margin, value-added products backed by technical expertise. Growth is delivered through a mix of organic initiatives and selective acquisitions, ensuring long-term shareholder value while managing risk.

Our Team



Sebastian Evans

Chief Investment Officer and Managing Director

Sebastian is a Director of NAOS Emerging Opportunities Company Limited (ASX: NCC), NAOS Small Cap Opportunities Company Limited (ASX: NSC), NAOS Ex- 50 Opportunities Company Limited (ASX: NAC), and has held the positions of Chief Investment Officer (CIO) and Managing Director of NAOS Asset Management Limited, the Investment Manager, since 2010. Sebastian is the CIO across all investment strategies.

Sebastian holds a Master of Applied Finance (MAppFin) majoring in investment management as well as a Bachelor of Commerce majoring in finance and international business, a Graduate Diploma in Management from the Australian Graduate School of Management (AGSM) and a Diploma in Financial Services.



Robert Miller

Portfolio Manager

Robert joined NAOS in September 2009 as an investment analyst. Robert has been a portfolio manager since November 2014 and is currently Portfolio Manager across all NAOS LICs: NAOS Emerging Opportunities Company Limited (ASX: NCC), NAOS Small Cap Opportunities Company Limited (ASX: NSC), NAOS Ex-50 Opportunities Company Limited (ASX: NAC), and the NAOS Private Opportunities Fund. Robert is also a Non-Executive Director of Ordermentum Pty Ltd.

Robert holds a Bachelor of Business from the University of Technology, Sydney, and a Master of Applied Finance (MAppFin) from the Financial Services Institute of Australasia/Kaplan.



Jared Tilley

Senior Investment Analyst

Jared joined NAOS in April 2021 as Senior Investment Analyst. Jared has over 18 years' financial services experience. Most recently, Jared was an investment analyst at Contact Asset Management, and prior to that, he spent nine years at Colonial First State.

Jared holds a Bachelor of Commerce majoring in accounting and finance from the University of Notre Dame, Sydney, and is a CFA Charterholder.



Tom Pearce

Investment Analyst Intern

Tom currently studying a Bachelor of Commerce (Finance) at The University of Sydney, where he has developed a strong interest in investing and portfolio management.



Rajiv Sharma

Head of Legal and Compliance

Rajiv is Head of Legal and Compliance at NAOS and holds a Bachelor of Laws (First Class Honours), a Bachelor of Business (accounting major) and a Graduate Diploma in Legal Practice from the University of Technology, Sydney.

Rajiv has over 15 years' experience, having most recently held senior legal roles at Custom Fleet, part of Element Fleet Management (TSX: EFN), and also at Magellan Financial Group (ASX: MFG). He has also previously worked at law firms Johnson Winter & Slattery, and Clayton Utz.

Rajiv is a member of the Law Society of New South Wales and is admitted to the Supreme Court of New South Wales and the High Court of Australia.



Mohit Kabra

Chief Financial and Operating Officer

Mohit Kabra is the Chief Financial Officer (CFO) and Chief Operating Officer (COO). Since joining NAOS in 2025, he has been responsible for NAOS' financial strategy and overseeing its operations. With a strong focus on governance, financial planning, and regulatory compliance, Mohit plays a key role in driving NAOS' strategic direction and long-term success.

With over 17 years at Deloitte Touche Tohmatsu across three continents, Mohit has developed deep expertise in investment management. His experience spans audit, accounting, advisory services, mergers and acquisitions, financial due diligence, business valuations, and capital market transactions.

Mohit is a Certified Public Accountant (CPA) with the Colorado Board of Accountancy and a member of the American Institute of Certified Public Accountants (AICPA). He is also an associate member of the Institute of Chartered Accountants of India and holds a Bachelor of Commerce (Hons.) from the University of Delhi, India.



Angela Zammit

Marketing and Communications Manager

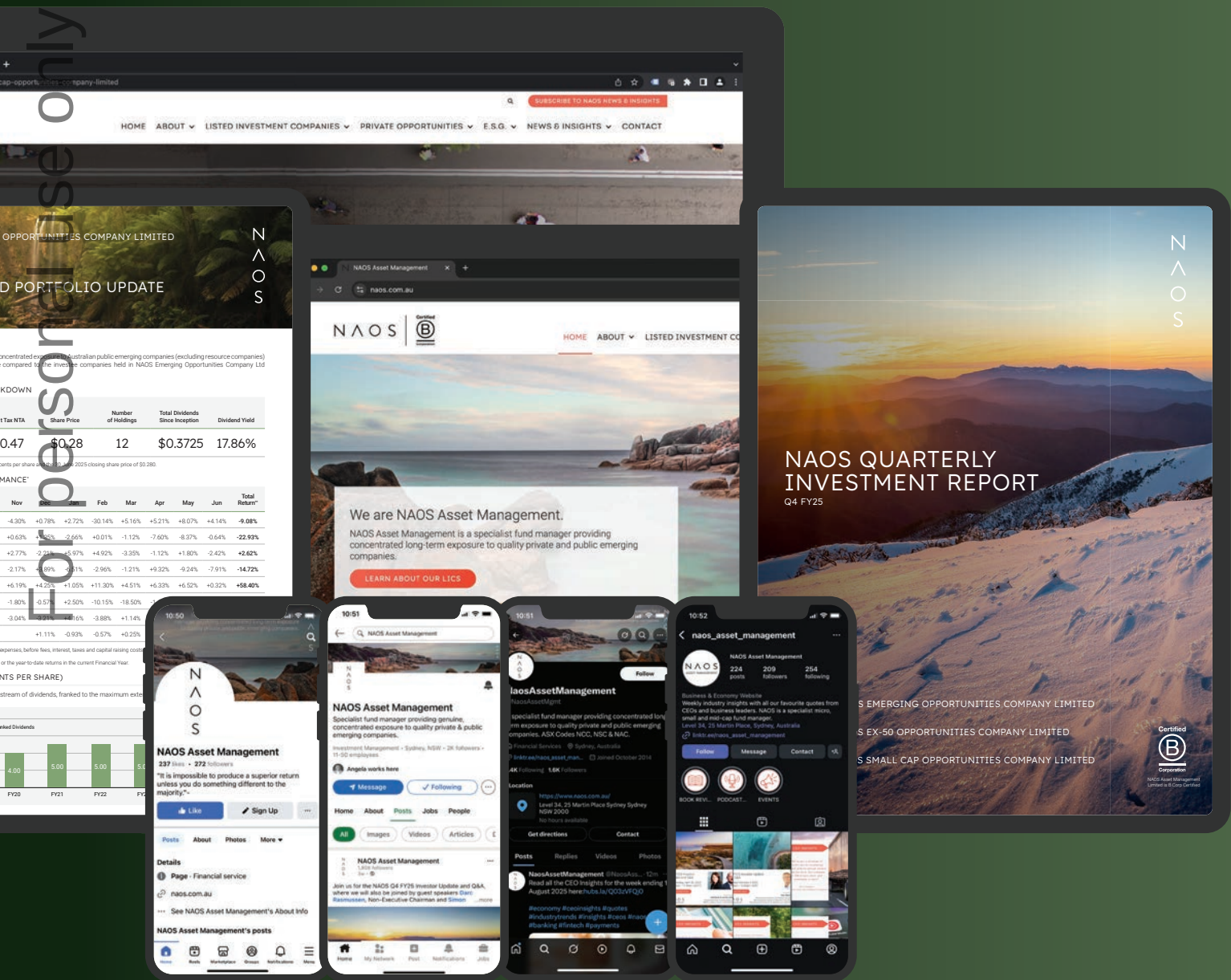
Angela joined NAOS in May 2020 in the capacity of Marketing and Communications Manager.

Prior to joining NAOS, Angela held marketing roles for companies in both Australia and the UK, including SAI Global, American Express, Citibank, and Arete Marketing.

Angela holds a Bachelor of Communications majoring in advertising and marketing from the University of Canberra.

Shareholder Communications

NAOS Asset Management is dedicated to keeping our shareholders informed and engaged. We strive to deliver timely and relevant updates throughout the financial year, including our monthly newsletter, weekly CEO insights, quarterly investment reports, and invitations to our quarterly webinars and annual roadshows. We value your input and welcome any feedback or suggestions—please feel free to email us at enquiries@naos.com.au.



NAOS Giving Back

To be caretakers of the next generation, we must actively support positive change. Supporting our commitment to ESG issues, NAOS Asset Management (the management company) donates 1% of recurring revenue to the community and the environment.

NAOS is proud to be supporting:



Empowering young people to thrive beyond the impacts of family mental illness



Healthy, productive landscapes where people and nature thrive.



Together, we're returning the bush to good health.

Corporate Governance Statement

The Board of NAOS Small Cap Opportunities Company Limited is committed to achieving and demonstrating the highest standards of corporate governance. As such, the Company has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and the nature of its activities.

The Board has adopted the ASX Corporate Governance Principles and Recommendations, which are complemented by the Company's core principles of honesty and integrity. The corporate governance policies and practices adopted by the Board are outlined in the Corporate Governance section of the Company's website naos.com.au/corporate-governance.

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Directors' Report

The Directors present their report together with the financial report of NAOS Small Cap Opportunities Company Limited (the "Company") for the financial year ended 30 June 2025.

Company Information

The Company is a listed investment company ("LIC") and its shares are listed on the Australian Securities Exchange. Since 20 October 2017, the Company has outsourced its investment management function to NAOS Asset Management Limited (ACN 107 624 126) (Australian Financial Services Licence No. 273529) (the "Investment Manager").

Principal Activities

The Company invests primarily in a concentrated portfolio of listed equities with the objective of providing investors with a long-term concentrated exposure to Australian emerging companies (excluding resource companies).

Directors and Officers

The following persons held office as Directors of the Company during or since the end of the year:

Directors

Name	Appointment Date	Period of Office
David Rickards OAM (Independent Chair)	28 February 2018	28 February 2018 - Present
Sarah Williams (Independent Director)	25 August 2022	25 August 2022 - Present
Trevor Carroll (Independent Director)	27 March 2017	27 March 2017 - Present
Warwick Evans	20 October 2017	20 October 2017 - Present
Sebastian Evans	20 October 2017	20 October 2017 - Present

The qualifications and experience of each person who has been a Director of the Company at any time since 1 July 2024 are provided below.

Directors Information

David Rickards OAM, Independent Chair

David Rickards has been an Independent Director of the Company since 28 February 2018, and was elected Chair on 10 November 2022. David is also an Independent Director of NAOS Emerging Opportunities Company Limited (ASX: NCC) and NAOS Ex-50 Opportunities Company Limited (ASX: NAC). He is also Co-Founder of Social Enterprise Finance Australia (Sefa) and was a director and treasurer of Bush Heritage Australia for nine years.

David has over 25 years of equity market experience, most recently as an executive director at Macquarie Group where he was head of equities research globally as well as equity strategy since 1989 until he retired in mid-2013. David was also a consultant for the financial analysis firm Barra International.

David holds a Masters of Business Administration from the University of Queensland majoring in Accounting and Finance. He also has a Bachelor of Engineering (Civil Engineering) and a Bachelor of Engineering (Structural Engineering) from the University of Sydney, and a Bachelor of Science (Pure Mathematics and Geology).

Sarah Williams, Independent Director

Sarah Williams was appointed as an Independent Director of the Company on 25 August 2022. Sarah is also a Director of NAOS Emerging Opportunities Company Limited (ASX: NCC) and NAOS Ex-50 Opportunities Company Limited (ASX: NAC).

Sarah has over 25 years' experience in executive management, leadership, IT and risk management within the financial services and IT industries. Most recently, Sarah was an Executive Director at Macquarie Group holding the role of Head of IT for the Asset Management, Investment Banking and Leasing businesses. During her 18 year tenure at Macquarie Group she also led the Risk and Regulatory Change team, the Equities IT team and developed the IT M&A capability. Sarah has also held senior roles with JP Morgan and Pricewaterhouse Coopers in London.

Sarah has also been a director of charitable organisations including Cure Cancer Australia Foundation and Make a Mark Australia. Sarah holds a Honours degree in Engineering Physics from Loughborough University.

Trevor Carroll, Independent Director

Trevor Carroll has been an Independent Director of the Company since 27 March 2017.

Trevor was formerly Australian/New Zealand CEO of Electrolux Home Products. With over 30 years of experience in consumer-focused product strategy, brand marketing and manufacturing, Trevor's experience extends to membership of the Electrolux Global Product Council, which is responsible for product development worldwide.

Following his retirement as CEO, Trevor undertook a role in Shanghai advising Electrolux China on product strategy. In recent years, Trevor has been a director of The Good Guys, Fusion Retail Brands, Big Sister Food Group and Crane Group.

He is an emeritus member of the Australian Industry Group Board, where he was National President between 2006 and 2008. Trevor holds a Bachelor of Commerce from Canterbury University (NZ).

Warwick Evans, Non-independent Director

Warwick Evans has been a Director of the Company since 20 October 2017. Warwick is also a Director of NAOS Emerging Opportunities Company Limited (ASX: NCC), NAOS Ex-50 Opportunities Company Limited (ASX: NAC), and NAOS Asset Management Limited, the Investment Manager.

Warwick has over 35 years of equity market experience, most notably as Managing Director for Macquarie Equities (globally) from 1991 to 2001, and as an executive director for Macquarie Group. He was founding Chairman and CEO of the Newcastle Stock Exchange (NSX) and was also Chairman of the Australian Stockbrokers Association. Prior to these positions, Warwick was an executive director at County NatWest.

Warwick holds a Bachelor of Commerce majoring in Economics from the University of New South Wales.

Sebastian Evans, Non-independent Director

Sebastian Evans has been a Director of the Company since 20 October 2017. Sebastian is also a Director of NAOS Emerging Opportunities Company Limited (ASX: NCC), NAOS Ex-50 Opportunities Company Limited (ASX: NAC) and has held the positions of Chief Investment Officer (CIO) and Managing Director of NAOS Asset Management, the Investment Manager, since 2010.

Sebastian is the CIO across all investment strategies. He holds a Master of Applied Finance (MAppFin) majoring in investment management as well as a Bachelor of Commerce majoring in finance and international business, a Graduate Diploma in Management from the Australian Graduate School of Management (AGSM) and a Diploma in Financial Services.

Company Secretary

The following persons held office as Company Secretary during or since the end of the financial year.

Name	Appointment Date	Period of Office
Rajiv Sharma	12 March 2021	12 March 2021 - Present
Sebastian Evans	10 July 2019	10 July 2019 - Present

Company Secretary Information

Rajiv Sharma, Company Secretary

Rajiv is Head of Legal & Compliance at NAOS Asset Management and holds a Bachelor of Laws (First Class Honours), a Bachelor of Business (Accounting major) and a Graduate Diploma in Legal Practice from the University of Technology, Sydney.

Rajiv has over 15 years' experience, having most recently held senior legal roles at Custom Fleet, part of Element Fleet Management Group (TSX: EFN) and Magellan Financial Group (ASX: MFG). He has also previously worked at law firms Johnson Winter & Slattery and Clayton Utz.

Rajiv is a member of the Law Society of New South Wales, and is admitted to the Supreme Court of New South Wales and the High Court of Australia.

Directors' Report (continued)

Meetings of Directors

The following table shows the number of meetings held during the financial year ended 30 June 2025.

Year ended 30 June 2025	Eligible to attend	Attended
David Rickards (Independent Chair)	11	10
Sarah Williams (Independent Director)	11	11
Trevor Carroll (Independent Director)	11	11
Warwick Evans (Director)	11	10
Sebastian Evans (Director)	11	11

Review of Operations

The Company's operating loss before tax for the year ended 30 June 2025 was \$9,539,434 (30 June 2024: operating loss before tax of \$34,236,589), and operating loss after tax for the year was \$9,071,358 (30 June 2024: operating loss after tax of \$24,281,501). The Investment Portfolio returned -9.08% for the financial year, compared to the benchmark S&P/ASX Small Ordinaries Accumulation Index (XSOAI), which returned +12.26% for the financial year.

The post-tax NTA value per share of the Company decreased from \$0.59 to \$0.47 over the course of the financial year. The Company paid 5.00 cents per share of dividends to shareholders during the year, 50% franked overall.

The on-market share buyback continued to be active during the financial year to take advantage of the discount of the share price relative to NTA. During the financial year, a total of 2,065,482 shares were bought back for a total consideration of \$613,215. The buyback of shares by the Company at a discount is accretive to NTA per share and as such the Board considers the buyback program to be an effective use of the Company's capital and thus in the interests of all shareholders.

Please refer to the Investment Manager's Report on page 10 for further information regarding the performance of the Company.

Financial Position

The net tangible asset value of the Company as at 30 June 2025 was \$62,733,497 (2024: \$79,159,124). Further information on the financial position of the Company is included in the Chair's Letter on page 8.

Dividends Paid or Payable

Year ended 30 June 2025	Dividend (cents per share)	Total amount \$'000	% Franked	Date of payment
2024 Final quarterly dividend (declared on 22 August 2024)	1.25	1,686	100%	30 September 2024
2025 First quarterly interim dividend (declared on 16 October 2024)	1.25	1,686	100%	29 November 2024
2025 Second quarterly interim dividend (declared on 20 February 2025)	1.25	1,686	100%	4 April 2025
2025 Third quarterly interim dividend (declared on 16 April 2025)	1.25	1,682	0%	4 June 2025
		6,740		

Directors' Report (continued)
Dividends Paid or Payable (continued)

Year ended 30 June 2024	Dividend (cents per share)	Total amount \$'000	% Franked	Date of payment
2023 Final quarterly dividend (declared on 22 August 2023)	1.25	1,703	100%	27 September 2023
2024 First quarterly interim dividend (declared on 19 October 2023)	1.25	1,696	100%	30 November 2023
2024 Second quarterly interim dividend (declared on 22 February 2024)	1.25	1,688	100%	5 April 2024
2024 Third quarterly interim dividend (declared on 17 April 2024)	1.25	1,688	100%	5 June 2024
		6,775		

Since 30 June 2025, the Company has declared a final quarterly dividend of 1.25 cents per share, unfranked, to be paid on 30 September 2025.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Company.

Subsequent Events

On 21 August 2025, the Company declared an unfranked quarterly dividend of 1.25 cents per share, payable on 30 September 2025.

Other than the above, there has been no other matter or circumstance occurring subsequent to the end of the year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Likely Developments

The Company continues to be managed in accordance with the Constitution and its investment objectives.

Environmental Regulation and Performance

The operations of the Company are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Company.

Indemnification of Directors, Officers and Auditors

During the financial year, the Company paid premiums in respect of contracts insuring the directors against a liability incurred as a director or executive officer to the extent permitted by the *Corporations Act 2001 (Cth)*. The contracts of insurance prohibit disclosure of the nature of the liability and the amount of the premiums.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability as such an officer or auditor.

Rounding

The Company has applied the relief available under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly, the amounts in the financial statements and in the Directors' Report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar (where indicated).

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company.

Directors' Report (continued)

Non-audit Services

No non-audit services were provided by Deloitte Touche Tohmatsu during the year. Refer to Note 12 of this financial report for details of auditor remuneration.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 43.

Remuneration Report (Audited)

The Directors of the Company present the Remuneration Report to shareholders. The report is a requirement under section 300A(1) of the *Corporations Act 2001* and covers the following information:

- the Board's policy for determining the nature and amount of remuneration of Directors and other key management personnel (if any) of the Company;
- a discussion of the relationship between such policy and the Company's performance; and
- the details of the remuneration of the Directors and other management personnel (if any).

Remuneration of Directors

The Board from time to time determines remuneration of Directors within the maximum amount approved by shareholders. This is the only remuneration that Directors are entitled to.

Payments to Directors reflect the demands and responsibilities of their roles and are reviewed annually by the Board. The Company determines remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors. The maximum amount is currently \$750,000 (including superannuation contributions) as approved by shareholders at the 2013 AGM.

Director's remuneration received for the year ended 30 June 2025 and 30 June 2024 are disclosed below:

	Short-term employee benefits	Post- employment benefit	
	Directors fees	Superannuation	Total
30 June 2025	\$	\$	\$
David Rickards (Independent Chair)	31,390	3,610	35,000
Sarah Williams (Independent Director)	22,422	2,578	25,000
Trevor Carroll (Independent Director)	22,422	2,578	25,000
Warwick Evans (Director)	22,422	2,578	25,000
Total	98,656	11,344	110,000

	Short-term employee benefits	Post- employment benefit	
	Directors fees	Superannuation	Total
30 June 2024	\$	\$	\$
David Rickards (Independent Chair)	31,532	3,468	35,000
Sarah Williams (Independent Director)	22,522	2,478	25,000
Trevor Carroll (Independent Director)	22,522	2,478	25,000
Warwick Evans (Director)	22,522	2,478	25,000
Total	99,098	10,902	110,000

Mr Sebastian Evans is remunerated by the Investment Manager and is currently not entitled to Director's remuneration from the Company.

Interest in shares and options of the Company

During the years ended 30 June 2025 and 30 June 2024, the relevant interests of the Directors and their related parties in the Company's shares and bonus options were as follows:

Ordinary shares	Opening balance	Acquired	Sold	Closing balance
Year ended 30 June 2025	No of shares	No of shares	No of shares	No of shares
David Rickards (Independent Chair)	402,024	59,464	-	461,488
Sarah Williams (Independent Director)	26,511	52,961	-	79,472
Trevor Carroll (Independent Director)	212,979	-	-	212,979
Warwick Evans (Director)	730,002	107,976	-	837,978
Sebastian Evans (Director)	1,339,945	269,822	-	1,609,767

Ordinary shares	Opening balance	Acquired	Sold	Closing balance
Year ended 30 June 2024	No of shares	No of shares	No of shares	No of shares
David Rickards (Independent Chair)	378,214	23,810	-	402,024
Sarah Williams (Independent Director)	24,500	2,011	-	26,511
Trevor Carroll (Independent Director)	212,979	-	-	212,979
Warwick Evans (Director)	674,626	55,376	-	730,002
Sebastian Evans (Director)	1,257,600	82,345	-	1,339,945

Bonus options	Opening balance	Issued	Expired	Closing balance
Year ended 30 June 2024	No of bonus options	No of bonus options	No of bonus options	No of bonus options
David Rickards (Independent Chair)	111,256	-	(111,256)	-
Sarah Williams (Independent Director)	-	-	-	-
Trevor Carroll (Independent Director)	63,861	-	(63,861)	-
Warwick Evans (Director)	195,161	-	(195,161)	-
Sebastian Evans (Director)	386,166	-	(386,166)	-

All bonus options expired during the year ended 30 June 2024; accordingly, no information on bonus options is disclosed for the year ended 30 June 2025.

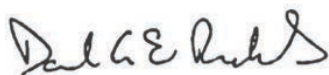
Directors' Report (continued)

The following table summarises Company performance and Directors Remuneration. Director's fees are not linked to the Company's performance.

	2025	2024	2023	2022	2021
Operating profit/(loss) after tax (\$'000)	(9,071)	(24,282)	2,610	(19,788)	51,527
Dividends (cents per share)	4.00	5.00	5.00	5.00	5.00
Level of franking (%)	75	100	100	100	100
NTA after tax (\$ per share)	0.47	0.59	0.81	0.84	1.02
Total Director's remuneration (\$)	110,000	110,000	106,353	85,000	85,000
Shareholder's equity (\$'000)	62,734	79,159	112,203	120,401	156,215
Share Price (\$)	0.28	0.44	0.68	0.73	0.98

End of Remuneration Report (Audited).

Signed in accordance with a resolution of directors of the Company made pursuant to Section 298(2) of the *Corporations Act 2001*.



David Rickards OAM

Independent Chair

Auditor's Independence Declaration



Deloitte Touche Tohmatsu
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21 August 2025

The Board of Directors
NAOS Small Cap Opportunities Company Limited
Level 34, 25 Martin Place
Sydney NSW 2000

Dear Directors,

Auditor's Independence Declaration to NAOS Small Cap Opportunities Company Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the those charged with governance of NAOS Small Cap Opportunities Company Limited.

As lead audit partner for the audit of the financial report of NAOS Small Cap Opportunities Company Limited for the financial year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

Jonathon Corbett
Partner
Chartered Accountants

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Independent Auditor's Report



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Independent Auditor's Report to the Members of NAOS Small Cap Opportunities Company Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of NAOS Small Cap Opportunities Company Limited (the "Company") which comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration and the Consolidated Entity Disclosure Statement.

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

- Giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 for 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.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<u>Valuation and existence of Level 1 financial assets held at fair value through profit or loss</u> The Company's listed equity securities are the most significant driver of the Company's net tangible assets and the profit or loss attributable to shareholders. As at 30 June 2025, the Company's listed equity securities held at fair value through profit or loss totaled circa \$63.6 million as disclosed in Notes 7 and 17. Listed equity securities are fair valued using the unadjusted last sale price quoted on the Australian Securities Exchange and New Zealand's Exchange. Changes in the fair value of the listed securities are recognised through profit or loss. Given the significance of the listed equity securities, the key audit matter is whether the Company has ownership of the listed equity securities and has accurately recorded the fair value movements for the reporting period.	Our procedures included, but were not limited to: • Evaluating key controls in place at the outsourced service providers (i.e. administrator and custodian) in relation to the valuation and existence of financial assets at fair value through profit or loss, including any exceptions noted; • Obtaining confirmation of the investment holdings directly from the custodian; • On a sample basis, agreeing the valuation of listed equity securities to an independent pricing source; • On a sample basis, agreeing the investment holdings to the external custodian's holdings statement; and • Reperforming a reconciliation of the financial assets balance for the period ended 30 June 2025, including purchases, sales, and other relevant transactions. We also assessed the adequacy of the disclosures in Notes 7 and 17 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2025 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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and is free from material misstatement, whether due to fraud or error.

Deloitte.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report



because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 40 to 42 of the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of NAOS Small Cap Opportunities Company Limited, for the year ended 30 June 2025, 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.

A handwritten signature in black ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink that appears to read "Jonathon Corbett".

Jonathon Corbett
Partner
Chartered Accountants

Sydney, 21 August 2025

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2025

	Notes	Year ended 30 June 2025 \$'000	Year ended 30 June 2024 \$'000
Income	3	(5,634)	(30,063)
Expenses			
Management fees	16	(957)	(1,453)
Interest expense		(1,495)	(1,585)
Transaction costs		(468)	(86)
Listing, custody and registry fees		(233)	(252)
Legal and professional fees		(71)	(110)
Amortisation costs	9	(153)	(186)
Directors' remuneration		(110)	(110)
Other expenses from ordinary activities		(418)	(392)
Loss before income tax benefit		(9,539)	(34,237)
Income tax benefit	4(a)	468	9,955
Loss for the year attributable to shareholders of the Company		(9,071)	(24,282)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to shareholders of the Company		(9,071)	(24,282)
Basic and diluted loss per share (cents per share)	18	(6.74)	(17.91)

The accompanying notes to the financial statements should be read in conjunction with this statement.

Statement of Financial Position as at 30 June 2025

	Notes	As at 30 June 2025 \$'000	As at 30 June 2024 \$'000
Assets			
Current assets			
Cash and cash equivalents	13(a)	203	360
Trade and other receivables	6	60	45
Prepayments		71	95
Financial assets at fair value through profit or loss	7	63,611	99,539
Total current assets		63,945	100,039
Non-current assets			
Deferred tax assets	4(b)	12,000	11,533
Total non-current assets		12,000	11,533
Total assets		75,945	111,572
Liabilities			
Current liabilities			
Trade and other payables	8	463	321
Total current liabilities		463	321
Non-current liabilities			
Borrowings	9	12,748	32,092
Total non-current liabilities		12,748	32,092
Total liabilities		13,211	32,413
Net assets		62,734	79,159
Equity			
Issued capital	10	176,164	176,778
Profits reserve	11(a)	10,025	16,765
Accumulated losses	11(b)	(123,455)	(114,384)
Total equity		62,734	79,159

The accompanying notes to the financial statements should be read in conjunction with this statement.

Statement of Changes in Equity for the Year Ended 30 June 2025

	Issued capital \$'000	Profits reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2023	178,765	23,540	(90,102)	112,203
Loss for the year	-	-	(24,282)	(24,282)
Dividends paid	-	(6,775)	-	(6,775)
DRP shares allotted	1,031	-	-	1,031
Purchase of shares on-market for DRP	(1,031)	-	-	(1,031)
Shares bought back from shareholders	(1,987)	-	-	(1,987)
Balance at 30 June 2024	176,778	16,765	(114,384)	79,159

	Issued capital \$'000	Profits reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2024	176,778	16,765	(114,384)	79,159
Loss for the year	-	-	(9,071)	(9,071)
Dividends paid	-	(6,740)	-	(6,740)
DRP shares allotted	998	-	-	998
Purchase of shares on-market for DRP	(998)	-	-	(998)
Shares bought back from shareholders	(614)	-	-	(614)
Balance at 30 June 2025	176,164	10,025	(123,455)	62,734

The accompanying notes to the financial statements should be read in conjunction with this statement.

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Statement of Cash Flows for the Year Ended 30 June 2025

	Notes	Year ended 30 June 2025 \$'000	Year ended 30 June 2024 \$'000
Cash flows from operating activities			
Payments for purchase of investments		(33,956)	(12,606)
Proceeds from sale of investments		61,100	18,759
Dividends received		2,627	6,519
Interest received		24	29
Interest paid to note holders		(1,408)	(1,592)
Other payments		(1,693)	(2,306)
Net cash provided by operating activities	13(b)	26,694	8,803
Cash flows from financing activities			
Purchase of shares on-market for DRP		(998)	(1,031)
Dividends paid net of amounts reinvested		(5,742)	(5,744)
Share buybacks		(614)	(1,987)
Repayment of unsecured notes		(32,171)	-
Proceeds from issue of unsecured notes		13,110	-
Costs of issue of unsecured notes		(436)	-
Net cash used in financing activities		(26,851)	(8,762)
Net (decrease)/increase in cash and cash equivalents		(157)	41
Cash and cash equivalents at the beginning of the year		360	319
Cash and cash equivalents at the end of the year	13(a)	203	360

The accompanying notes to the financial statements should be read in conjunction with this statement.

Notes to the Financial Statements

General Information

NAOS Small Cap Opportunities Company Limited (the "Company") is a public company listed on the Australian Securities Exchange (ASX: NSC) registered and domiciled in Australia. The Company was constituted on 14 January 2004 and commenced operations on 25 March 2004.

The registered office and principal place of business of the Company is Level 34, 25 Martin Place, Sydney NSW 2000.

NAOS Asset Management Limited (the "Investment Manager") is the investment manager for the Company. The financial statements were authorised for issue by the Directors on 21 August 2025.

1. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and interpretations of the Australian Accounting Standards Board (the "AASB"), and the *Corporations Act 2001* in Australia. For the purposes of preparing these financial statements, the Company is a for-profit entity.

This general purpose financial report has been prepared on an accruals basis using historical cost convention, except for the revaluation of investments in financial assets and liabilities, which have been measured at fair value.

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Refer to Note 1(s) for critical accounting judgements and key sources of estimation uncertainty.

b) Prior Year Comparatives

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements.

c) Statement of Compliance

The financial report of the Company, comprising the financial statements and notes thereto, complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board ("AASB") and International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board (the "IASB").

d) Reporting Currency

All amounts are presented in Australian dollars as the functional and presentational currency of the Company.

e) Going Concern Basis

This financial report has been prepared on a going concern basis. The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

f) Revenue and Income Recognition

Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Net gains/(losses) on financial instruments held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at the period end and the fair value at the previous valuation point. Net gains/(losses) also include realised gain/losses, and do not include interest, dividend income, or other income.

Dividends

Dividend income is recognised on the ex-dividend date with any corresponding foreign withholding tax recorded as an expense.

Interest income

Interest income is recognised on a time proportionate basis taking into account the effective yield on the financial assets.

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Notes to the Financial Statements (continued)

1. Summary of Material Accounting Policies (continued)

g) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

h) Investments in Financial Instruments

Investments in financial instruments, as defined by AASB 132 'Financial Instruments: Presentation', are categorised in accordance with AASB 9 'Financial Instruments'. This classification is determined by the purpose underpinning the acquisition of the investment.

(i) Initial recognition, measurement and derecognition

The Company recognises financial assets and financial liabilities on the date that it becomes party to the contractual agreement (trade date).

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit or Loss and Other Comprehensive Income.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

(ii) Classification and subsequent measurement

Financial Assets and Liabilities held at Fair Value Through Profit or Loss

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the "financial assets or financial liabilities at fair value through profit or loss" category are presented in the Statement of Profit or Loss and Other Comprehensive Income within net gains/(losses) on financial instruments held at fair value through profit or loss in the year in which they arise.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Company is the current close price and the quoted market price for financial liabilities is the current close price.

Financial Liabilities

Financial liabilities include trade and other payables, and borrowings. Non-derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses ("ECL") on financial assets excluding investments that are measured at fair value through profit and loss.

The Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instruments has not increased significantly since the initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The amount of impairment loss will be recognised in the Statement of Profit or Loss and Other Comprehensive Income.

i) Expenses

All expenses, including the Investment Manager's fees, are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accruals basis.

j) Receivables

Receivables may include amounts for dividends, interest, trust distributions and amounts due from brokers. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out in Note 1(f) above. Receivables also include such items as Reduced Input Tax Credits ("RITC").

k) Payables

Trade and other payables are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services. Payables include liabilities, amounts due to brokers and accrued expenses owed by the Company which are unpaid as at the end of the reporting period.

Notes to the Financial Statements (continued)**1. Summary of Material Accounting Policies (continued)****l) Taxation**

The income tax expense/(benefit) comprises current tax and movements in deferred tax.

Current income tax expense/(benefit) is the tax payable/(receivable) on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Current and deferred tax expense/(benefit) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity. Deferred tax assets and liabilities are ascertained based on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, and where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

m) Dividends

Dividends payable are recognised in the reporting period in which they are declared, for the entire undistributed amount, regardless of the extent to which they will be paid in cash.

n) Share Capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect.

o) Profits Reserve

The profits reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments.

p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The GST incurred on the costs of various services provided to the Company by third parties such as custodial services and investment management fees have been passed onto the Company. The Company qualifies for Reduced Input Tax Credits (RITC) hence, investment management fees, custodial fees and certain other expenses have been recognised in the Statement of Profit or Loss and Other Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO).

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

q) Earnings Per Share

Basic earnings per share are calculated by dividing net profit attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share are calculated by dividing net profit attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares and potential ordinary shares (options) outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the year.

Notes to the Financial Statements (continued)

1. Summary of Material Accounting Policies (continued)

r) Rounding of amounts

The Company has applied the relief available under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly, the amounts in the financial statements and in the Directors' Report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar (where indicated).

s) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, management are required to make judgements, estimates and assumptions about carrying values of some assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Income Tax

The Company has recognised deferred tax assets relating to current and prior period tax losses of \$6,257,869 (2024: \$5,823,717) and unrealised losses on investments of \$5,699,139 (2024: \$5,675,416) as at 30 June 2025. The utilisation of these deferred tax assets depends on the ability of the Company to generate future taxable profits. The Company considers it probable that such profits will be available, supported by the Investment Manager's long-term performance and profitability. New information may become available that could cause the Company to change its judgement regarding the calculation of tax balances, with any such changes recognised in profit or loss in the period in which the determination is made.

2. Adoption of New and Revised Accounting Standards

New or amended Accounting Standard and Interpretations adopted in the current period

The Company 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. These Standards and Interpretations did not have a material impact on these financial statements.

New Accounting Standards and Interpretations not yet adopted

There are no new accounting standards or interpretations applicable that would have a material impact for the Company.

3. Income

	Year ended 30 June 2025 \$'000	Year ended 30 June 2024 \$'000
Net losses on financial assets held at fair value through profit or loss	(8,284)	(36,611)
Interest income	23	29
Dividend income	2,627	6,519
Total income	(5,634)	(30,063)

Notes to the Financial Statements (continued)

4. Income Tax**a) Income tax benefit**

The prima facie tax on profit before income tax is reconciled to the income tax expense as follows:

	Year ended 30 June 2025 \$'000	Year ended 30 June 2024 \$'000
Prima facie income tax expense/(benefit) calculated at 25% (2024: 25%)	(2,387)	(8,560)
Less the tax effect of:		
Imputation credit gross up	279	698
Franking credit offset	(1,117)	(2,793)
Impact of change in tax rate	-	700
Unrecognised tax losses	2,757	-
	(468)	(9,955)
Effective tax rate	5%	29%

The Company assessed that it is a base rate entity for the year ended 30 June 2025 and 30 June 2024 and hence the reduced company tax rate of 25% is applied to all income tax related balances.

	Year ended 30 June 2025 \$'000	Year ended 30 June 2024 \$'000
Change in deferred tax liability	-	(2,814)
Change in deferred tax asset	(468)	(7,141)
	(468)	(9,955)

b) Deferred tax assets

	As at 30 June 2025 \$'000	As at 30 June 2024 \$'000
Tax losses	6,258	5,824
Accruals	42	26
Capitalised issue costs	1	8
Unrealised losses on investments	5,699	5,675
	12,000	11,533

	As at 30 June 2025 \$'000	As at 30 June 2024 \$'000
Movement in deferred tax assets		
Balance at the beginning of the period	11,533	4,392
Credited to the Statement of Profit or Loss and Comprehensive Income	467	7,141
At reporting date	12,000	11,533

5. Dividends Paid

Year ended 30 June 2025	Dividend (cents per share)	Total amount \$'000	% Franked	Date of payment
2024 Final quarterly dividend (declared on 22 August 2024)	1.25	1,686	100%	30 September 2024
2025 First quarterly interim dividend (declared on 16 October 2024)	1.25	1,686	100%	29 November 2024
2025 Second quarterly interim dividend (declared on 20 February 2025)	1.25	1,686	100%	4 April 2025
2025 Third quarterly interim dividend (declared on 16 April 2025)	1.25	1,682	0%	4 June 2025
		6,740		

Year ended 30 June 2024	Dividend (cents per share)	Total amount \$'000	% Franked	Date of payment
2023 Final quarterly dividend (declared on 22 August 2023)	1.25	1,703	100%	27 September 2023
2024 First quarterly interim dividend (declared on 19 October 2023)	1.25	1,696	100%	30 November 2023
2024 Second quarterly interim dividend (declared on 22 February 2024)	1.25	1,688	100%	5 April 2024
2024 Third quarterly interim dividend (declared on 17 April 2024)	1.25	1,688	100%	5 June 2024
		6,775		

Dividend Franking Information

	Year ended 30 June 2025 \$'000	Year ended 30 June 2024 \$'000
Franking credits available for shareholders from previous financial years	505	614
Impact on the franking account of dividends paid during the year	(1,685)	(2,903)
Impact on the franking account of dividends received during the year	1,115	2,794
Franking account balance at reporting date	(65)	505

The Company's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from investments and the payment of tax.

Notes to the Financial Statements (continued)

6. Trade and Other Receivables

	As at 30 June 2025 \$'000	As at 30 June 2024 \$'000
Unsettled trade receivables	25	6
Other receivables	35	39
Total	60	45

Receivables are non-interest bearing and unsecured. Outstanding trades, i.e. "Unsettled trade receivables", are on the terms operating in the investment management industry which usually require settlement within two days of the date of the transaction. None of the receivables are past due or impaired at the end of the reporting period (2024: Nil).

7. Investments in Financial Instruments**Financial Assets at Fair Value through Profit or Loss**

	As at 30 June 2025 \$'000	As at 30 June 2024 \$'000
Investments in listed equities	63,611	99,539
Total financial assets at fair value through profit or loss	63,611	99,539

Financial liabilities at Fair Value through Profit or Loss.

There were no financial liabilities at fair value through profit or loss as at 30 June 2025 (2024: Nil).

Disclosed Fair Values

For all financial instruments other than those measured at fair value, their carrying value approximates fair value as they are either cash/cash equivalents and/or short-term in nature such as trade and other payables/receivables.

8. Trade and Other Payables

	As at 30 June 2025 \$'000	As at 30 June 2024 \$'000
Unsettled trades payable	-	17
Other payables	463	304
Total	463	321

Payables are non-interest bearing and unsecured. Unsettled trades are on the terms operating in the investment management industry which usually require settlement within two days of the date of the transaction.

Notes to the Financial Statements (continued)

9. Borrowings

During the year, the \$32.20 million unsecured notes with a maturity date of 3 December 2024 were repaid in full. The Company also issued \$13.24 million unsecured notes with a five-year term, carrying an interest rate equal to the six-month BBSW plus a margin of 4.80% per annum. Interest is payable semi-annually on 11 May and 11 November. As at 30 June 2025, a total of \$159,651 in interest was payable on the notes (2024: \$72,660). The unsecured notes are due for repayment on 11 November 2029. The terms of the notes are regulated under a trust deed between the Company and Equity Trustees Limited.

	As at 30 June 2025 \$'000	As at 30 June 2024 \$'000
Opening balance of unsecured notes	32,092	31,906
Repayment of unsecured notes	(32,171)	-
Unsecured notes issued in the year	13,110	-
Less: issue costs	(436)	-
Add: amortisation of costs for year	153	186
At reporting date	12,748	32,092

10. Issued Capital

	30 June 2025		30 June 2024	
	No. of Shares	\$'000	No. of Shares	\$'000
Issued and paid up capital - ordinary shares	132,908,184	176,164	134,973,666	176,778

Detailed provisions relating to the rights attaching to these shares are set out in the Company's Constitution and the *Corporations Act 2001*. These are summarised below.

Each share will confer on its holder:

- the right to receive notice of and to attend general meetings of the Company and to receive all financial statements, notices and documents required to be sent to them under the Constitution and the *Corporations Act 2001*;
- the right to vote at a general meeting of shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per shareholder) and on a poll (one vote per share) subject to the rights and restrictions on voting which may attach to or be imposed on shares (at present there are none);
- the right to receive dividends;
- the right to receive, in kind, the whole or any part of the Company's property in a winding up, subject to the rights of a liquidator of the Company (with consent of members by special resolution); and
- subject to the *Corporations Act 2001* and the ASX Listing Rules, shares are fully transferable.

Notes to the Financial Statements (continued)

10. Issued Capital (continued)

Movements in Ordinary Share Capital

	No. of shares	\$'000
Opening balance 1 July 2023	137,882,856	178,765
DRP shares allotted	1,638,679	1,031
Purchase of shares on market for DRP	(1,638,679)	(1,031)
Shares bought back	(2,909,190)	(1,987)
Closing balance 30 June 2024	134,973,666	176,778
Opening balance 1 July 2024	134,973,666	176,778
DRP shares allotted	2,784,508	998
Purchase of shares on market for DRP	(2,784,508)	(998)
Shares bought back	(2,065,482)	(614)
Closing balance 30 June 2025	132,908,184	176,164

11. Profits Reserve and Accumulated Losses

a) Profits Reserve

	As at 30 June 2025 \$'000	As at 30 June 2024 \$'000
Opening balance	16,765	23,540
Dividends paid	(6,740)	(6,775)
Balance at reporting date	10,025	16,765

To the extent possible under the *Corporations Act 2001* and applicable tax laws, the profits reserve is preserved for future dividend payments.

b) Accumulated Losses

	As at 30 June 2025 \$'000	As at 30 June 2024 \$'000
Balance at the beginning of the year	(114,384)	(90,102)
Loss for the year attributable to the members of the Company	(9,071)	(24,282)
Balance at reporting date	(123,455)	(114,384)

12. Auditors Remuneration

	Year ended 30 June 2025	Year ended 30 June 2024
	\$	\$
Audit and other assurance services - Deloitte Touche Tohmatsu		
Audit and review of financial reports	65,500	65,500
Total remuneration for audit and other assurance services	65,500	65,500

13. Cash and Cash Equivalents

a) Components of cash and cash equivalents

	As at 30 June 2025	As at 30 June 2024
	\$'000	\$'000
Cash at bank	203	360

b) Reconciliation of Profit for the year to cash provided by operating activities

	Year ended 30 June 2025	Year ended 30 June 2024
	\$'000	\$'000
Loss for the year attributable to shareholders after tax	(9,071)	(24,282)
Adjustments for:		
Amortisation expense on unsecured notes	153	186
Change in value of financial assets designated at fair value through profit or loss	35,925	42,766
Income tax benefit recognised in the Statement of Profit or Loss and Other		
Comprehensive Income	(468)	(9,955)
Change in assets and liabilities		
Decrease in trade and other receivables	15	105
Increase/ (decrease) in trade and other payables	140	(17)
Net cash provided by operating activities	26,694	8,803

14. Key Management Personnel

a) Key Management Personnel Compensation

The remuneration of the Company's key management personnel and their related entities for the year ended 30 June 2025 was \$110,000 (2024: \$110,000).

Other than the disclosure at Note 16 there were no shares granted during the reporting period as compensation to the Directors. Transactions with related parties have taken place at arm's length and in the ordinary course of business.

Notes to the Financial Statements (continued)**14. Key Management Personnel (continued)****b) Related Party Shareholdings NAOS Asset Management Limited**

The Company has outsourced its investment management function to NAOS Asset Management Limited. As at 30 June 2025, NAOS Asset Management Limited holds 1,580,400 shares (2024: 1,314,363 shares) and nil bonus options (2024: nil bonus options) in the Company. Other than the disclosure at Note 16 and above there was no interest in the Company held by other entities also managed by the key management personnel.

Holdings of Shares by Key Management Personnel

During the year, the relevant interests of the Directors and their related parties in the shares and bonus options of the Company were as follows:

Ordinary shares	Opening balance	Acquired	Sold	Closing balance
Year ended 30 June 2025	No of shares	No of shares	No of shares	No of shares
David Rickards (Independent Chair)	402,024	59,464	-	461,488
Sarah Williams (Independent Director)	26,511	52,961	-	79,472
Trevor Carroll (Independent Director)	212,979	-	-	212,979
Warwick Evans (Director)	730,002	107,976	-	837,978
Sebastian Evans (Director)	1,339,945	269,822	-	1,609,767

Ordinary shares	Opening balance	Acquired	Sold	Closing balance
Year ended 30 June 2024	No of shares	No of shares	No of shares	No of shares
David Rickards (Independent Chair)	378,214	23,810	-	402,024
Sarah Williams (Independent Director)	24,500	2,011	-	26,511
Trevor Carroll (Independent Director)	212,979	-	-	212,979
Warwick Evans (Director)	674,626	55,376	-	730,002
Sebastian Evans (Director)	1,257,600	82,345	-	1,339,945

For the year 30 June 2025, none of the directors held any bonus options.

Bonus options	Opening balance	Issued	Expired	Closing balance
Year ended 30 June 2024	No of bonus options	No of bonus options	No of bonus options	No of bonus options
David Rickards (Independent Chair)	111,256	-	(111,256)	-
Sarah Williams (Independent Director)	-	-	-	-
Trevor Carroll (Independent Director)	63,861	-	(63,861)	-
Warwick Evans (Director)	195,161	-	(195,161)	-
Sebastian Evans (Director)	386,166	-	(386,166)	-

c) Other Transactions within the Company

Apart from those details disclosed in this note, no other key management personnel have entered into a material contract with the Company during the financial period and there were no material contracts involving key management personnel's interests existing at year end.

15. Segment Information

The Company has only one reportable segment. The Company operates predominantly in Australia and in one industry being the securities industry, deriving revenue from dividend income, interest income, and returns from the investment portfolio.

16. Related Party Information

Transactions with related parties have taken place at arm's length and in the ordinary course of business.

Management Fees

In return for the performance of its duties as Investment Manager of the Company, the Investment Manager is entitled to be paid a monthly management fee rate equal to 0.0958% (excluding GST) of the gross value of the portfolio calculated on the last business day of each month representing an annualised management fee rate of 1.15% (excluding GST) per annum of the average gross value of the portfolio. At its discretion and subject to shareholder approval, the Investment Manager may elect to be paid in shares.

The following management fees were paid or payable to the Investment Manager during the year ended 30 June 2025:

- Management fees of \$957,137 (2024: \$1,453,358) (excluding RITC*) were incurred during the year.
- Management fees payable at 30 June 2025 were \$67,065 (2024: \$105,064) (including RITC*).

*RITC - Reduced Input Tax Credit on GST of 75%.

Performance Fees

In the event that the investment portfolio outperforms the Benchmark Index (being the S&P/ASX Small Ordinaries Accumulation Index (XSOAI)), the Investment Manager is entitled to an annual performance fee equal to 20% (excluding GST) of the amount the portfolio outperforms the Benchmark Index. No performance fee is payable if the portfolio underperforms the Benchmark Index. Any underperformance to the Benchmark Index is carried forward to future performance calculation periods and must be recouped before the Investment Manager is entitled to a performance fee. No performance fees were paid or payable to the Investment Manager for the year ended 30 June 2025 (2024: \$Nil).

In addition, the Company has a services agreement with the Investment Manager to provide the use of premises and facilities, company secretarial, administrative, financial and accounting services. For the year ended 30 June 2025 the fees paid to the Investment Manager were \$180,000 (2024: \$180,000).

17. Financial Risk Management Objectives and Policies

Risks arising from holding financial instruments are inherent in the Company's activities. These risks are managed through a process of ongoing identification, measurement and monitoring. The Company is exposed to credit risk (including price risk and interest rate risk), liquidity risk, market risk and risks relating to fair value.

Financial instruments of the Company comprise investments in financial assets held for the purpose of generating a return on the investment made by shareholders. In addition, the Company also holds cash and cash equivalents, and other financial instruments such as trade receivables and payables, which arise directly from the operations of the Company. The responsibility for identifying and controlling the risks that arise from these instruments is that of the Investment Manager of the Company under policies approved by the Board.

The method used to measure the risks reflects the expected impact on the performance of the Company as well as the assets attributable to shareholders of the Company resulting from reasonably possible changes in the relevant risk variables. Information regarding the Company's risk exposure is prepared and monitored by the Investment Manager against established investment mandate limits. These mandate limits reflect the investment strategy and market environment of the Company as well as the level of risk the Company is willing to accept. Information about these risk exposures at reporting date is disclosed below.

a) Credit risk

Credit risk represents the risk that the Company will incur financial loss as a result of a failure by a counterparty to discharge a contractual obligation to a financial instrument. The Investment Manager monitors the credit worthiness of counterparties on an ongoing basis and evaluates the credit quality of all new counterparties before engaging them.

The maximum exposure to credit risk on financial assets, excluding investments of the Company which have been recognised in the Statement of Financial Position, is the carrying amount net of any provision for impairment of those assets.

The Investment Manager is responsible for ensuring that counterparties are of sufficient quality to minimise any individual counterparty credit risk. The majority of the Company's receivables arise from unsettled trades at year end which are settled two days after trade date. Engaging with counterparties via the Australian Securities Exchange facilitates the Company in both mitigating and managing its credit risk. The exposure to credit risk for cash and cash equivalents is considered to be low as all counterparties (National Australia Bank) have a rating of A or higher.

None of the financial assets exposed to a credit risk are overdue or considered to be impaired.

Notes to the Financial Statements (continued)

b) Market risk

Market risk is the risk that the fair value of future cash flows will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, equity prices and other price risks and liquidity. Market risk is managed and monitored on an ongoing basis by the Investment Manager.

By its nature, as a listed investment company that invests in tradeable securities, the Company will always be subject to market risk as it invests its capital in securities which are not risk free as the market price of these securities can fluctuate.

(i) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The unsecured notes that were issued on 11 November 2024 pay an interest equal to the 6 month BBSW plus a margin of 4.80% per annum payable half-yearly on 11 May and 11 November.

The Company's exposure to interest rate risk is set out in the following table:

	Floating interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30 June 2025			
Assets			
Cash and cash equivalents	203	-	203
Receivables	-	60	60
Financial assets at fair value through profit or loss	-	63,611	63,611
Total Assets	203	63,671	63,874
Liabilities			
Trade and other payables	-	427	427
Total Liabilities	-	427	427
Net exposure	203	63,244	63,447
	Floating interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30 June 2024			
Assets			
Cash and cash equivalents	360	-	360
Receivables	-	45	45
Financial assets at fair value through profit or loss	-	99,539	99,539
Total Assets	360	99,584	99,944
Liabilities			
Trade and other payables	-	321	321
Total Liabilities	-	321	321
Net exposure	360	99,263	99,623

Notes to the Financial Statements (continued)

17. Financial Risk Management Objectives and Policies (continued)

b) Market risk (continued)

(i) Interest Rate Risk (continued)

The sensitivity analyses below have been determined based on the Company's exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period, in the case of instruments that have floating interest rates. A 250 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible changes in interest rates.

	Change in basis points increase/(decrease)	Impact on operating profit / Net assets attributable to shareholders \$'000
30 June 2025		
AUD interest rate	250bps/(250bps)	5/(5)
30 June 2024		
AUD interest rate	250bps/(250bps)	9/(9)

(ii) Price Risk

Price risk is the risk that the fair value of investments decreases as a result of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market. Price risk is managed by monitoring compliance with established investment mandate limits. All securities present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

As at 30 June 2025 and 30 June 2024, a 10% sensitivity would have had an impact in the Company's Statement of Profit or Loss and Other Comprehensive Income and net assets attributable to shareholders as shown in the table below:

	Impact on operating profit / Net assets attributable to shareholders	
	-10%	+10%
	\$'000	\$'000
30 June 2025	(6,361)	6,361
30 June 2024	(9,954)	9,954

The Company's industry sector weighting of the investment portfolio as at the reporting date is as below:

	% of Portfolio	
Industry	30 June 2025	30 June 2024
Construction Materials	38.43%	27.36%
Industrials	31.83%	14.66%
Financials	23.39%	37.55%
Commercial & Professional Services	2.77%	20.41%
Information Technology	1.30%	0.02%
Materials	1.05%	-
Consumer Discretionary	0.75%	-
Communication Services	0.48%	-
Total	100%	100%

Notes to the Financial Statements (continued)**17. Financial Risk Management Objectives and Policies (continued)****c) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company's major cash payments are the purchase of securities and dividends paid to shareholders, the levels of which are managed by the Board and the Investment Manager.

The Company's cash receipts depend upon the level of sales of securities, dividends and interest received or other capital management initiatives that may be implemented by the Board from time to time. The Investment Manager monitors the Company's cash flow requirements daily by reference to known sales and purchases of securities, dividends and interest to be paid or received. Should these decrease by a material amount, the Company can alter its cash outflows as appropriate. The assets of the Company are largely in the form of tradeable securities which (if liquidity is available) can be sold on the market if necessary.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period from 30 June 2025 and 30 June 2024 to the contractual maturity date.

	Less than 1 year \$'000	>1 year to 2 years \$'000	2 to 5 years \$'000	Total \$'000	Carrying amount \$'000
30 June 2025					
Trade and other payables	470	-	-	470	470
Borrowings	-	-	12,748	12,748	12,748
Total	470	-	12,748	13,218	13,218
	Less than 1 year \$'000	> 1 year to 2 years \$'000	2 to 5 years \$'000	Total \$'000	Carrying amount \$'000
30 June 2024					
Trade and other payables	321	-	-	321	321
Borrowings	32,171	-	-	32,171	32,092
Total	32,492	-	-	32,492	32,413

The amounts in the table are the contractual undiscounted cash flows.

d) Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

Level 1:

Financial instruments are valued by reference to quoted prices in an active market(s) for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

Included within level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the quoted closing prices at the end of the reporting period.

Level 2:

Financial instruments are valued using inputs other than quoted prices covered in Level 1. These other inputs include quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The inputs included in this level encompass quoted prices in active markets for similar assets or liabilities and quoted prices in markets in which there are few transactions for identical or similar assets or liabilities. Financial instruments that are valued using other inputs that are not quoted prices but are observable for the assets or liabilities also fall into this categorisation.

Level 3:

Financial instruments that have been valued, in whole or in part, by using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Unobservable valuation inputs are determined based on the best information available, which might include the entity's own data, reflecting its assumptions as well as best practices carried out or undertaken by other market participants. These valuation techniques are used to the extent that observable inputs are not available.

Notes to the Financial Statements (continued)

17. Financial risk management (continued)

d) Fair Value Hierarchy (continued)

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 30 June 2025.

Financial Assets at Fair Value through Profit or Loss

30 June 2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Listed equities	63,611	-	-	63,611
Total	63,611	-	-	63,611

30 June 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Listed equities	99,539	-	-	99,539
Total	99,539	-	-	99,539

e) Capital Management

The Company's objectives for managing capital are:

- to maximise returns to shareholders over the long-term while safeguarding capital by investing in a concentrated portfolio, and closely monitoring the performance of the underlying investments;
- to maintain sufficient liquidity to meet the ongoing expenses of the Company; and
- to maintain sufficient size to make the operation of the Company cost efficient.

The Board manages the Company's capital through share placements, share purchase plans, option issues, unsecured notes issues, the dividend reinvestment plan, share buybacks and the distribution of dividends to shareholders. These capital management initiatives will be used when deemed appropriate by the Board. The Company is not subject to externally imposed capital requirements.

18. Earnings Per Share

	Year ended 30 June 2025 Cents	Year ended 30 June 2024 Cents
Basic and diluted loss per share	(6.74)	(17.91)
	Shares	Shares
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	134,636,659	135,583,305
	\$'000	\$'000
Net loss used in the calculation of basic and diluted loss per share	(9,071)	(24,282)

Notes to the Financial Statements (continued)

19. Commitments and Contingencies

There are no commitments and contingencies as at 30 June 2025 (30 June 2024: Nil).

20. Subsequent Events

On 21 August 2025, the Company declared an unfranked quarterly dividend of 1.25 cents per share payable on 30 September 2025.

Other than the above, there has been no other matter or circumstances occurring subsequent to the end of the year that has significantly affected, or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Consolidated Entity Disclosure Statement as at 30 June 2025

Subsection 295(3A)(a) of the *Corporations Act 2001* does not apply to the Company as the Company is not required to prepare consolidated financial statements by Australian Accounting Standards.

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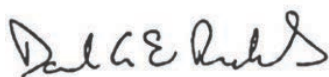
Directors' Declaration

In accordance with a resolution of the Directors of NAOS Small Cap Opportunities Company Limited, we declare that:
In the opinion of the Directors:

- the financial statements and notes are in accordance with the Corporations Regulations 2001 including compliance with Australian Accounting Standards and give a true and fair view of the financial position and performance of the Company for the financial year ended 30 June 2025;
- the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1(c) to the financial statements;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- the Directors have received the declarations required by section 295A of the *Corporations Act 2001*; and
- the consolidated entity disclosure statement required by subsection 295(3A) of the *Corporations Act 2001* is true and correct.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Board



David Rickards OAM

Independent Chair

21 August 2025

Additional Information

The additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in the report.

Investment Portfolio

As at 30 June 2025 the Company held the following investments:

AMA Group Limited	COG Financial Services Limited
AVJennings Limited	Mainfreight Limited
Big River Industries Limited	MaxiPARTS Limited
Blackstone Minerals Limited	Move Logistics Group Limited
Bravura Solutions Limited	Saunders International Limited
BSA Limited	Tuas Limited

During the financial year ended 30 June 2025, the Company had 432 (2024: 288) transactions in investment securities. Total brokerage fees incurred during the year ended 30 June 2025 were \$500,524 (2024: \$86,040).

20 Largest Shareholders

Details of the 20 largest ordinary shareholders along with their respective holdings as at 31 July 2025.

Shareholders	Ordinary shares held	% of issued shares
Citicorp Nominees Pty Limited	11,828,904	8.92%
Gold Tiger Investments Pty Ltd	2,175,000	1.64%
NAOS Asset Management Limited	1,580,400	1.19%
Mr James Vincent Chester Guest & Mrs Sarah Louise Guest	1,389,900	1.05%
Somoke Pty Limited	1,349,045	1.02%
Mr Kym Anthony Plotkin	1,200,000	0.91%
Beck Havas Pty Ltd	1,180,000	0.89%
Mr Michael John Blayney	1,165,414	0.88%
Angus Mac Pty Ltd	1,163,452	0.88%
Mr Reginald George Kenneth Nealie & Mrs Teresa Nealie	1,150,000	0.87%
Mr Bradley John Newcombe	1,000,000	0.75%
BNP Paribas Nominees Pty Ltd	949,168	0.72%
Mr James Vincent Chester Guest	891,764	0.67%
W W E Investments Pty Ltd	837,978	0.63%
HSBC Custody Nominees (Australia) Limited	773,598	0.58%
Certane CT Pty Ltd	658,246	0.50%
Mr Charles Akrill Mitchell	653,629	0.49%
Dr Ross Andrew Gawler	640,000	0.48%
Netwealth Investments Limited	619,989	0.47%
Deemtene Pty Limited	619,565	0.47%
Total	31,826,052	24.01%

Additional Information (continued)

Substantial Shareholders

Shareholders	Ordinary shares held	% of issued shares
Citicorp Nominees Pty Limited	11,828,904	8.92%

Distribution of Ordinary Shares

Analysis of ordinary shares by size of shareholders as at 31 July 2025.

Category	Number of shareholders	Ordinary shares held	% of issued shares
1-1,000	357	102,318	0.08%
1,001-5,000	591	1,811,117	1.37%
5,001-10,000	443	3,501,727	2.64%
10,001-100,000	1,395	49,601,973	37.42%
100,001-9,999,999,999	237	77,552,495	58.49%
Total	3,023	132,569,630	100%

Voting Rights

All shareholders registered on the Company's share register have the right to vote at a general meeting of shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per shareholder) and on a poll (one vote per Share) subject to the rights and restrictions on voting which may attach to or be imposed on shares (at present there are none).

ASX Listing

Quotation has been granted for all Ordinary Shares (ASX Code: NSC) of the Company on all Member Exchanges of the Australian Securities Exchange Limited.

Buyback

For the financial year ended 30 June 2025 the Company has bought back a total of 2,065,482 shares for a consideration of \$613,215 (2024: the Company bought back a total of 2,909,359 ordinary shares for a consideration of \$1,987,492).

Unmarketable Parcels

As at 31 July 2025 the number of shareholdings held in less than marketable parcels was 248.

Unquoted Securities

There are currently no unquoted securities on issue by the Company.

Restrictions on Shares

There are currently no restrictions attached to the shares of the Company.

Corporate Information

Directors

David Rickards OAM (Independent Chair)
Sarah Williams (Independent Director)
Trevor Carroll (Independent Director)
Warwick Evans (Director)
Sebastian Evans (Director)

Company Secretary

Sebastian Evans
Rajiv Sharma

Registered Office

Level 34
25 Martin Place
Sydney NSW 2000

Investment Manager

NAOS Asset Management Limited
Level 34
25 Martin Place
Sydney NSW 2000
(Australian Financial Services Licence Number: 273529)

Contact Details

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E: enquiries@naos.com.au
W: www.naos.com.au

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Telephone: 1300 737 760

Auditor

Deloitte Touche Tohmatsu
Level 46, Quay Quarter Tower
50 Bridge Street
Sydney NSW 2000

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