

NAOS Small Cap Opportunities Company Limited Announces Fully Franked Dividend for the Half Year Ending 31 December 2017

Result Highlights:

\$9.3 million

After Tax Profit

2.50 cents Fully Franked

Dividend Declared

Friday, 16 February 2018: NAOS Small Cap Opportunities Company Limited (ASX: NSC) today announced its half year result for the 6-month period to 31 December 2017, reporting an after-tax profit of \$9.3 million, and declaring a fully franked dividend of 2.50 cents per share.

Performance

Since NAOS Asset Management Limited (NAOS) was appointed investment manager of NSC in October 2017, the primary goal has been to consolidate the NSC investment portfolio into a concentrated group of high quality, undervalued small cap companies with an industrial bias. Pleasingly, the number of listed positions within the portfolio has been reduced to 20 positions with a cash balance of approximately 40.21% as at 31 December 2017. NAOS Chief Investment Officer and Managing Director, Sebastian Evans stated:

'First and foremost, the key objective of the investment team is to protect our fellow shareholders' capital, and following this, as adequate investment opportunities arise that we believe offer excellent long-term risk adjusted returns we would expect the cash balance to reduce.'

Evans further commented 'We are pleased with the NSC investment portfolio's transition to a concentrated group, of what we believe are quality undervalued small cap industrial companies.'

The primary focus of the NAOS investment team is to possess a deep understanding and appreciation of the companies in the portfolio and to create and protect investor capital whilst producing meaningful returns over the long term.

Fully Franked Dividends

NSC seeks to provide shareholders with a sustainable stream of dividends franked to the maximum extent possible over the longer term. NSC Chairman Trevor Carroll commented 'The Board of NSC is pleased to announce an increase in the franking rate to 100%, along with a 2.50 cents per share interim dividend for the half-year.' Carroll further stated 'NSC Directors have established initial shareholdings amounting to more than 680,000 shares in the Company and intend to create meaningful positions to further align Directors interests with our shareholders.'

Dividend Dates & Dividend Reinvestment Plan (DRP)

Ex Dividend Date	13 March 2018
Record Date	14 March 2018
Last Date for DRP Election	15 March 2018
Payment Date	29 March 2018

Investors can elect to participate in the Company's Dividend Reinvestment Plan (DRP). Details of the DRP can be found at www.naos.com.au. To participate in the DRP investors will need to submit their DRP election by 5:00pm Wednesday, 15 March 2018 to Computershare Limited, the share registry for NSC, either online through the Investor Centre, by email to web.queries@computershare.com.au or fax +61 3 9473 2500.

NSC recently announced revised Dividend Reinvestment Plan (DRP) rules. The revised rules allow for DRP shares to be acquired 'on market' when the post-tax net tangible assets (NTA) is greater than the share price as at record date, thereby avoiding any potential dilution to the Company's NTA. New shares will be issued when the share price is greater than the post-tax NTA as at record date.

NAOS National Investor Presentations

Please join us at our NAOS March Investor Roadshows. For further information on the Investor Roadshows and to register please visit www.naos.com.au/naos-roadshow or contact the NAOS team on (02) 9002 1577 or at enquiries@naos.com.au.

- Adelaide - 11:00am, Tuesday, 6 March 2018
- Melbourne - 11:00am, Tuesday 13 March 2018
- Canberra - 11:00am, Wednesday 7 March 2018
- Sydney - 11:00am, Wednesday 14 March 2018
- Brisbane - 11:00am, Thursday 8 March 2018
- Perth - 11:00am, Thursday 15 March 2018

For more information, please contact:

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About NAOS Asset Management Limited: NAOS Asset Management Limited (NAOS) is a boutique investment firm specialising in providing investment management services to clients in areas where they typically lack the resources or expertise to invest in themselves. NAOS manages three Listed Investment Companies being the NAOS Emerging Opportunities Company Limited (ASX: NCC), the NAOS Small Cap Opportunities Company Limited (ASX: NSC) and the NAOS Absolute Opportunities Company Limited (ASX: NAC). NAOS employs a team of ten people and has approximately \$350 million in funds under management.