

NAOS Small Cap Opportunities Company Limited Announces Profit and Fully Franked Dividend for the Financial Year Ending 30 June 2018

Result Highlights:

\$4.7 million

FY18 Profit After Tax

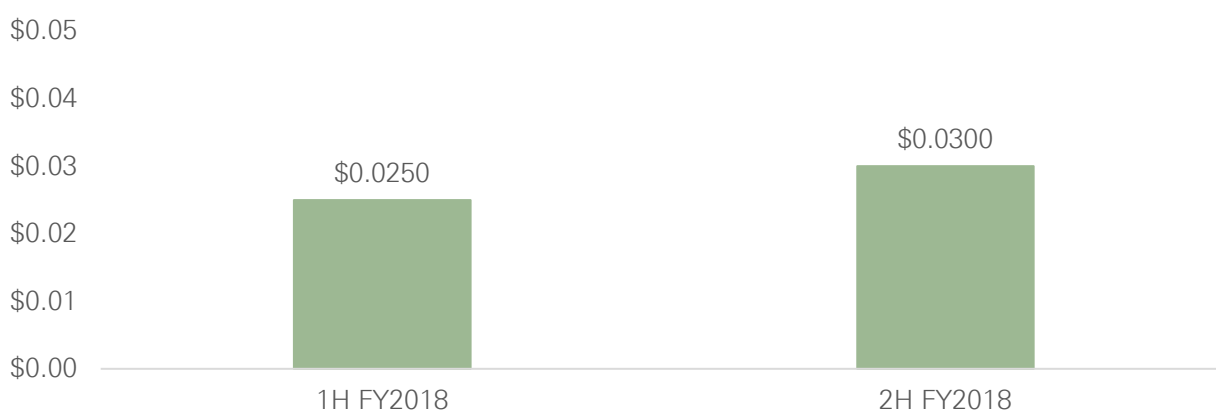
5.50 cents Fully Franked

FY18 Full Year Dividend

Thursday, 23 August 2018: NAOS Small Cap Opportunities Company Limited (ASX: NSC) today announced its full-year result for the financial year to 30 June 2018, reporting an after tax profit of \$4.7 million, which sees an increase in profit from the after-tax loss of \$13.9 million recorded in FY17. NSC also declared a fully franked dividend of 3.0 cents per share, bringing the full-year dividend to 5.50 cents per share. Independent Chairman, Trevor Carroll commented:

'Pleasingly this is the first full year period that dividends have been fully franked since the 2011 financial year, and this represents the Company's renewed focus on protecting investor capital whilst providing a stream of sustainable fully franked dividends and long-term capital growth.'

FY18 Dividend Profile



The Year at a Glance & Performance

During the year, shareholders appointed NAOS Asset Management Limited (NAOS) as the Company's new investment manager. NAOS has positioned the investment portfolio to provide shareholders with concentrated exposure to high quality undervalued industrial small-cap companies with a long-term value focus. Core to NSC's investment process and setting the Company apart from many of its peers is the concentrated portfolio structure. The nature of running a concentrated portfolio results in investment

holdings and portfolio returns that differ to that of the benchmark or index holdings. Therefore, it is not unusual for a concentrated portfolio to go through periods of significant underperformance as well as significant outperformance to that of the wider market. NAOS Chief Investment Officer and Managing Director, Sebastian Evans stated:

'We are very satisfied with the quality of the portfolio we have been able to form since being appointed as Investment Manager. In our view, we have in the portfolio a select group of industrial small cap businesses that are undervalued on a long-term investment horizon.'

During the year, the Board announced a change to increase the frequency of dividend payments from bi-annually to quarterly for FY19 and beyond. The first quarterly dividend for FY19 brings forward income for shareholders and creates an opportunity for shareholders to receive a more frequent income stream.

FY18 Final Dividend Dates & Dividend Reinvestment Plan (DRP)

Ex Dividend Date	3 September 2018
Record Date	4 September 2018
Last Date for DRP Election	5 September 2018
Payment Date	19 September 2018

The Dividend Reinvestment Plan (DRP) allows shareholders to elect to receive their dividends in shares rather than cash. DRP shares will 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 and also assisting with closing the share price discount to NTA. Further information on how to participate in the Company's DRP can be found at www.naos.com.au.

NAOS National Investor Roadshows

Please join us at our NAOS September Investor Roadshows. For further information 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.

- Brisbane - 11:00am, 3 September 2018
- Adelaide - 11:00am, 4 September 2018
- Sydney - 11:00am, 6 September 2018
- Canberra - 11:00am, 11 September 2018
- Melbourne - 11:00am, 12 September 2018
- Perth - 11:00am, 13 September 2018

About NAOS Asset Management Limited: NAOS Asset Management Limited (NAOS) is a specialist fund manager providing genuine, concentrated exposure to Australian listed industrial companies outside of the ASX 50. 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 Ex-50 Opportunities Company Limited (ASX: NAC). NAOS employs a team of ten people and has approximately \$320 million funds under management.

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