

## NAOS Ex-50 Opportunities Company Limited

ASX Code: NAC ACN: 169 448 837

### Appendix 4D | Results for Announcement to the Market

Results Announcement for the half year ended 31 December 2018

All comparisons are to the year ended 31 December 2017

	\$	up/down	% change
Revenue from ordinary activities	(4,508,212)	down	(155%)
Profit / (Loss) from ordinary activities before tax attributable to shareholders	(5,234,261)	down	(183%)
Profit / (Loss) from ordinary activities after tax attributable to shareholders	(3,125,046)	down	(168%)
Dividend Information	Cents per share	Franked amount per share	Tax rate for franking
2019 Second Quarterly Interim Dividend	1.35c	1.35c	30%
2019 First Quarterly Interim Dividend	1.35c	1.35c	30%
2018 Final dividend	2.50c	2.50c	30%
Second Quarterly Interim Dividend Dates			
Ex-dividend date			25 February 2019
Record date			26 February 2019
Last date for DRP election			27 February 2019
Payment date			11 March 2019
Dividend Reinvestment Plan			
The Dividend Reinvestment Plan is in operation and the recommended fully franked quarterly interim dividend of 1.35 cents per share qualifies. The plan will be in effect per the latest dividend reinvestment rules.			
	31 Dec 2018	31 Dec 2017	
	\$	\$	
(Post Tax) Net tangible asset backing per share	1.00	1.13	
This report is based on the half-year financial report which has been subject to independent review by the auditors, Deloitte Touche Tohmatsu Australia. All the documents comprise the information required by the Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2018 Annual Financial Report.			

**NAOS Ex-50 Opportunities Company Limited**

**ACN 169 448 837**

Financial report for the half-year ended 31 December 2018.

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## Directors' Report

The Directors of NAOS Ex-50 Opportunities Company Limited ACN 169 448 837 ("the Company"), submit their half-year report for the Company for the half-year ended 31 December 2018.

### Company Information

The Company is a listed investment company ("LIC") and its shares are listed on the Australian Securities Exchange (ASX: NAC). The Company has outsourced its investment management function to NAOS Asset Management Limited (ACN 107 624 126) (Australian Financial Services Licence Number 273529) (the "Investment Manager").

### Principal Activities

The Company invests primarily in mid-cap listed equities through a long biased structure with a long term value focus that can produce positive absolute returns through the cycle with a lower correlation to general equity market movements. No change in this activity took place during the half-year or is likely in the future.

### Directors and Officers

The names of the Directors of the Company, in office from inception (8 May 2014) and up to the date of this report are:

Name	Title
David Rickards	Independent Chairman (appointed from 8 May 2014)
Warwick Evans	Director
Sebastian Evans	Director
Sarah Williams	Independent Director (appointed from 31 January 2019)

### Review of Operations

#### Results

The results of the operations of the Company are disclosed in the Condensed Statement of Profit or Loss and Other Comprehensive Income included in these condensed financial statements. The results and dividends for the half-year ended 31 December 2018 were as follows:

	Half-year ended 31 December 2018	Half-year ended 31 December 2017
	\$	\$
(Loss)/profit before income tax expense	(5,234,261)	6,289,906
Income tax benefit/(expense)	2,109,215	(1,671,705)
<b>(Loss)/profit for the half-year attributable to shareholders</b>	<b>(3,125,046)</b>	<b>4,618,201</b>

### Dividends Paid or Payable

#### Half-year ended 31 December 2018

	Dividend (cents per share)	Total amount (\$)	% Franked	Date of payment
2018 Final dividend (declared 23 August 2018)	2.50	1,313,423	100%	19 September 2018
2019 First quarterly interim dividend (declared 16 October 2018)	1.35	709,248	100%	19 November 2018

#### Half-year ended 31 December 2017

	Dividend (cents per share)	Total amount (\$)	% Franked	Date of payment
2017 Final dividend (declared 24 August 2017)	2.50	1,313,422	100%	8 November 2017

**Directors' Report (continued)****Net Tangible Assets**

As at 31 December 2018 and 30 June 2018, the net tangible assets of the Company were:

	<b>31 December 2018</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
Net tangible assets	52,293,273	57,440,990
Pre-tax net tangible asset backing per share	0.97	1.11
Post-tax net tangible asset backing per share	1.00	1.09

**Subsequent Events**

Since the end of the half year, the Directors declared a quarterly interim dividend of 1.35 cents per share fully franked, to be paid on 11 March 2019. There has been no other matter or circumstance occurring subsequent to the end of the half-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.

**Rounding**

In accordance with ASIC Corporation (rounding in Financials/Directors' Report) Instrument 2016/191, the amounts in the Directors' Report and in the financial statements have been rounded to the nearest dollar, unless otherwise indicated.

**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 3.

This directors' report is signed in accordance with a resolution of directors of the Company made pursuant to Section 306 (3) of the Corporations Act 2001.



Sebastian Evans

Director

15 February 2019

The Board of Directors  
NAOS Ex-50 Opportunities Company Limited  
Level 34, MLC Centre  
19 Martin Place  
Sydney NSW 2000

15 February 2019

Dear Directors,

**Naos Ex-50 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 directors of Naos Ex-50 Opportunities Company Limited.

As lead audit partner for the review of the financial statements of Naos Ex-50 Opportunities Company Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely,

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

*David Salmon*

David Salmon  
Partner  
Chartered Accountants

## **Independent Auditor's Review Report to the Members of NAOS Ex-50 Opportunities Company Limited**

We have reviewed the accompanying half-year financial report of NAOS Ex-50 Opportunities Company Limited (the "Company"), which comprises the condensed statement of financial position as at 31 December 2018, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration as set out on pages 6 to 16.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of NAOS Ex-50 Opportunities Company Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of NAOS Ex-50 Opportunities Company Limited's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the NAOS Ex-50 Opportunities Company Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of NAOS Ex-50 Opportunities Company Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the NAOS Ex-50 Opportunities Company Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

David Salmon .

David Salmon  
Partner  
Chartered Accountants  
Canberra, 15 February 2019



## Condensed Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2018

	Note	Half-year ended 31 December 2018 \$	Half-year ended 31 December 2017 \$
<b>Income</b>	3	(4,508,212)	8,164,070
<b>Expenses</b>			
Management fees		(501,960)	(526,544)
Performance fees		-	(1,000,352)
Dividend expense on short sales		-	(64,251)
Administration fees		(29,291)	(29,821)
Directors' remuneration		(20,000)	(22,181)
Australian stock exchange fees		(25,052)	(24,622)
Registry fees		(18,790)	(20,047)
Other expenses		(130,956)	(186,346)
<b>(Loss)/profit before income tax expense</b>		<b>(5,234,261)</b>	<b>6,289,906</b>
Income tax benefit/(expense)		2,109,215	(1,671,705)
<b>(Loss)/profit for the half-year attributable to shareholders of the Company</b>		<b>(3,125,046)</b>	<b>4,618,201</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the half-year attributable to shareholders of the Company</b>		<b>(3,125,046)</b>	<b>4,618,201</b>
<b>Basic and diluted earnings per share (cents per share)</b>		<b>(5.95)</b>	<b>8.79</b>

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

**Condensed Statement of Financial Position as at 31 December 2018**

	Note	As at 31 December 2018 \$	As at 30 June 2018 \$
<b>Assets</b>			
Cash and cash equivalents		11,343,544	4,089,412
Trade and other receivables		110,580	186,333
Financial assets at fair value through profit or loss	5	39,690,537	54,405,716
Deferred tax assets		1,391,263	534,043
<b>Total assets</b>		<b>52,535,924</b>	<b>59,215,504</b>
<b>Liabilities</b>			
Trade and other payables		128,922	408,789
Deferred tax liabilities		113,729	1,365,725
<b>Total liabilities</b>		<b>242,651</b>	<b>1,774,514</b>
<b>Net assets</b>		<b>52,293,273</b>	<b>57,440,990</b>
<b>Equity</b>			
Issued capital	6	53,528,189	53,528,189
Accumulated losses	7	(4,867,454)	(1,742,408)
Profits reserve	7	3,632,538	5,655,209
<b>Total equity</b>		<b>52,293,273</b>	<b>57,440,990</b>

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

**Condensed Statement of Changes in Equity for the half-year ended 31 December 2018**

	Note	Issued capital \$	Accumulated losses \$	Profits reserve \$	Total \$
<b>Balance at 1 July 2017</b>		<b>53,528,189</b>	<b>(1,004,927)</b>	<b>3,795,195</b>	<b>56,318,457</b>
Profit for the half-year		-	4,618,201	-	4,618,201
Transfer to profits reserve		-	(4,618,201)	4,618,201	-
Dividend paid		-	-	(1,313,422)	(1,313,422)
Shares issued under dividend reinvestment plan		135,775	-	-	135,775
Purchase of shares on market for dividend reinvestment plan		(135,775)	-	-	(135,775)
<b>Balance at 31 December 2017</b>		<b>53,528,189</b>	<b>(1,004,927)</b>	<b>7,099,974</b>	<b>59,623,236</b>
<b>Balance at 1 July 2018</b>		<b>53,528,189</b>	<b>(1,742,408)</b>	<b>5,655,209</b>	<b>57,440,990</b>
Loss for the half-year		-	(3,125,046)	-	(3,125,046)
Dividend paid		-	-	(2,022,671)	(2,022,671)
Shares issued under dividend reinvestment plan		196,624	-	-	196,624
Purchase of shares on market for dividend reinvestment plan		(196,624)	-	-	(196,624)
<b>Balance at 31 December 2018</b>	6	<b>53,528,189</b>	<b>(4,867,454)</b>	<b>3,632,538</b>	<b>52,293,273</b>

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

**Condensed Statement of Cash Flows for the half-year ended 31 December 2018**

	Half-year ended 31 December 2018	Half-year ended 31 December 2017
Note	\$	\$
<b>Cash flows from operating activities</b>		
Dividends received	2,005,113	1,009,170
Interest received	23,884	25,661
Interest paid	-	(14,927)
Management fees paid	(514,247)	(516,941)
Performance fees paid	(241,330)	-
Income tax refund	36,771	302,656
Audit fee paid	(34,684)	(30,954)
Registry fees paid	(29,226)	(17,505)
Australian stock exchange fees paid	(44,182)	(43,516)
Administration fee paid	(36,219)	(38,358)
Other payments	(57,410)	(128,013)
<b>Net cash provided by operating activities</b>	<b>1,108,470</b>	<b>547,273</b>
<b>Cash flows from investing activities</b>		
Payments for purchase of investments	(54,246,290)	(73,273,582)
Proceeds from sale of investments	62,421,366	77,249,978
<b>Net cash provided by investing activities</b>	<b>8,175,076</b>	<b>3,976,396</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(1,832,790)	(1,255,675)
Purchase of shares on market for dividend reinvestment plan	(196,624)	(135,775)
<b>Net cash used in financing activities</b>	<b>(2,029,414)</b>	<b>(1,391,450)</b>
<b>Net increase in cash and cash equivalents</b>	<b>7,254,132</b>	<b>3,132,219</b>
Cash and cash equivalents at the beginning of the half-year	4,089,412	5,395,610
<b>Cash and cash equivalents at the end of the half-year</b>	<b>11,343,544</b>	<b>8,527,829</b>
<b>Non cash activities - Dividend reinvestment</b>	<b>196,624</b>	<b>135,775</b>

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

## Notes to the Condensed Financial Statements

### General Information

NAOS Ex-50 Opportunities Company Limited (the “Company”) is a public company listed on the Australian Securities Exchange (ASX: NAC) registered and domiciled in Australia. The Company was constituted on 8 May 2014 and commenced operations on 12 November 2014.

The registered office and principal place of business of the Company is Level 34, MLC Centre, 19 Martin Place, Sydney, NSW 2000.

NAOS Asset Management Limited (the “Investment Manager”) is the investment manager of the Company. The financial statements were authorised for issue by the Directors on 15 February 2019.

### 1. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these condensed financial statements are set out below.

#### **a) Basis of Preparation**

This general purpose half-year 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 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 condensed Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets, deferred tax assets, deferred tax liabilities and net assets attributable to shareholders. The amounts expected to be received or settled in relation to these balances cannot be readily determined.

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 the 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.

Other than the items detailed in the accounting policies below there are no differences in actual and estimated results.

#### **b) Statement of Compliance**

The half-year report is a general purpose financial report in accordance with the Corporations Act 2001 and AASB 134 “*Interim Financial reporting*”. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards (“IFRS”) IAS 34 “*Interim Financial reporting*”. A typical half-year report does not include notes of the type normally included in an annual report and should be read in conjunction with the annual report.

#### **c) Details of Reporting Half-year**

The current reporting period is the half-year ended 31 December 2018. For the condensed Statement of Profit or Loss and Other Comprehensive Income, condensed Statement of Changes in Equity and the condensed Statement of Cash Flow, the previous corresponding period is the half-year ended 31 December 2017. For the condensed Statement of Financial Position, the previous corresponding date is 30 June 2018.

## Notes to the Condensed Financial Statements

## 1. Summary of Significant Accounting Policies (continued)

*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.

## 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:

*AASB 9: Financial Instruments (AASB 9) (effective 1 July 2018)*

In accordance with initial application requirements, the Company adopted AASB 9 from 1 July 2018. All of the Company's investments in financial assets continued to be accounted for at fair value through profit or loss under AASB 9. Accordingly, first time application of AASB 9 had no impact on the Company's accounting for their investments in financial assets. On initial application of AASB 9, the Company also adopted the expected credit loss impairment model. As per management's assessment, the adoption had no material impact on the carrying amounts of the Company's receivables.

*AASB 15: Revenue from Contracts with Customers (AASB 15) (effective 1 July 2018)*

AASB 15 supersedes AASB 118 Revenue and AASB 111 Construction Contracts. Although AASB 15 is principles-based, it is a significant change from the current revenue requirements and will involve more judgements and estimates as revenue is recognised when control of a good or service transfers to a customer, or on satisfaction of performance obligations under contracts, which replaces the existing notion of risk and rewards.

As per management's assessment, there were no impacts on the Company's financial statements upon adoption of AASB 15 on 1 July 2018 as the Company's revenue recognition of interest income, dividend income, net gains/(losses) on financial instruments were unaffected as these items are excluded from the scope of AASB 15.

## 3. Income

	Half-year ended 31 December 2018	Half-year ended 31 December 2017
	\$	\$
(Loss)/gain on financial instruments held at fair value through profit or loss	(6,540,103)	7,116,991
Interest income	26,778	24,089
Dividend income	2,005,113	1,022,990
<b>Total income</b>	<b>(4,508,212)</b>	<b>8,164,070</b>

## Notes to the Condensed Financial Statements

## 4. Dividend Paid or Payable

## Half-year ended 31 December 2018

	Dividend (cents per share)	Total amount (\$)	% Franked	Date of payment
2018 Final dividend (declared 23 August 2018)	2.50	1,313,423	100%	19 September 2018
2019 First quarterly interim dividend (declared 16 October 2018)	1.35	709,248	100%	19 November 2018

## Half-year ended 31 December 2017

	Dividend (cents per share)	Total amount (\$)	% Franked	Date of payment
2017 Final dividend (declared 24 August 2017)	2.50	1,313,422	100%	8 November 2017

Since the end of the period, the Directors have declared an interim fully franked dividend of 1.35 cents per share, payable on 11 March 2018.

## 5. Investments in Financial Instruments

## a) Financial Assets at Fair Value through Profit or Loss

	As at 31 December 2018 \$	As at 30 June 2018 \$
Financial assets	39,690,537	54,405,716
<b>Total</b>	<b>39,690,537</b>	<b>54,405,716</b>

## b) Disclosed Fair Values

For all financial instruments their carrying value approximates fair value.

## c) Fair Value Hierarchy

AASB 7 ("Financial Instruments Disclosures") requires entities to provide disclosures in their financial report that enable users to evaluate the significance of financial instruments for the entity, and the nature and extent of risks arising from financial instruments to which the entity is exposed to. Below is an analysis of the financial instruments of the Company.

## 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.

## 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, 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.

## Notes to the Condensed Financial Statements

## 5. Investments in Financial Instruments (continued)

## c) Fair Value Hierarchy (continued)

## 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.

The following table shows an analysis of financial instruments, recorded at fair value and presented by level of the fair value hierarchy:

**Financial Assets at Fair Value through Profit or Loss**

	31 December 2018			Total
	Level 1 \$	Level 2 \$	Level 3 \$	
Financial assets	39,690,537	-	-	39,690,537
<b>Total</b>	<b>39,690,537</b>	<b>-</b>	<b>-</b>	<b>39,690,537</b>

	30 June 2018			Total
	Level 1 \$	Level 2 \$	Level 3 \$	
Financial assets	54,405,716	-	-	54,405,716
<b>Total</b>	<b>54,405,716</b>	<b>-</b>	<b>-</b>	<b>54,405,716</b>

There are no financial liabilities designated at fair value through profit or loss as at 31 December 2018 (30 June 2018: None).

There were no transfers between levels 1, 2 and 3 during the half-year (2017: None). The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.



## Notes to the Condensed Financial Statements

## 6. Issued Capital

	As at 31 December 2018		As at 30 June 2018	
	No. of shares	\$	No. of shares	\$
Issued and paid up capital - Ordinary shares	52,536,889	53,528,189	52,536,889	53,528,189

## Movements in Ordinary Share Capital

Date	Details	No. of shares	\$
01 July 2017	Opening balance	52,536,889	53,528,189
	Dividend Reinvestment Plan shares allocated	270,054	275,635
	Purchase of shares on market for Dividend Reinvestment Plan	(270,054)	(275,635)
30 June 2018	Closing balance	52,536,889	53,528,189
01 July 2018	Opening balance	52,536,889	53,528,189
	Dividend Reinvestment Plan shares allocated	200,820	196,624
	Purchase of shares on market for Dividend Reinvestment Plan	(200,820)	(196,624)
31 December 2018	Closing balance	52,536,889	53,528,189

## 7. Accumulated Losses and Reserves

## a) Accumulated Losses

	Half-year ended 31 December 2018 \$	Year Ended 30 June 2018 \$
Opening balance	(1,742,408)	(1,004,927)
Transfer to profits reserve	-	(4,618,201)
(Loss)/profit for the period attributable to shareholders of the Company	(3,125,046)	3,880,720
Balance at the end of the reporting period	(4,867,454)	(1,742,408)

## b) Profits Reserve

	Half-year ended 31 December 2018 \$	Year Ended 30 June 2018 \$
Opening balance	5,655,209	3,795,195
Transfer of profits during the period	-	4,618,201
Dividends paid	(2,022,671)	(2,758,187)
Balance at the end of the reporting period	3,632,538	5,655,209

## Notes to the Condensed Financial Statements

### 8. 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 from the investment portfolio.

### 9. Commitments and Contingencies

There are no commitments or contingencies at 31 December 2018 (30 June 2018: \$ nil).

### 10. Key Management Personnel and Related Party Information

Remuneration arrangements of key management personnel are disclosed in the 2018 annual report.

	Half-year ended 31 December 2018	Half-year ended 31 December 2017
	\$	\$
Directors' remuneration	20,000	22,181

### 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 equal to 0.146% (excluding GST) of the gross value of the portfolio calculated on the last business day of each month representing an annualised management fee of 1.75% (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 half-year ended 31 December 2018:

- Management fees of \$501,960 (for the half-year ended 31 December 2017: \$526,544) (excluding GST and RITC\*) were incurred during the half-year
- Management fees payable at 31 December 2018 amounted to \$81,634 (30 June 2018: \$93,921) (including GST and RITC\*).

### Performance Fees

In the event that the portfolio outperforms the Benchmark Index, the S&P/ASX 300 Industrials Accumulation Index ('XKIAI'), the Company must pay the Investment Manager a performance fee equal to 20% (excluding GST) per annum of the amount the portfolio outperforms the Benchmark. No performance fee is payable if the portfolio underperforms the Benchmark. Any underperformance to the Benchmark is carried forward to future performance calculation periods and must be recouped before the Investment Manager is entitled to a performance fee.

The following performance fees were paid or payable to the Investment Manager during the half-year ended 31 December 2018:

- Performance fees of \$nil (for the half-year ended 31 December 2017: \$1,000,352) (excluding GST and RITC\*) were incurred during the half-year.
- Performance fees payable at 31 December 2018 amounted to \$nil (30 June 2018: \$241,330) (including GST and RITC\*).

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

### 11. Subsequent Events

Since the end of the half year, the Directors declared an interim dividend of 1.35 cent per share fully franked, to be paid on 11 March 2019. There has been no other matter or circumstance occurring subsequent to the end of the half-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 subsequent financial periods.

## Directors' Declaration

In accordance with a resolution of the Directors of NAOS Ex-50 Opportunities Company Limited, we declare that:

In the opinion of the Directors:

- the condensed financial statements and notes are in accordance with the Corporations Act 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 half-year ended 31 December 2018; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Board



Sebastian Evans

Director

15 February 2019

## Corporate Information

### Directors

David Rickards (Independent Chairman)  
Warwick Evans (Director)  
Sebastian Evans (Director)  
Sarah Williams (Independent Director)

### Company Secretary

Rajiv Sharma

### Registered Office

Level 34, MLC Centre  
19 Martin Place  
Sydney NSW 2000

### Investment Manager

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

### Contact Details

T: (02) 9002 1576  
E: [enquiries@naos.com.au](mailto:enquiries@naos.com.au)  
W: [www.naos.com.au](http://www.naos.com.au)

### Share Registry

Boardroom Pty Limited  
Level 12, Grosvenor Place  
225 George Street  
Sydney NSW 2000  
Telephone: 1300 737 760

### Auditor

Deloitte Touche Tohmatsu  
Level 1, Grosvenor Place  
225 George Street  
Sydney NSW 2000