

NAOS SMALL CAP
OPPORTUNITIES
COMPANY LIMITED

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ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

11 March 2021

**Priority Offer to participate in an issue of fixed interest, unsecured convertible notes issued by
NAOS Emerging Opportunities Company Limited (ASX: NCC)**

NAOS Emerging Opportunities Company Limited (ASX: NCC) today announced that it has lodged a prospectus (**Prospectus**) with the Australian Securities and Investments Commission (**ASIC**) for the issue of redeemable, unsecured, unsubordinated, convertible notes (the **Offer**).

The Offer comprises a Priority Offer and a Broker Firm Offer, each of which is described in the Prospectus.

Please find the attached letter regarding the Priority Offer which has been sent today to shareholders of NAOS Emerging Opportunities Company Ltd (ASX: NCC), NAOS Ex-50 Opportunities Company Ltd (ASX: NAC), NAOS Small Cap Opportunities Company Ltd (ASX: NSC) and holders of NAC redeemable, unsecured, unsubordinated, convertible notes (ASX: NACGA) who are eligible to participate in the Priority Offer.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'SE', with a stylized flourish at the end.

Sebastian Evans

Director

NAOS Small Cap Opportunities Company Limited

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THE LETTER IS BEING SENT TO AUSTRALIAN RESIDENTS ONLY AND IS NOT FOR CIRCULATION
OUTSIDE AUSTRALIA.

11 March 2021

**IMPORTANT INFORMATION: PRIORITY OFFER FOR ELIGIBLE PARTICIPANTS TO INVEST IN FIXED
INTEREST LISTED UNSECURED CONVERTIBLE NOTES ISSUED BY NAOS EMERGING
OPPORTUNITIES COMPANY LIMITED (ASX: NCC)**

Dear Fellow Shareholder,

As you may be aware, NAOS Emerging Opportunities Company Limited (**NCC** or the **Company**) lodged a prospectus (**Prospectus**) with the Australian Securities and Investments Commission today in relation to NCC's offer of redeemable, unsecured, unsubordinated, convertible notes (**NCC Notes**) (the **Offer**).

I am pleased to invite you to apply for NCC Notes as part of the priority offer on the terms set out in the Prospectus (**Priority Offer**). You have received this letter because you have been invited to participate in the Priority Offer.

The Offer is subject to approval by NCC's shareholders which will be sought at an Extraordinary General Meeting to be convened by the Company (**EGM**). The notice of meeting for the EGM was released on the Australian Securities Exchange (**ASX**) today and will be sent to the Company's shareholders.

The NCC Notes will provide investors with a listed exposure to a fixed interest rate yield and the possibility to benefit from appreciation in the price of NCC ordinary shares (**Ordinary Shares**) above the conversion price for the NCC Notes of \$1.15, by allowing holders to convert their NCC Notes into Ordinary Shares at any time after the date of issue until (and including) 30 September 2026.

Key terms of the NCC Notes

- **Face Value:** each NCC Note will have a Face Value of \$100;
- **Interest Rate:**
 - ♦ Until the First Step-Up Date (30 September 2026): Fixed at **4.50% per annum**;
 - ♦ From the First Step-Up Date (30 September 2026): Fixed at **5.50% per annum**; and
 - ♦ From the Second Step-Up Date (30 September 2027): Fixed at **6.50% per annum**;
- **Interest payments:** paid semi-annually, in arrears on each of 31 March and 30 September, with the first interest payment payable on 30 September 2021;
- **Maturity Date:** 30 September 2028 (if not converted or redeemed earlier);
- **Convertibility:** convertible into Ordinary Shares upon notice at a fixed Conversion Price (subject to adjustment for certain dilutionary and other capital transactions by NCC) at any time until 30 September 2026;
- **Conversion Price:** the Conversion Price is \$1.15;
- **Issue size:** the issue of the NCC Notes will raise up to \$23.0 million (before costs);

- **Ranking:** the NCC Notes rank equally with each other and without any preference amongst themselves, and at least equally with all other unsubordinated and unsecured obligations of NCC (other than any obligations preferred by mandatory provisions of applicable laws). The NCC Notes rank ahead of Ordinary Shares; and
- **Liquidity:** application will be made for the quotation of the NCC Notes on ASX under the ticker code “NCCGA”.

Priority Offer

The Priority Offer is open to Eligible Participants, being any person who has a registered address in Australia and who, as at the Priority Offer Record Date of 3 March 2021, held an investment in one or more of the following:

- ♦ NAOS Emerging Opportunities Company Limited (ASX: NCC);
- ♦ NAOS Ex-50 Opportunities Company Limited (ASX: NAC);
- ♦ NAOS Small Cap Opportunities Company Limited (ASX: NSC); or
- ♦ NAC redeemable, unsecured, unsubordinated convertible notes (ASX: NACGA).

The minimum application size is 50 NCC Notes (i.e. \$5,000 worth). NCC will seek to provide Applicants under the Priority Offer with an allocation of at least 100 NCC Notes (where such Applicants have applied for 100 or more NCC Notes) on a reasonable endeavours basis. NCC does not guarantee any minimum allocation and the extent of any allocation will ultimately depend on the number of applicants under the Priority Offer and total level of applications under the Offer.

Summary of key dates

Priority Offer Record Date	3 March 2021
Lodgement of Prospectus with ASIC and announcement of NCC Notes Offer	11 March 2021
Notice of Meeting issued to NCC Shareholders	11 March 2021
Offer opens	19 March 2021
Offer closes	1 April 2021
Meeting of NCC Shareholders	12 April 2021
Settlement Date	14 April 2021
Issue of NCC Notes	15 April 2021
Despatch of holding statements	16 April 2021
NCC Notes expected to commence trading on ASX (normal settlement basis)	20 April 2021
First Interest Payment Date	30 September 2021
First Step-Up Date	30 September 2026
Second Step-Up Date	30 September 2027
Maturity Date	30 September 2028

The key dates and times for the Offer are indicative only and may change without notice.

How to obtain a Prospectus and Apply

The Priority Offer is expected to open on Friday, 19 March 2021. Once the Offer opens, Eligible Participants can view or download an electronic copy of the Prospectus online through the Offer online through the Offer website www.naosoffer.com.au.

Applications for the Priority Offer must be made online. If you are an Eligible Participant, you can apply at www.naosoffer.com.au. Instructions on how to complete the Application Form are provided online. Applications must be for a minimum of 50 NCC Notes (\$5,000).

Your completed online Application Form and Application Monies must be received by NCC’s share registry, Boardroom Pty Limited, by the Closing Date of the Priority Offer, which is expected to be 5pm (Sydney time) on 1 April 2021.

The Prospectus contains further details of the Offer, the terms of the NCC Notes and a description of the risks associated with an investment in the NCC Notes and NCC.

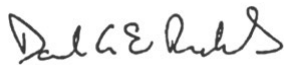
I encourage you to read the entire Prospectus carefully and consider the risks which are set out in section 4 of the Prospectus before deciding whether to participate in the Offer. If you are unsure whether the NCC Notes are a suitable investment for you, you should consult your stockbroker, accountant or other professional adviser.

Enquiries

If you have any other questions in relation to the Offer or your application please either contact corporateactions@boardroomlimited.com.au, call the NCC Notes Offer Information Line on 1300 737 760 (within Australia) Monday to Friday 8:30am to 5:30pm, Sydney time, or contact enquiries@naos.com.au.

On behalf of the NCC Board, I invite you to consider participating in this investment opportunity.

Yours faithfully

A handwritten signature in black ink, appearing to read 'David Rickards', written in a cursive style.

David Rickards

Chairman

NAOS Emerging Opportunities Company Limited