

NAOS Ex-50
OPPORTUNITIES
COMPANY LIMITED

(ASX: NAC)

ABN 49 169 448 837



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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 2023

All comparisons are to the half year ended 31 December 2022

	\$	up/down	% change
Revenue from ordinary activities	(3,002,718)	down	-681%
Profit / (Loss) from ordinary activities before tax attributable to shareholders	(4,382,150)	down	-447%
Profit / (Loss) from ordinary activities after tax attributable to shareholders	(2,800,974)	down	-528%
Dividend Information	Cents per share	Franked amount per share	Tax rate for franking
2024 Second quarterly interim dividend	1.50c	1.50c	30%
2024 First quarterly interim dividend	1.50c	1.50c	30%
2023 Final quarterly dividend	1.65c	1.65c	30%
Second Quarterly Interim Dividend Dates			
Ex-dividend date			11 March 2024
Record date			12 March 2024
Last date for DRP election			13 March 2024
Payment date			5 April 2024
Dividend Reinvestment Plan			
The Dividend Reinvestment Plan is in operation and the recommended fully franked quarterly interim dividend of 1.50 cents per share qualifies. The plan will be in effect per the latest dividend reinvestment rules.			
		31 Dec 2023	31 Dec 2022
		\$	\$
(Post Tax) Net tangible asset backing per share		0.94	0.92
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 2023 Annual Financial Report.			

NAOS Ex-50 Opportunities Company Limited

ACN 169 448 837

Financial report for the half-year ended 31 December 2023

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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 2023.

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 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

The following persons were Directors of the Company during the financial period and up to the date of this report:

Name	Title
Sarah Williams	Independent Chair
David Rickards OAM	Independent Director
Warwick Evans	Director
Sebastian Evans	Director

Results and Review of Operations

The Company's operating loss before tax for the half-year was \$4,382,150 (31 December 2022: operating loss before tax of \$801,486), and operating loss after tax was \$2,800,974 (31 December 2022: operating loss after tax of \$446,213). The investment portfolio produced a return of -5.43% for the 6-month period ended 31 December 2023, while the benchmark S&P/ASX 300 Industrials Accumulation Index returned +7.30% over the same period. The macro environment remained challenging, with a continued lack of investor interest for smaller companies. This was highlighted by 6-month return for the S&P/ASX Mid Cap 50 of +3.02%, which has a smaller average market capitalisation than the benchmark index, but significant overlap in terms of constituents.

The post-tax Net Tangible Asset ("NTA") per share of the Company decreased from \$1.04 at 30 June 2023 to \$0.94 at 31 December 2023. After adjusting for the 3.15 cents per share of fully franked dividends paid to shareholders during the 6-month period to 31 December 2023, the NTA return was -6.59%.

Total shareholder return ("TSR"), which measures the change in share price and dividends paid during the period, fell by -0.82% for the 6 months to 31 December 2023. This measure does not include the benefit of franking credits received by shareholders. The TSR was driven by the negative performance of the investment portfolio, but was offset by the narrowing of the share price discount to pre-tax NTA over the period, which decreased from -14.56% at 30 June 2023, to -6.11% as at 31 December 2023.

During the half-year, the Company continued with the on-market buyback program to take advantage of the discount of the share price relative to NTA. During the half-year 846,616 shares were bought back for a total consideration of \$773,416. 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 in the interests of all shareholders.

Directors' Report (continued)

Results and Review of Operations (continued)

In December 2023, the Board announced a 1-for-4 issue of bonus options to eligible shareholders. A total of 10,765,507 bonus options were issued with an exercise price of \$0.90 per option. The Board believes that the issue of bonus options is a measured way to reward existing shareholders by giving them the option to acquire further shares in NCC at a time the Directors believe could be a low point in the valuations of many emerging business. If these options were to be exercised it would increase the size of the Company without placing any undue pressure on the sustainability of the dividend stream.

Subsequent Events

Since the end of the half-year, the Directors declared a quarterly interim fully franked dividend of 1.50 cents per share, to be paid on 5 April 2024.

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*.



Sarah Williams
Independent Chair
22 February 2024

22 February 2024

**The Board of Directors
NAOS Ex-50 Opportunities Company Limited
Level 34, 25 Martin Place
Sydney NSW 2000**

Dear Directors,

Auditor's Independence Declaration to 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 half year financial report of NAOS Ex-50 Opportunities Company Limited for the half year ended 31 December 2023, 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 review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Jonathon Corbett
Partner
Chartered Accountants

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the 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 2023, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Company does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Company's financial position as at 31 December 2023 and of 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*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year 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 and 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 annual 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 review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company 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 directors⁶ determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 the

Company's financial position as at 31 December 2023 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*.

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.



DELOITTE TOUCHE TOHMATSU



Jonathon Corbett
Partner
Chartered Accountants

Sydney, 22 February 2024

Condensed Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2023

	Notes	Half-year ended 31 December 2023 \$	Half-year ended 31 December 2022 \$
Income	3	(3,002,718)	517,215
Expenses			
Management fees		(526,762)	(526,569)
Interest on convertible notes		(485,205)	(485,205)
Administration fees		(25,625)	(25,625)
Directors' remuneration		(27,500)	(27,500)
ASX fees		(57,044)	(26,533)
Registry fees		(26,446)	(23,487)
Other expenses		(230,850)	(203,782)
Loss before income tax expense		(4,382,150)	(801,486)
Income tax benefit		1,581,176	355,273
Loss for the half-year attributable to shareholders of the Company		(2,800,974)	(446,213)
Other comprehensive income		-	-
Total comprehensive loss for the half-year attributable to shareholders of the Company		(2,800,974)	(446,213)
Basic and diluted loss per share		(6.49)	(0.99)

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 2023

	Notes	At 31 December 2023 \$	At 30 June 2023 \$
Assets			
Current assets			
Cash and cash equivalents		902,395	1,174,916
Trade and other receivables		68,562	72,775
Financial assets at fair value through profit or loss	5	55,427,551	62,041,382
Total current assets		56,398,508	63,289,073
Non-current assets			
Deferred tax assets		3,686,161	292,723
Total non-current assets		3,686,161	292,723
Total assets		60,084,669	63,581,796
Liabilities			
Current liabilities			
Trade and other payables		487,096	801,466
Provision for income tax		1,722,481	-
Total current liabilities		2,209,577	801,466
Non-current liabilities			
Deferred tax liabilities		-	94,589
Borrowings	11	17,192,525	17,151,070
Total non-current liabilities		17,192,525	17,245,659
Total liabilities		19,402,102	18,047,125
Net assets		40,682,567	45,534,671
Equity			
Issued capital	6	44,750,569	45,445,923
Profits reserve	7	18,986,747	20,342,523
Accumulated losses	7	(23,054,749)	(20,253,775)
Total equity		40,682,567	45,534,671

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 2023

	Issued capital	Profits reserve	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2022	46,406,960	22,776,695	(26,077,172)	43,106,483
Loss for the half-year	-	-	(446,213)	(446,213)
Dividends paid	-	(1,120,749)	-	(1,120,749)
Shares bought back from shareholders	(220,381)	-	-	(220,381)
Purchase of shares on market for DRP	(127,595)	-	-	(127,595)
DRP shares allotted	127,595	-	-	127,595
Balance at 31 December 2022	46,186,579	21,655,946	(26,523,385)	41,319,140
Balance at 1 July 2023	45,445,923	20,342,523	(20,253,775)	45,534,671
Loss for the half-year	-	-	(2,800,974)	(2,800,974)
Dividends paid	4	(1,355,776)	-	(1,355,776)
Shares bought back from shareholders	(773,416)	-	-	(773,416)
Purchase of shares on market for DRP	(68,003)	-	-	(68,003)
DRP shares allotted	68,003	-	-	68,003
Shares issued under DRP	78,062	-	-	78,062
Balance at 31 December 2023	6, 7	44,750,569	18,986,747	(23,054,749)
		40,682,567		

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 2023

Notes	Half-year ended 31 December 2023 \$	Half-year ended 31 December 2022 \$
Cash flows from operating activities		
Payments for purchase of investments	(17,264,789)	(39,195,726)
Proceeds from sale of investments	19,639,523	39,392,855
Dividends received	882,128	631,521
Interest received	15,927	4,388
Interest paid to note holders	(482,564)	(484,667)
Management fees paid	(537,933)	(529,630)
Income tax paid	(184,398)	-
Audit fees paid	(41,808)	(40,610)
Registry fees paid	(21,043)	(24,846)
ASX fees paid	(46,883)	(47,526)
Administration and tax fees paid	(27,651)	(25,625)
Other payments	(156,401)	(137,016)
Other receipts	6,754	3,134
Net cash provided by/(used in) operating activities	1,780,862	(453,748)
Cash flows from financing activities		
Dividends paid net of amounts reinvested	(1,211,964)	(992,854)
Purchase of shares on market for DRP	(68,003)	(127,595)
Share buybacks	(773,416)	(220,381)
Net cash used in financing activities	(2,053,383)	(1,340,830)
Net decrease in cash and cash equivalents	(272,521)	(1,794,578)
Cash and cash equivalents at the beginning of the half-year	1,174,916	2,344,784
Cash and cash equivalents at end of the half-year	902,395	550,206
Non-cash activities - Dividend Reinvestment	78,062	-

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

Notes to the Condensed Financial Statements

1. Summary of significant accounting policies

These interim financial statements and notes for the half-year represent those of NAOS Ex-50 Opportunities Company Limited. The financial statements were authorised for issue by the Directors on 22 February 2024.

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 current and non-current assets, and current and non-current liabilities classifications.

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.

(b) Prior Year Comparatives

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements. Where the presentation or classification of items in the financial statements is amended, the comparative amounts have been reclassified to conform with current period presentation.

(c) 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.

(d) Details of Reporting Half-year

The current reporting period is the half-year ended 31 December 2023. 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 2022. For the Condensed Statement of Financial Position, the previous corresponding date is 30 June 2023.

(e) Reporting Currency

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

(f) Going Concern Basis

This financial report has been prepared on a going concern basis.

Notes to the Condensed Financial Statements

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

	Half-year ended 31 December 2023	Half-year ended 31 December 2022
	\$	\$
Net gains/(losses) on financial instruments held at fair value through profit or loss	(3,900,773)	(129,640)
Interest income	15,927	4,388
Dividend income	882,128	637,967
Other income	-	4,500
Total income	(3,002,718)	517,215

4. Dividend Paid or Payable

Half-year ended 31 December 2023	Dividend (cents per share)	Total \$ amount	% Franked	Date of payment
2023 Final quarterly dividend (declared 22 August 2023)	1.65	710,739	100%	27 September 2023
2024 First quarterly interim dividend (declared 19 October 2023)	1.50	645,037	100%	30 November 2023
Half-year ended 31 December 2022	Dividend (cents per share)	Total \$ amount	% Franked	Date of payment
2022 Final quarterly dividend (declared 18 August 2022)	1.10	493,865	100%	21 September 2022
2023 First quarterly interim dividend (declared 18 October 2022)	1.40	626,884	100%	30 November 2022

Since the end of the period, the Directors have declared an interim quarterly fully franked dividend of 1.50 cents per share, payable on 5 April 2024.

Notes to the Condensed Financial Statements

5. Investments in Financial Instruments

(a) *Financial Assets at Fair Value through Profit or Loss*

	As at 31 December 2023 \$	As at 30 June 2023 \$
Investments in listed equity securities	55,427,551	62,041,382
	55,427,551	62,041,382

(b) *Financial Liabilities at Fair Value through Profit or Loss*

There were no financial liabilities at fair value through profit or loss as at 31 December 2023 (30 June 2023: \$nil).

(c) *Disclosed Fair Values*

For all financial instruments their carrying value approximates fair value.

(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.

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

Included within Level 2 of the hierarchy are unlisted investments. The fair value of financial instruments that are not traded in an active market (for example, unlisted investments) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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 Condensed Financial Statements

5. Investments in Financial Instruments (continued)

(d) Fair Value Hierarchy (continued)

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 2023			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
Financial assets	55,427,551	-	-	55,427,551
Total	55,427,551	-	-	55,427,551

	30 June 2023			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
Financial assets	62,041,382	-	-	62,041,382
Total	62,041,382	-	-	62,041,382

There were no transfers between levels 1, 2 and 3 during the half-year (30 June 2023: 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.

6. Issued Capital

	As at 31 December 2023		As at 30 June 2023	
	No. of Shares	\$	No. of Shares	\$
Issued and paid up capital - Ordinary shares	43,068,569	44,750,569	43,832,995	45,445,923

Notes to the Condensed Financial Statements

6. Issued Capital (continued)

Movements in Ordinary Share Capital

Date	Details	No. of shares	\$
1 July 2022	Opening balance	45,006,821	46,406,960
	Purchase of shares on market for DRP	(337,490)	(281,360)
	DRP shares allotted	337,490	281,360
	Shares bought back	(1,173,826)	(961,037)
30 June 2023	Closing balance	43,832,995	45,445,923
1 July 2023	Opening balance	43,832,995	45,445,923
	Purchase of shares on market for DRP	(69,294)	(68,003)
	DRP shares allotted	69,294	68,003
	Shares issued under DRP	82,190	78,062
	Shares bought back	(846,616)	(773,416)
31 December 2023	Closing balance	43,068,569	44,750,569

In December 2023, the Company made a 1-for-4 bonus option issue to eligible shareholders. These bonus options are listed on the ASX under the code NACO and give the optionholder the right to acquire new ordinary shares at a price of \$0.90 per share. The bonus options will expire on 31 December 2026.

7. Profits Reserve and Accumulated Losses

(a) Profits Reserve

	Half-year ended 31 December 2023 \$	Year ended 30 June 2023 \$
Opening balance	20,342,523	22,776,695
Dividends paid	(1,355,776)	(2,434,172)
Balance at the end of the reporting period	18,986,747	20,342,523

(b) Accumulated Losses

	Half-year ended 31 December 2023 \$	Year ended 30 June 2023 \$
Opening balance	(20,253,775)	(26,077,172)
(Loss)/Profit for the period/year attributable to the shareholders of the company	(2,800,974)	5,823,397
Balance at the end of the reporting period	(23,054,749)	(20,253,775)

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 2023 (30 June 2023: \$ nil).

10. Key Management Personnel and Related Party Information

Remuneration arrangements of key management personnel are disclosed in the 2023 annual report.

	Half-year ended 31 December 2023	Half-year ended 31 December 2022
	\$	\$
Directors' remuneration	27,500	27,500

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 2023:

- Management fees of \$526,762 (for the half-year ended 31 December 2022: \$526,569) (excluding GST and RITC*) were incurred during the half-year.
- Management fees payable at 31 December 2023 amounted to \$89,450 (30 June 2023: \$100,621) (including GST and RITC*).

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

Performance Fees

In the event that the portfolio outperforms the Benchmark, being 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. At its discretion and subject to shareholder approval, the Investment Manager may elect to receive the performance fee in shares.

There was no accrued performance fee payable to the Investment Manager as at 31 December 2023 (31 December 2022: Nil).

In addition, for the half-year ended 31 December 2023 the Investment Manager was paid total fees of \$44,500 (excluding GST) for the provision of company secretarial, administrative, financial and accounting services (2022: \$44,500) under the terms of a services agreement.

Notes to the Condensed Financial Statements

11. Borrowings

On 17 November 2020, the Company issued 175,000 unsecured, redeemable, convertible notes with a total face value of \$17.5 million, listed under the ticker code (ASX: NACGA). The convertible notes carry a fixed interest entitlement of 5.50% per annum until 30 September 2025, and are convertible into ordinary shares at a conversion price of \$1.15 at any time until 30 September 2025. Interest is paid half-yearly on 31 March and 30 September. The maturity date of the convertible notes is 30 September 2027. Terms of the convertible notes are regulated under a trust deed between the Company and Melbourne Securities Corporation Limited. As at 31 December 2023, a total of \$242,902 (30 June 2023: \$242,755) interest is payable on the convertible notes.

12. Subsequent Events

Since the end of the half-year, the Directors declared a quarterly interim fully franked dividend of 1.50 cents per share, to be paid on 5 April 2024.

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 2023; 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

A handwritten signature in black ink, appearing to read 'Sarah Williams', with a horizontal line underneath.

Sarah Williams
Independent Chair
22 February 2024

Corporate Information

Directors

Sarah Williams	Independent Chair
David Rickards OAM	Independent Director
Sebastian Evans	Director
Warwick Evans	Director

Company Secretary

Rajiv Sharma
Sebastian Evans

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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Share Registry

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Level 8
210 George Street
Sydney NSW 2000
Telephone: 1300 737 760

Auditor

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