

NAOS SMALL CAP  
OPPORTUNITIES  
COMPANY LIMITED

(ASX: NSC)

ABN 47 107 617 381



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## NAOS Small Cap Opportunities Company Limited

ASX Code: NSC ACN: 107 617 381

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

Results Announcement for the half year ended 31 December 2024

All comparisons are to the half year ended 31 December 2023

	\$'000	up/down	% change
Revenue from ordinary activities	2,464	up	139%
Profit / (Loss) from ordinary activities before tax attributable to shareholders	151	up	102%
Profit / (Loss) from ordinary activities after tax attributable to shareholders	(1,429)	up	71%
<b>Dividend Information</b>	<b>Cents per share</b>	<b>Franked amount per share</b>	<b>Tax rate for franking</b>
2025 Second Quarterly Interim Dividend	1.25c	1.25c	25%
2025 First Quarterly Interim Dividend	1.25c	1.25c	25%
2024 Final Quarterly Dividend	1.25c	1.25c	25%
<b>Second Quarterly Interim Dividend Dates</b>			
Ex-dividend date			10 March 2025
Record date			11 March 2025
Last date for DRP election			12 March 2025
Payment date			4 April 2025
<b>Dividend Reinvestment Plan</b>			
The Dividend Reinvestment Plan is in operation and the recommended fully franked quarterly interim dividend of 1.25 cents per share qualifies. The plan will be in effect per the latest dividend reinvestment rules.			
	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>	
	\$	\$	
<b>(Post Tax) Net tangible asset backing per share</b>	0.55	0.75	
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 2024 Annual Financial Report.			

**NAOS Small Cap Opportunities Company Limited**

**ACN 107 617 381**

Financial report for the half-year ended 31 December 2024

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## Directors' Report

The Directors of NAOS Small Cap Opportunities Company Limited ACN 107 617 381 ("the Company"), submit their half-year report for the Company for the half-year ended 31 December 2024.

### Company Information

The Company is a listed investment company ("LIC") and its shares are listed on the Australian Securities Exchange (ASX: NSC). 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 held office as Directors of the Company during the financial period and up to the date of this report:

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

### Results and Review of Operations

The Company's operating profit before tax for the half-year ended 31 December 2024 was \$150,609 (31 December 2023: operating loss before tax of \$8,524,103), and operating loss after tax was \$1,429,470 (31 December 2023: operating loss after tax of \$4,851,008). The investment portfolio produced a return of +1.75% for the 6-month period ended 31 December 2024, while the benchmark S&P/ASX Small Ordinaries Accumulation Index returned +5.46% over the same period.

Over the period, the valuations applied to many emerging companies, especially those of a smaller scale and of an industrial/cyclical nature remained at depressed levels, due to a multitude of factors such as poor earnings visibility, higher risk-free rates and the illiquid nature of their respective share liquidity profiles. On a relative basis, the valuation gap between the largest and smallest ASX-listed companies has never been greater. The Board believes that the lack of earnings growth and high valuation multiples of larger companies should lead to increased demand for smaller emerging companies over the short- to medium-term due to a more attractive risk-return profile.

The post-tax Net Tangible Asset ("NTA") per share of the Company decreased from \$0.59 at 30 June 2024 to \$0.55 at 31 December 2024. After adjusting for the 2.50 cents per share of fully franked dividends paid to shareholders during the 6-month period to 31 December 2024, the NTA return was -2.54%.

Total shareholder return ("TSR"), which measures the change in share price and dividends paid during the period, fell by -4.04% for the 6 months to 31 December 2024. This measure does not include the benefit of franking credits received by shareholders. This decrease was driven by an increase in the share price discount to NTA over the period.

During the period, the \$32.2 million unsecured notes were repaid in full at their maturity date. The Company also completed the issue of \$13.24 million unsecured notes with a 5-year term, carrying an interest entitlement equal to the 6-month BBSW plus a margin of 4.80% p.a.

## Directors' Report (continued)

### ***Subsequent Events***

Since the end of the half-year, the Directors declared a quarterly interim fully franked dividend of 1.25 cents per share, to be paid on 4 April 2025.

Subsequent to the half-year, the investment portfolio decreased by -25.17% over the period from 31 December 2024 to 19 February 2025. This was primarily driven by a decrease in the share price of BSA Limited (ASX: BSA), which fell from \$0.99 per share as at 31 December 2024 to \$0.145 per share as at 19 February 2025.

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.

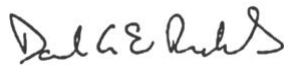
### ***Rounding***

The Company has applied the relief available under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly, the amounts in the financial statements and in the Directors' Report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar (where 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*.



David Rickards OAM  
Independent Chair  
20 February 2025

20 February 2025

The Board of Directors  
NAOS Small Cap Opportunities Company Limited  
Level 34, 25 Martin Place  
Sydney NSW 2000

Dear Directors,

**Auditor's Independence Declaration to NAOS Small Cap 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 Small Cap Opportunities Company Limited.

As lead audit partner for the review of the half year financial report of NAOS Small Cap Opportunities Company Limited for the year half year ended 31 December 2024, 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 Small Cap Opportunities Company Limited

### Report on the Half-Year Financial Report

#### *Conclusion*

We have reviewed the half-year financial report of NAOS Small Cap Opportunities Company Limited (the "Company"), which comprises the condensed statement of financial position as at 31 December 2024 and 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 to the financial statements, including material accounting policy information 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 2024 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 directors 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 2024 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, 20 February 2025



# Condensed Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2024

	Notes	Half-year ended 31 December 2024 \$'000	Half-year ended 31 December 2023 \$'000
<b>Income</b>	<b>3</b>	<b>2,464</b>	<b>(6,366)</b>
<b>Expenses</b>			
Management fees		(589)	(781)
Interest expense		(883)	(797)
Investment transaction costs		(313)	(47)
Professional fees		(27)	(61)
Other expenses		(501)	(472)
<b>Profit/(loss) before income tax (expense)/benefit</b>		<b>151</b>	<b>(8,524)</b>
Income tax (expense)/benefit		(1,580)	3,673
<b>Loss for the half-year attributable to shareholders of the Company</b>		<b>(1,429)</b>	<b>(4,851)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the half-year attributable to shareholders of the Company</b>		<b>(1,429)</b>	<b>(4,851)</b>
<b>Basic and diluted loss per share (cents per share)</b>		<b>(1.06)</b>	<b>(3.56)</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 2024

	Notes	As at 31 December 2024 \$'000	As at 30 June 2024 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,630	360
Trade and other receivables		48	45
Other current assets		84	95
Financial assets at fair value through profit or loss	5	75,674	99,539
<b>Total current assets</b>		<b>77,436</b>	<b>100,039</b>
<b>Non-current assets</b>			
Deferred tax assets		9,953	11,533
<b>Total non-current assets</b>		<b>9,953</b>	<b>11,533</b>
<b>Total assets</b>		<b>87,389</b>	<b>111,572</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		388	321
Borrowings	11	-	32,092
<b>Total current liabilities</b>		<b>388</b>	<b>32,413</b>
<b>Non-current liabilities</b>			
Borrowings	11	12,692	-
<b>Total non-current liabilities</b>		<b>12,692</b>	<b>-</b>
<b>Total liabilities</b>		<b>13,080</b>	<b>32,413</b>
<b>Net assets</b>		<b>74,309</b>	<b>79,159</b>
<b>Equity</b>			
Issued capital	6	176,729	176,778
Profits reserve	7	13,393	16,765
Accumulated losses	7	(115,813)	(114,384)
<b>Total equity</b>		<b>74,309</b>	<b>79,159</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 2024

		Issued Capital \$'000	Profits Reserve \$'000	Accumulated Losses \$'000	Total \$'000
<b>Balance at 1 July 2023</b>		<b>178,765</b>	<b>23,540</b>	<b>(90,102)</b>	<b>112,203</b>
Loss for the half-year		-	-	(4,851)	(4,851)
Dividends paid		-	(3,399)	-	(3,399)
Shares bought back from shareholders		(1,608)	-	-	(1,608)
Purchase of shares on-market for DRP		(528)	-	-	(528)
DRP shares allotted		528	-	-	528
<b>Balance at 31 December 2023</b>		<b>177,157</b>	<b>20,141</b>	<b>(94,953)</b>	<b>102,345</b>
 <b>Balance at 1 July 2024</b>		 <b>176,778</b>	 <b>16,765</b>	 <b>(114,384)</b>	 <b>79,159</b>
Loss for the half-year		-	-	(1,429)	(1,429)
Dividends paid	4	-	(3,372)	-	(3,372)
Shares bought back from shareholders		(49)	-	-	(49)
Purchase of shares on-market for DRP		(517)	-	-	(517)
DRP shares allotted		517	-	-	517
<b>Balance at 31 December 2024</b>	<b>6, 7</b>	<b>176,729</b>	<b>13,393</b>	<b>(115,813)</b>	<b>74,309</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 2024

	Notes	Half-year ended 31 December 2024 \$'000	Half-year ended 31 December 2023 \$'000
<b>Cash flows from operating activities</b>			
Payments for purchase of investments		(17,959)	(8,512)
Proceeds from sale of investments		42,416	12,316
Dividends received		1,548	3,723
Interest received		22	25
Management fees paid		(613)	(795)
Interest paid to note holders		(784)	(796)
Other payments		(442)	(403)
<b>Net cash provided by operating activities</b>		<b>24,188</b>	<b>5,558</b>
<b>Cash flows from financing activities</b>			
Share buybacks		(49)	(1,608)
Dividends paid net of amounts reinvested		(2,855)	(2,871)
Purchase of shares on-market for DRP		(517)	(528)
Repayment of unsecured notes		(32,171)	-
Proceeds from issue of unsecured notes		13,110	-
Costs of issue of unsecured notes		(436)	-
<b>Net cash used in financing activities</b>		<b>(22,918)</b>	<b>(5,007)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,270</b>	<b>551</b>
Cash and cash equivalents at the beginning of the half-year		360	319
<b>Cash and cash equivalents at end of the half-year</b>		<b>1,630</b>	<b>870</b>

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 material accounting policies

These interim financial statements and notes for the half-year represent those of NAOS Small Cap Opportunities Company Limited. The condensed financial statements were authorised for issue by the Directors on 20 February 2025.

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 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"*. The 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 2024. 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 2023. For the condensed Statement of Financial Position, the previous corresponding date is 30 June 2024.

#### 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 2024 \$'000	Half-year ended 31 December 2023 \$'000
Net gains/(losses) on financial assets at fair value through profit or loss	894	(10,114)
Interest income	22	25
Dividend income	1,548	3,723
<b>Total income</b>	<b>2,464</b>	<b>(6,366)</b>

### 4. Dividend Paid or Payable

Half-year ended 31 December 2024	Dividend (cents per share)	Total \$'000 amount	% Franked	Date of payment
2024 Final quarterly dividend (declared on 22 August 2024)	1.25	1,686	100%	30 September 2024
2025 First quarterly interim dividend (declared on 16 October 2024)	1.25	1,686	100%	29 November 2024
Half-year ended 31 December 2023	Dividend (cents per share)	Total \$'000 amount	% Franked	Date of payment
2023 Final quarterly dividend (declared on 22 August 2023)	1.25	1,703	100%	27 September 2023
2024 First quarterly interim dividend (declared on 19 October 2023)	1.25	1,696	100%	30 November 2023

Since the end of the period, the Directors have declared an interim quarterly fully franked dividend of 1.25 cents per share, payable on 4 April 2025.

## 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 2024 \$'000	As at 30 June 2024 \$'000
Investments in listed equities	75,674	99,539
<b>Total</b>	<b>75,674</b>	<b>99,539</b>

#### 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 2024 (31 December 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.

##### **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:

	31 December 2024			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Listed equities	75,674	-	-	75,674
<b>Total</b>	<b>75,674</b>	<b>-</b>	<b>-</b>	<b>75,674</b>
	30 June 2024			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Listed equities	99,539	-	-	99,539
<b>Total</b>	<b>99,539</b>	<b>-</b>	<b>-</b>	<b>99,539</b>

There were no transfers between levels 1, 2 and 3 during the half-year (30 June 2024: 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

	31 December 2024		30 June 2024	
	No. of shares	\$'000	No. of shares	\$'000
Issued and paid up capital - Ordinary shares	134,868,666	176,729	134,973,666	176,778



## Notes to the Condensed Financial Statements

### 6. Issued Capital (continued)

#### Movements in Ordinary Share Capital

Date	Details	No. of shares	\$'000
<b>1 July 2023</b>	Opening balance	137,882,856	178,765
	Purchase of shares on market for DRP	(1,638,679)	(1,031)
	DRP shares allotted	1,638,679	1,031
	Shares bought back	(2,909,190)	(1,987)
<b>30 June 2024</b>	<b>Closing balance</b>	<b>134,973,666</b>	<b>176,778</b>
<b>1 July 2024</b>	Opening balance	134,973,666	176,778
	Purchase of shares on market for DRP	(1,133,285)	(517)
	DRP shares allotted	1,133,285	517
	Shares bought back	(105,000)	(49)
<b>31 December 2024</b>	<b>Closing balance</b>	<b>134,868,666</b>	<b>176,729</b>

### 7. Profits Reserve and Accumulated Losses

#### a) Profits Reserve

	Half-year ended 31 December 2024 \$'000	Year ended 30 June 2024 \$'000
Opening balance	16,765	23,540
Dividends paid	(3,372)	(6,775)
<b>Balance at the end of the reporting period</b>	<b>13,393</b>	<b>16,765</b>

#### b) Accumulated Losses

	Half-year ended 31 December 2024 \$'000	Year ended 30 June 2024 \$'000
Opening balance	(114,384)	(90,102)
Loss for the period/year attributable to the members of the company	(1,429)	(24,282)
<b>Balance at the end of the reporting period</b>	<b>(115,813)</b>	<b>(114,384)</b>

### 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 2024 (30 June 2024: \$ nil).

## Notes to the Condensed Financial Statements

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

Remuneration arrangements of key management personnel are disclosed in the 2024 annual report.

	Half-year ended 31 December 2024 \$	Half-year ended 31 December 2023 \$
Directors' remuneration	55,000	55,000

#### **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 0.0958% (excluding GST) of the gross value of the portfolio calculated on the last business day of each month representing an annualised management fee of 1.15% (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 2024:

- Management fees of \$588,623 (for the half-year ended 31 December 2023: \$781,024) (excluding GST and RITC\*) were incurred during the half-year.
- Management fees payable at 31 December 2024 amounted to \$81,130 (30 June 2024: \$105,064 (including GST and RITC\*)).

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

#### **Performance Fees**

In the event that the portfolio outperforms the Benchmark Index (being the S&P/ASX Small Ordinaries Accumulation Index), the Investment Manager is entitled to an annual performance fee equal to 20% (excluding GST) of the amount the portfolio outperforms the Benchmark Index. No performance fee is payable if the portfolio underperforms the Benchmark Index. 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.

No performance fees were paid or payable to the Investment Manager for the half-year ended 31 December 2024 (2023: \$nil).

In addition, the Company has a services agreement with the Investment Manager to provide the use of premises and facilities, company secretarial, administrative, financial and accounting services. For the half-year ended 30 December 2024 the fees paid to the Investment Manager were \$90,000 excluding GST (2023: \$90,000).

**Notes to the Condensed Financial Statements**

**11. Borrowings**

The Company has on issue \$13.243 million unsecured notes with a 5 year term, carrying an interest entitlement equal to the 6 month BBSW plus a margin of 4.80% per annum. Interest is paid half yearly on 11 May and 11 November. As at 31 December 2024, interest payable of \$171,629 is outstanding (30 June 2024: \$72,660). The unsecured notes are due for repayment on 11 November 2029. During the period, the \$32.2 million unsecured notes with a maturity date of 3 December 2024 were repaid in full. Terms of the notes are regulated under a trust deed between the Company and Equity Trustees Limited.

**12. Subsequent Events**

Since the end of the half-year, the Directors declared a quarterly interim dividend of 1.25 cents per share, fully franked, to be paid on 4 April 2025.

Subsequent to the half-year, the investment portfolio decreased by -25.17% over the period from 31 December 2024 to 19 February 2025. This was primarily driven by a decrease in the share price of BSA Limited (ASX: BSA), which fell from \$0.99 per share as at 31 December 2024 to \$0.145 per share as at 19 February 2025.

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 Small Cap 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 2024; 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



David Rickards OAM  
Independent Chair  
20 February 2025

## Corporate Information

### Directors

David Rickards OAM	Independent Chair
Sarah Williams	Independent Director
Trevor Carroll	Independent Director
Warwick Evans	Director
Sebastian 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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E: [enquiries@naos.com.au](mailto:enquiries@naos.com.au)  
[www.naos.com.au](http://www.naos.com.au)

### Share Registry

Boardroom Pty Limited  
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