

13 March 2020

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

NAOS Ex-50 Opportunities Company Limited (ASX: NAC) Bonus Options Issue

The Board of NAOS Ex-50 Opportunities Company Limited (**Company**), is pleased to announce a pro-rata, one-for-two issue of bonus options to eligible shareholders (**Bonus Options Issue**). Eligible shareholders will receive, at no cost, 1 bonus option for every 2 shares in the Company that they hold at 5:00pm (Sydney time) on the record date, being 19 March 2020.

The key highlights of the Bonus Options Issue include:

- **Exercise Price**
The exercise price of the Options is \$1.03. This is equivalent to the pre-tax net tangible assets per share of the Company as at 29 February 2020;
- **Expiry Date**
The bonus options will expire on 31 March 2023 and gives shareholders an appropriate period of time to determine how they deal with their bonus options (by either exercising their options; or otherwise trading them on-market).
- **Issued at no cost and listed on the ASX**
The bonus options will be issued at no cost to eligible shareholders and listed on the ASX under the code (ASX: NACOA). Depending on demand, liquidity and prevailing market prices at the time, the bonus options may be bought or sold on-market.
- **No brokerage or commissions payable upon exercise**
Eligible Shareholders are able to purchase (without paying any brokerage or commission) additional shares in the Company at the exercise price at any time from their date of issue until 5:00pm (Sydney time) on the expiry date.
- **Increases size of the Company**
Where Options are exercised, this increases the size of Company, which in turn, unlocks benefits of scale, meaning lower costs for all shareholders as the Company grows.

Growing and limiting the size of the Company to a strategically optimal level

The Board believes that the Bonus Options Issue is a measured way to allow the Company to grow over the next 36 months. In the Board's view, it would allow NAOS Asset Management Limited (the **Investment Manager**) to take advantage of a number of pricing anomalies that have occurred within the mid-cap end of the Australian stock market whilst not placing undue pressure on the short-term performance and dividend reserves of the Company.

The Board remains committed to managing the capital base of the Company in a manner that provides the most suitable framework for maximising potential shareholder return. The Board believe that growing the size of the Company to between \$200 million and \$300 million is optimal as it not only allows the Investment Manager to maximise performance by still being able to access meaningful positions in quality companies; but also scales the Company to an appropriate size that lowers the total expenses and costs for all shareholders.

Key dates

Set out below is an indicative timetable of the Bonus Options Issue:

Lodgement of the Prospectus with ASIC and ASX	Friday, 13 March 2020
Shares trade ex-bonus Option entitlements	Wednesday, 18 March 2020
Record Date	Thursday, 19 March 2020
Prospectus sent to Eligible Shareholders	Monday, 23 March 2020
Intended date for issue and entry of Options on the option register	Wednesday, 25 March 2020
Dispatch of new holding statements	Thursday, 26 March 2020
Normal trading in Options commences on ASX	Thursday, 26 March 2020
Options expire	Thursday, 31 March 2023

Prospectus

A Prospectus for the Bonus Options Issue has today been lodged with ASIC and ASX. It contains detailed information about the Issue and the Company and a description of the key risks associated with an investment in the Company.

Shareholders should read the Prospectus carefully and in its entirety before dealing in or exercising bonus options offered under the Issue. If you are uncertain as to whether an investment in the Company is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.

About the Company

The Company listed on the ASX in 2014 and aims to protect investor capital whilst providing a sustainable growing stream of fully franked dividends and long-term capital growth above the benchmark index, being the S&P/ASX 300 Industrials Accumulation Index (XKIAI). The Company aims to provide investors with genuine, concentrated exposure to Australian undervalued listed mid-cap companies (market capitalisation generally between \$400 million and \$1 billion+) with an industrial focus.

The Company's investment philosophy is centered on the pillars of long-term, concentrated and high-conviction investing. Since listing, the Company has declared an aggregate 24.95 cents per Share of fully franked dividends as at 29 February 2020.

Further information

For further information, or if you have any questions relating to the Bonus Options Issue, you can contact the Company by telephone on (02) 9002 1576 or by email at enquiries@naos.com.au.

Authorised for release by the Board of Directors of NAOS Ex-50 Opportunities Company Limited.