NAOS EMERGING
OPPORTUNITIES
COMPANY LIMITED
(ASX: NCC)

ABN 58 161 106 510

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## NAOS Emerging Opportunities Company Limited

ASX Code NCC

ACN 161 106 510

## Appendix 4E

## Results Announcement for the year ended 30 June 2025

All comparisons are to the year ended 30 June 2024

| | $ | up/down | % change |
|---|---|---|---|
| Revenue from ordinary activities | 3,516,808 | up | 118% |
| Profit from ordinary activities before tax attributable to shareholders | 1,153,850 | up | 105% |
| Profit from ordinary activities after tax attributable to shareholders | 283,550 | up | 102% |

The percentage changes presented above have been derived by reference to the absolute values of the Financial Year 2024 (FY24) results. Given that FY24 reflected a loss position, the percentage movements are not meaningful in a conventional sense.

| Dividend Information | Cents per share | Level of franking | Tax rate for franking |
|---|---|---|---|
| 2025 Final dividend | 2.00c | 100% | 25% |
| 2025 Interim dividend | 2.00c | 100% | 25% |

**2025 Final Dividend Dates**

| | |
|---|---|
| Ex-dividend date | 8 October 2025 |
| Record date | 9 October 2025 |
| Last date for DRP election | 10 October 2025 |
| Payment date | 31 October 2025 |

**Dividend Reinvestment Plan**

The Dividend Reinvestment Plan is in operation and the recommended fully franked 2025 final dividend of 2.0 cents per share qualifies. The plan will be in effect per the latest dividend reinvestment rules.

| | 30 June 2025 $ | 30 June 2024 $ |
|---|---|---|
| (Post Tax) Net tangible asset backing | 0.50 | 0.54 |

This report is based on the annual report which has been subject to an independent audit by the auditors, Deloitte Touche Tohmatsu Australia. The audit report is included with the Company's Annual Report, which accompanies this Appendix 4E. All the documents comprise the information required by Listing Rule 4.3A.

# NAOS EMERGING OPPORTUNITIES COMPANY LIMITED

ANNUAL REPORT 2025

ACN 161 106 510

# Contents



**Acknowledgement of Country**

We acknowledge the Traditional Owners of Country throughout Australia and recognise their continuing connection to lands, waters and communities. We pay our respects to Aboriginal and Torres Strait Islander cultures; and to Elders past and present.

# Key Dates

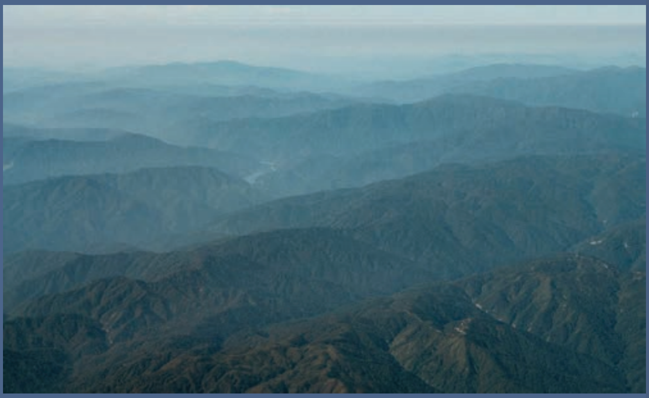
## 2025 Annual General Meeting

## Tuesday 11 November 2025

NAOS Emerging Opportunities Company Limited advises that its Annual General Meeting (AGM) will be held at 10.30 am (AEDT) on Tuesday 11 November 2025, at Castlereagh Room 1, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney, NSW 2000.

Further details relating to the AGM will be advised in the Notice of Meeting to be sent to all shareholders and released to the ASX immediately after dispatch.

In accordance with the ASX Listing Rules, valid nominations for the position of Director are required to be lodged at the registered office of the Company no later than 5.00 pm (AEST) on 16 September 2025.



## FY25 Final Dividend Dates

Ex-Dividend Date
**Wednesday 8 October 2025**

Record Date
**Thursday 9 October 2025**

Last Date for DRP Election
**Friday 10 October 2025**

Payment Date
**Friday 31 October 2025**

## NAOS Investor Roadshow

The NAOS Investor Roadshow will be coming to a city near you this October. Join us as the investment team discusses its investment philosophy and process and provides an outlook on the market. We will also highlight a selection of stocks that are held within our Listed Investment Companies (LICs).

We invite you to come along with a guest, meet us in person, and understand more about NAOS Asset Management (NAOS) and our LICs. Register today to secure your seat.

### Adelaide

The Playford Adelaide
120 North Terrace, Adelaide SA 5000

**Thursday 9 October**
10.30 am–12.00 pm

### Perth

InterContinental Perth City Centre
815 Hay Street, Perth WA 6000

**Thursday 16 October**
10.30 am–12.00 pm

### Brisbane

Sofitel Brisbane Central
249 Turbot Street , Brisbane QLD 4000

**Tuesday 21 October**
10.30 am–12.00 pm

### Melbourne

Hilton Melbourne Little Queen Street
18 Little Queen Street Melbourne VIC 3000

**Tuesday 28 October**
10.30 am–12.00 pm

### Sydney

Australian Museum
1 William Street, Sydney NSW 2010

**Thursday 30 October**
10.30 am–12.00 pm

Visit naos.com.au/events for more information.

# NAOS Emerging Opportunities Company Limited

NAOS Emerging Opportunities Company Limited (ASX: NCC) seeks to provide long-term, concentrated exposure to Australian and New Zealand emerging companies while providing a sustainable stream of dividends franked to the maximum extent possible, and long-term investment performance above the Benchmark Index, being the S&P/ASX Small Ordinaries Accumulation Index (XSOAI).

## Key Metrics as at 30 June 2025

Pre-Tax Net Tangible Assets per Share

$0.40

Post-Tax Net Tangible Assets per Share

$0.50

FY25 Dividend (cents per share)

4.0 cents

Dividend Yield

15.69%

Share Price

$0.255

Shares on Issue

73,799,601

Convertible Note Price (ASX: NCCGA)

$80.50

Convertible Notes on Issue

230,000

Directors' Shareholding (number of shares)

4,577,544

Profits Reserve (cents per share)

26.3 cents

## Investment Portfolio Performance as at 30 June 2025

| | NCC Investment Portfolio Performance* | S&P/ASX Small Ordinaries Accumulation Index | Performance Relative to Benchmark |
|---|---|---|---|
| **1 Year** | +5.59% | +12.26% | **-6.67%** |
| **3 Years (p.a.)** | -7.99% | +10.00% | **-17.99%** |
| **5 Years (p.a.)** | -0.39% | +7.38% | **-7.77%** |
| **10 Years (p.a.)** | +2.51% | +7.63% | **-5.12%** |
| **Inception (p.a.)** | +5.31% | +5.65% | **-0.34%** |
| **Inception (Total Return)** | +89.26% | +97.04% | **-7.78%** |

*Investment Portfolio Performance is post all operating expenses before fees, taxes, interest, initial IPO commissions and all subsequent capital-raising costs. Performance has not been grossed up for franking credits received by shareholders. Since inception (p.a. and Total Return), includes part- performance for the month of February 2013. Returns compounded for periods greater than 12 months.

# Board Of Directors

## Sarah Williams

Independent Chair

Sarah Williams was appointed as an Independent Director in January 2019 and elected Independent Chair on 1 December 2022. Sarah is also the Independent Chair of NAOS Ex-50 Opportunities Company Limited (ASX: NAC) and an Independent Director of NAOS Small Cap Opportunities Company Limited (ASX: NSC).

Sarah has over 25 years' experience in executive management, leadership, IT and risk management in the financial services and IT industries. Most recently, Sarah was an executive director at Macquarie Group and head of IT for the group's asset management, investment banking and leasing businesses. During her 18-year tenure at Macquarie Group, she also led the Risk and Regulatory Change team and the Equities IT team and developed the IT M&A capability. Sarah has also held senior roles with JP Morgan and PricewaterhouseCoopers in London.

Sarah has also been a director of charitable organisations including Cure Cancer Australia Foundation and Make a Mark Australia. Sarah holds a Honours Degree in Engineering Physics from Loughborough University.

## Sebastian Evans

Director

Sebastian Evans has been a Director of the Company since its inception. Sebastian is also a Director of NAOS Ex-50 Opportunities Company Limited (ASX: NAC), NAOS Small Cap Opportunities Company Limited (ASX: NSC) and has held the positions of Chief Investment Officer (CIO) and Managing Director of NAOS Asset Management Limited, the Investment Manager, since 2010.

Sebastian is the CIO across all investment strategies. He holds a Master of Applied Finance (MAppFin) majoring in investment management, as well as a Bachelor of Commerce majoring in finance and international business, a Graduate Diploma in Management from the Australian Graduate School of Management (AGSM) and a Diploma in Financial Services.

## Robert Credaro

Independent Director

Robert Credaro was appointed Independent Director of the Company on 31 January 2025.

Robert has 34 years of experience as a financial services executive with extensive experience in equities research and portfolio management, private equity investing and superannuation. He was most recently Head of Public and Private Equity at Aware Super.

Prior to this role, he was the Chief Investment Officer of Macquarie Private Bank and a Division Director in Macquarie's private equity advisory and funds management business. Robert started his financial services career at Macquarie Securities, prior to which he worked in the Federal Treasury in Canberra.

Robert holds a Bachelor of Economics (Honours) from Sydney University, is a CFA Charterholder and a Graduate of the Australian Institute of Company Directors (GAICD).

## Warwick Evans

Director

Warwick Evans has been a Director of the Company since its inception. Warwick is also a Director of NAOS Ex-50 Opportunities Company Limited (ASX: NAC), NAOS Small Cap Opportunities Company Limited (ASX: NSC) and Chair of NAOS Asset Management Limited, the Investment Manager.

Warwick has over 35 years of equity market experience, most notably as Managing Director for Macquarie Equities (globally) from 1991 to 2001, and as an executive director for Macquarie Group. He was founding Chairman and CEO of the Newcastle Stock Exchange (NSX) and was also Chairman of the Australian Stockbrokers Association. Prior to these positions, Warwick was an executive director at County NatWest.

Warwick holds a Bachelor of Commerce majoring in economics from the University of New South Wales.

# Letter from the Chair

Dear fellow shareholders,

On behalf of the Board, welcome to the Annual Report of NAOS Emerging Opportunities Company Limited (Company) for the financial year ended 30 June 2025. We thank all shareholders for your continued support and warmly welcome those who joined us during the year.

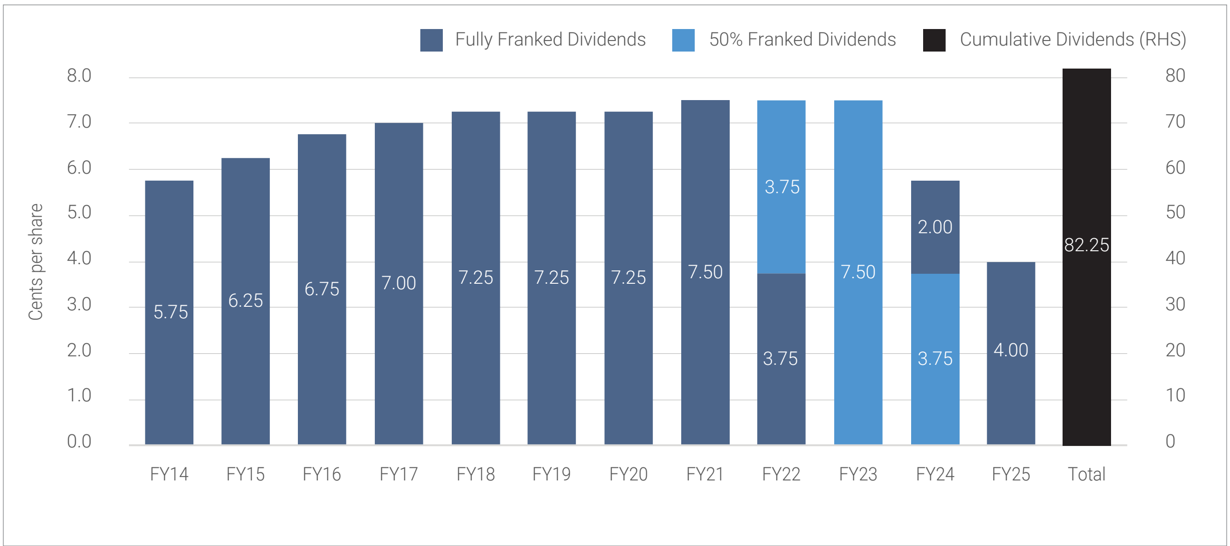
The past 12 months have been defined by a shifting economic environment, with the RBA cutting interest rates in late 2024 and early 2025 to bolster economic activity, offset by volatile commodity prices, lagging inflationary pressures and a volatile macro backdrop. What did remain constant was the continued demand for large and liquid listed businesses, which saw the continued outperformance of the largest listed businesses in Australia.

Despite this backdrop, NCC delivered a +5.59% investment return for FY25, albeit underperforming the S&P/ASX Small Ordinaries Accumulation Index return of +12.26%.

The Company reported an after-tax profit of $283,550, a significant turnaround from the $17.66 million loss reported in FY24. The Board has declared a final dividend of 2.0 cents per share (fully franked), bringing the total FY25 dividend to 4.0 cents per share, fully franked.

This dividend marks the 13th consecutive year NCC has paid a dividend and represents a 15.69% yield, based on the 30 June 2025 closing share price of $0.255. Since its inception, NCC has declared 82.25 cents per share in dividends, or $1.11 on a grossed-up basis, with the majority fully franked.

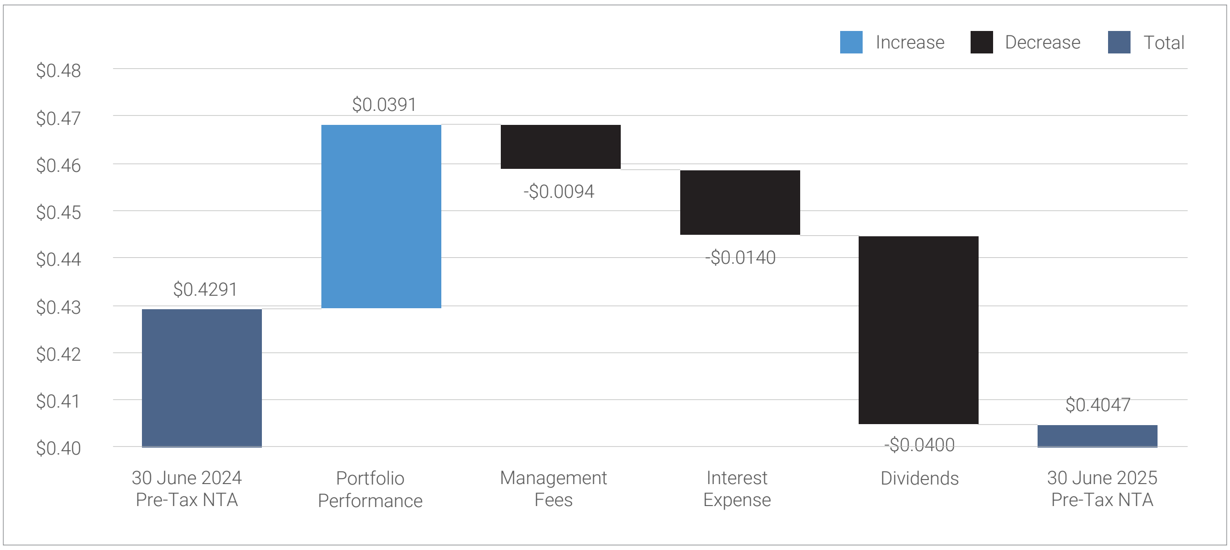
**NCC Dividend History**



# *NCC has declared a total of 82.25 cents per share in dividends, equivalent to $1.11 per share on a grossed-up basis*

Through FY25, the pre-tax Net Tangible Asset backing (NTA) per share of the Company decreased from $0.43 to $0.40 over the financial year, as shown in the following chart.

**NCC Pre-Tax NTA Performance**




The Board has continued to implement a dynamic and flexible capital management strategy throughout FY25 to ensure long-term value is maximised for all the Company's shareholders. This capital management strategy, implemented, includes the use of:

- **No Dilutionary Share Issues** – When shares are trading at a discount to NTA, the Company acquires DRP shares on-market, eliminating dilution and preserving NTA integrity.
- **Dividends** – The Company continues to focus on delivering a sustainable stream of dividends, franked to the maximum extent possible, while maintaining an adequate profit reserve balance and funds available to reinvest into investment opportunities that could add significant long-term value for shareholders.
- **On-Market Buyback NCCGA Convertible Notes** – In July 2025, the Company announced an on-market buyback of up to 10% of the NCCGA Convertible Notes on issue. If executed at a discount to face value, this would represent an accretive outcome for NCC shareholders.

Despite shifts in sentiment favouring larger listed businesses, the Company's consistent investment strategy ensures the potential for significant long-term outperformance. Alignment between the Board, shareholders and Investment Manager continues to deepen, with Directors and NAOS staff now holding 4.58 million NCC shares.

On behalf of the Board, thank you once again for your ongoing trust and support.

Kind regards,

**Sarah Williams**

Independent Chair

21 August 2025

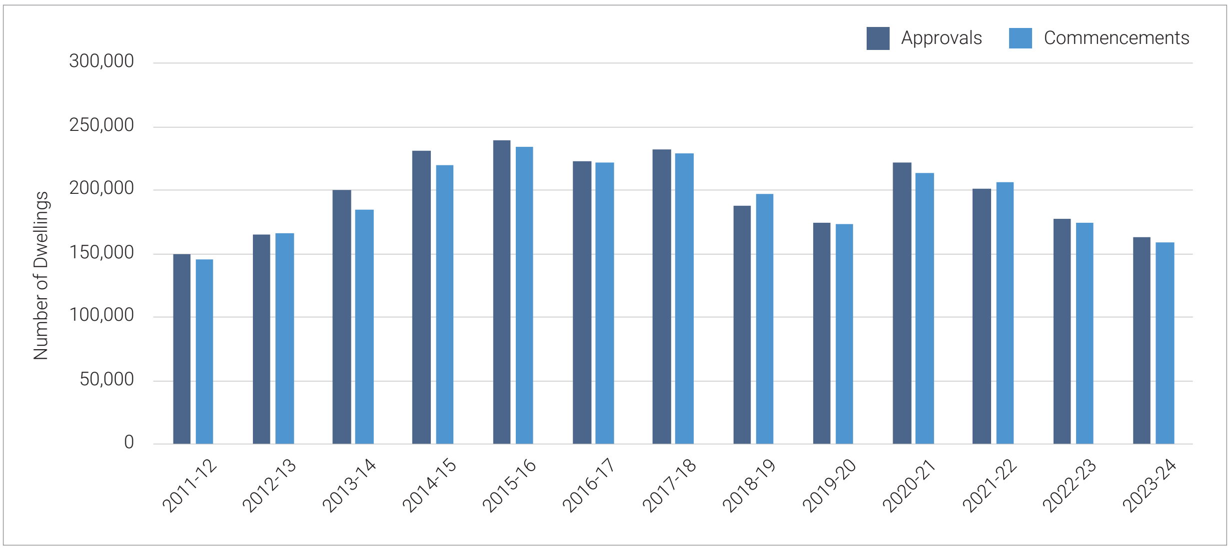
# Investment Manager's Report

Dear fellow shareholders,

For the financial year ending 30 June 2025 (FY25), the NCC Investment Portfolio increased by +5.59% compared to the Benchmark S&P/ASX Small Ordinaries Accumulation Index (XSOAI), which increased by +12.26%. While it is pleasing to generate a positive absolute return, the portfolio's relative underperformance stemmed primarily from a strong surge of ~8% in the benchmark in April and May.

As noted in my FY24 Investment Manager's Report, the primary reason for NCC's modest absolute performance in FY25 (which was below our expectations), was the ongoing headwinds impacting near-term earnings of key holdings, notably Saunders International (ASX: SND) and Big River Industries (ASX: BRI), two of the portfolio's largest investments. Despite these challenges, the structural tailwinds supporting their medium- to long-term growth remain robust and, in our view, have strengthened. In the case of BRI, with over 60% of its revenue exposed to residential construction, the well-documented housing shortage in Australia, driven by government red tape, skilled labour shortages, and limited land availability, has led to the lowest dwelling construction in a decade (see chart below). Actions by all levels of government to address these barriers, combined with ongoing interest rate reductions, are driving improved supply dynamics, positioning BRI and similar holdings for significant upside potential.

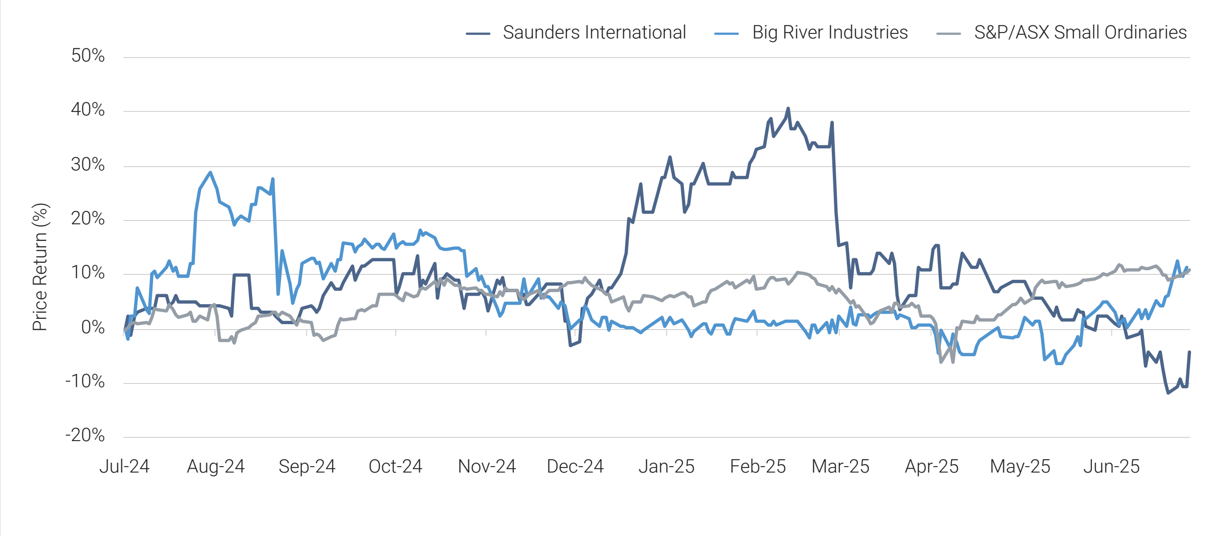
**Dwelling Approval & Commencements in Australia**




Source – Australian Bureau of Statistics

For Saunders International, the structural thematics of increased Australian defence spending, particularly on facility upgrades, remain robust. In FY25, few, if any, major new defence contracts were awarded in this area, likely due to the federal election and an ongoing review of defence spending priorities. Globally, rising military activity is prompting nations, including Australia, to increase defence budgets as a percentage of GDP. This trend underscores the need for significant investment in new and upgraded facilities to support advanced aircraft, drones, submarines, and other capabilities. As a result, SND is well-positioned to capitalise on this growing demand over the medium to long term.

**Share Price Performance - BRI & SND vs S&P/ASX Small Ordinaries**




Source – Iress, Koyfin

On a positive note, core investments such as COG Financial Services (ASX: COG) and BTC Health (ASX: BTC) made significant strides from a business perspective, which also led to sizeable shareholder outcomes, as detailed later in this letter.

Regarding our private investments, we recently exited MitchCap in June 2025. Despite MitchCap's impressive growth, strong operating profit, and low bad debts, its increasing capital demands (both debt and equity) delayed the anticipated net interest margin (NIM) benefits from lower funding costs. We determined that accepting a takeover offer was the preferred risk-adjusted decision for NAOS, allowing MitchCap to align with a majority shareholder better positioned to support its funding needs, particularly given the low valuations of listed non-bank financiers and the potential for a delayed exit. Conversely, Ordermentum continued its robust growth, and the improving business quality and network effects are strengthening its competitive moat. In FY25, we increased our valuation of Ordermentum following a third-party capital raise to fund the expansion of new products and services.

For several years, I have noted that high interest rates, significant inflows into passive investing, and the rise of alternative strategies, such as private credit, have driven many investors away from emerging companies as an attractive investment class. This has resulted in reduced liquidity, lower valuations, and fewer investable businesses due to market consolidation, with numerous listed emerging companies acquired by strategic investors.

Over the past six months, however, we have seen early signs of investors returning to the emerging companies segment. It appears to us that declining interest rates and supply-demand challenges in alternative strategies, such as private credit, are shifting the risk-return dynamics. As the economic outlook improves, it has placed many emerging companies in stronger positions to produce more consistent earnings growth over the medium term. We believe these combined forces could spark a valuation inflexion point for emerging companies, with those generating stable, growing cash flows likely to command premium valuations over the next 2-3 years.

## Relevance, Momentum and Index Inclusion

Reflecting on my FY24 Investment Manager's Report, I dedicated significant discussion to the distinctive market dynamics that emerged, where valuations were often overshadowed by the influence of passive capital flows and index inclusion. A prime example was the share price of Commonwealth Bank of Australia Ltd (ASX: CBA), which soared to a record valuation despite maintaining a flat earnings per share (EPS) profile for several years.

Fast forward to the end of FY25, and this market dynamic, if anything, has only strengthened, and generally equity investors of all types are being forced to 'play the game' and therefore focus on companies that form part of the index or are a good chance of index inclusion in the short term.

Turning to CBA, its share price, excluding dividends, has increased by +46% in FY25, following a 37% increase in FY24, marking the seventh consecutive year of share price growth. For further context, the chart below compares the grossed-up yield of CBA shares to Australian Government 10-year bond yields over a 10-year period. As the chart illustrates, despite CBA's flat profit growth outlook, its shares are arguably being priced similarly to a government bond. This suggests investors perceive CBA's risk profile as being closely correlated with the Australian government's balance sheet.

**Commonwealth Bank vs Australian 10 Year Bond - Yield**


Source – Koyfin

CBA has several qualitative attributes that continue to drive its rising valuation. In our view, these include:

- **Relevance** – CBA is now the 9th largest listed bank by market capitalisation. This makes CBA relevant not only to Australian investors but also to some of the largest investors around the world. As CBA's relevance grows, the pool of passive buyers expands against a relatively fixed supply of CBA shares, fuelling demand.
- **Momentum** – As CBA continues to become a larger part of numerous indices, alongside its growing relevance, a self-reinforcing cycle emerges. Investors who are underweight in CBA, and thus lagging in relative performance, may feel compelled to purchase shares to align their portfolios with index exposure, further amplifying price momentum.
- **Index Inclusion** – With a market capitalisation exceeding A$300 billion, CBA is not only the largest company on the ASX but also a significant constituent in numerous global indices, including those tracking Asian financials and developed market banks. As CBA's size grows, it attracts greater attention from prominent global indices, reinforcing its appeal to investors.

From a NAOS standpoint, we will continue to focus on what we can control. Our investment philosophy centres on investing in emerging companies that deliver high returns on invested capital and are led by experienced, aligned management teams. These companies operate in industries poised for sustained revenue growth, where they hold clear competitive advantages, and their business models are transparent to investors. Notably, 100% of NCC's portfolio is outside the ASX indices, ensuring our investments diverge significantly from the benchmark, the S&P/ASX Small Ordinaries Accumulation Index.

Below, I have expanded on several core investments within the NCC investment portfolio, outlining why we believe these companies have the potential to generate significant long-term value for shareholders, irrespective of their share price movements in FY25.

## Hancock and Gore Ltd (ASX: HNG) – First Year of Schoolblazer Ownership and Trutex Acquisition

Hancock and Gore Ltd (ASX: HNG) is one of the newer additions to the NCC Investment Portfolio, with our thesis centred on its growing presence in the school uniform market in Australia and the UK. In October 2024, HNG acquired Schoolblazer, a UK-based e-commerce school uniform provider serving independent schools. Schoolblazer streamlines uniform management—from inventory to parent access and quality assurance—through a fully digital platform, eliminating the need for physical storefronts and enabling online measurements. This innovative model reduces costs and enhances convenience compared to traditional offerings, delivering high-quality garments. In FY24, Schoolblazer generated over £4 million in EBITDA through organic growth in the UK.

HNG's acquisition of Schoolblazer aims to replicate this disruptive, digital-first model in Australia, where the school uniform market mirrors the UK's landscape a decade ago. As shown in the chart below, Australia's ~1.5 million private school students represent a larger addressable market than the UK's ~600,000, despite the UK having a 50% larger population. Independent data suggests an average annual uniform spend of approximately $300 per student (varying by primary or secondary level), implying a $450 million market opportunity in Australia.

| Country | Population (M) | School Enrolment (M) | % of Population | Public (% of pupils) | Public (% of Population) | Private (% of pupils) | Private (% of Population) |
|---|---|---|---|---|---|---|---|
| Australia | ~ 27.3 | ~ 4.1 | ~ 15.1% | ~ 63.4% | ~ 9.6% | ~ 36.6% | ~ 5.5% |
| UK | ~ 69.5 | ~9.0 | ~13.0% | ~94.1% | ~12.2% | ~5.9% | ~0.77% |

Source – Australian Bureau of Statistics, GOV.UK, Independent Schools Council UK

Throughout FY25, HNG has been focused on building out the platform for Schoolblazer in Australia. This involved building a local operational team, integrating all school operations onto a unified ERP system tailored for the Australian market, and boosting brand awareness through industry events and engagement with key decision-makers at private schools. The 12 months of groundwork culminated in HNG securing Schoolblazer's first Australian private school client for the 2026 school year, a notable institution with approximately 1,000 students, potentially generating ~$3 million annually in contract value, depending on uniform requirements. Historically, Schoolblazer's UK growth has been driven by word-of-mouth momentum, and we anticipate a similar trajectory in Australia.

Finally, HNG announced a conditional agreement to acquire Trutex, a UK-based school uniform provider established in 1865, serving public schools and retailers in the UK and select international markets. Unlike Schoolblazer, we don't believe that Trutex will provide HNG with the same organic growth opportunity in future years. We do, however, believe its value lies in its robust sourcing relationships and global reach, which could streamline HNG's complex supply chain. Improved sourcing is expected to enhance gross margins and ensure consistent, high-quality products. Should Schoolblazer gain significant traction in Australia, HNG could leverage Trutex's customer base to expand into new geographies, further strengthening its market position.

## Saunders International Ltd (ASX: SND) – FY25 Earnings Downgrade(s) and Resignation of CEO

Saunders International Ltd (ASX: SND), a long-standing core holding in the NCC portfolio, has pursued a strategic growth path over the past five years. During this period, SND expanded its workforce from ~50 to ~500 employees, grew revenue from ~$50 million to over $200 million, and enhanced its capability to execute larger, more complex projects.

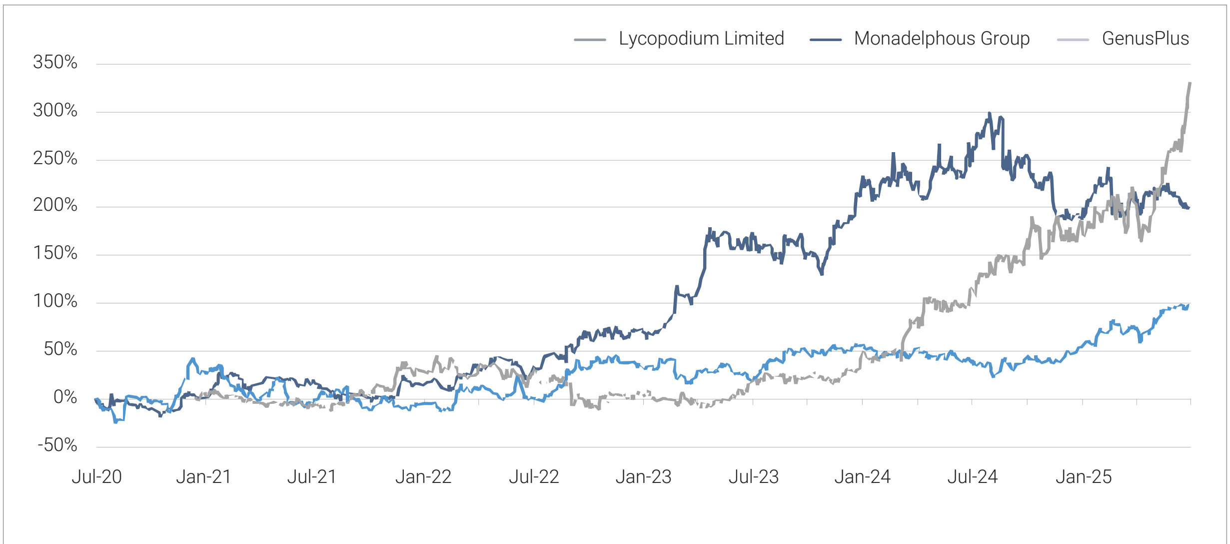
SND's strategy focuses on securing high-value contracts as a self-performing contractor, leveraging in-house expertise for clients such as the Department of Defence, tier-1 resource companies, and utilities like Sydney Water. Notable successes include projects exceeding $40 million at Western Sydney Airport and RAAF Base Tindal. However, in FY25, despite a growing work pipeline in defence, water, and resources, project timing became uncertain due to factors including a federal election, shifting budget priorities, and volatile commodity prices. These challenges led to earnings downgrades at the HY25 result and again in May 2025, alongside the resignation of SND's CEO.

SND faces the common challenge of emerging companies: balancing long-term growth investments against short-term performance. Long-term investments in systems, people, premises and geographic reach have solidified SND's ability to self-perform. All these investments have increased fixed costs, and therefore, the ability to correlate this with revenue growth is an art rather than a science.

As a major shareholder, we support the management and board's commitment to building a diversified, resilient business with a robust revenue and earnings base. Over the past five years, SND's consistent year-on-year EPS growth has been exceptional for a contracting business, scaling from a $50 million to a $200 million revenue company. With aspirations to exceed $350 million in 2-3 years, investment phases will be required along the way.

With tenders under evaluation exceeding $1.5 billion, SND is well-positioned to secure a significant share of contracts from direct client relationships and strategic partners, fostering long-term opportunities across multiple sectors. As shown in the chart below, comparable firms like Monadelphous Group Ltd (ASX: MND), GenusPlus Group Ltd (ASX: GNP), and Lycopodium Ltd (ASX: LYL) demonstrate that reaching a scale inflexion point and building a competitive moat can deliver substantial shareholder value, given the capital-light nature of contracting businesses.

**Share Price Performance - 5 Years - MND, LYL & GNP**




Source – Koyfin

Finally, in July 2025, Saunders announced the acquisition of Aqua Metro, a significant strategic move. We will provide commentary on this acquisition in the Q1 FY26 Quarterly Investment Report, but we believe this is an excellent acquisition for SND. It aligns with the thematic of addressing ageing water infrastructure, adds scale with Aqua Metro's annual revenue exceeding $100 million, and benefits from strong vendor alignment, with over 35% of the consideration paid in SND shares.

## COG Financial Services (ASX: COG) – Board Overhaul and Strategic Reset

In last year's letter, I outlined the critical changes we felt were necessary for COG to restore shareholder value and establish a sustainable path to growing earnings per share (EPS). Through early FY25, COG persisted with its prior strategy, resulting in a share price decline from $1.10 to a low of $0.86 in March 2025.

**COG Financial - Share Price & Key Events**

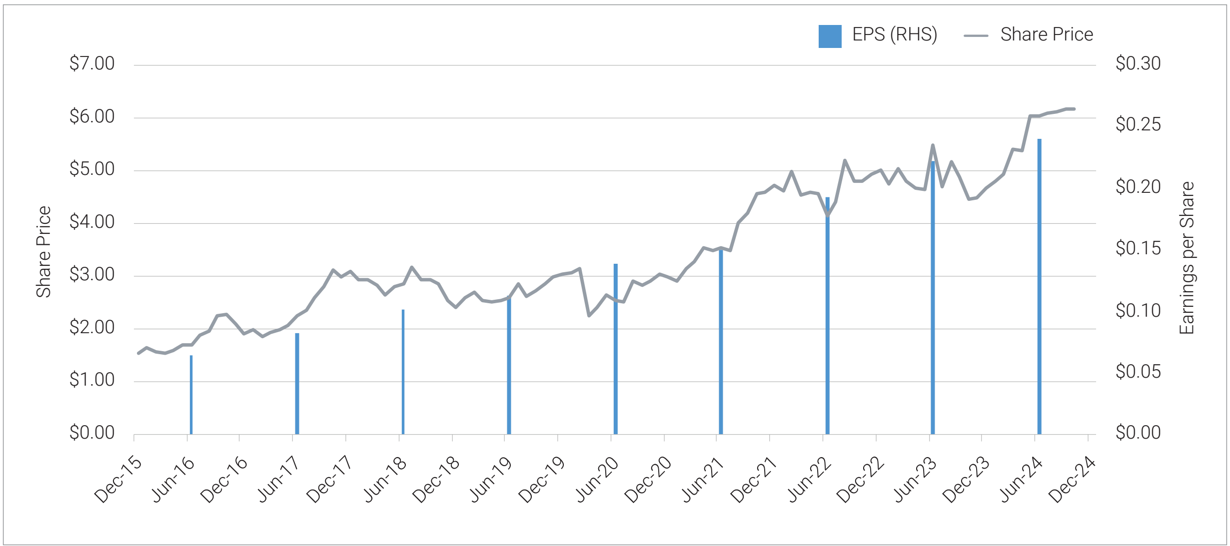

Source - Iress

This trajectory shifted dramatically following a significant board overhaul: three directors, including the Chair, resigned, one transitioned to a non-executive role, and two new non-executive directors were appointed, with one assuming the Chair position. To support this transition, NAOS and other major shareholders sold a significant portion of their holdings, which enhanced liquidity in COG shares and enabled new directors and institutional investors to acquire meaningful stakes. We believe owning a smaller share of a revitalised, high-potential business is preferable to a larger stake in an underperforming company with limited prospects for improvement.

The most notable outcome of all the changes mentioned above was the appointment of Tony Robertson as Chair and John Dwyer as a Non-Executive Director. These appointments are significant for several reasons:

- **Proven Insurance Broking Expertise** – Tony Robertson and John Dwyer co-founded PSC Insurance (ASX: PSI), a listed insurance broking business that debuted in late 2014 at $1.50 per share and was acquired in mid-2024 by the UK-based Ardonagh Group for $6.20 per share, valuing the company at $2.26 billion. Over the ~9-year listing, a $1 investment in PSI grew to ~$7 (including dividends), delivering a ~25% IRR. Importantly, in our opinion, an insurance broking business shares many of the attributes of a finance broking business and, to a lesser extent, a novated leasing business. PSC's success in driving organic growth, executing accretive acquisitions, and maintaining aligned management offers a proven playbook for COG's transformation.

**PSC Insurance - Share Price**




Source - Iress

- **Track Record in Leading ASX-Listed Companies** – Robertson and Dwyer have an exemplary track record of running a listed business and maintaining a strong business valuation. Many management teams find it challenging to lead a public company, often due to difficulties in managing expectations, communicating a clear strategy, and consistently focusing on key financial metrics, such as EPS growth, to demonstrate strategic execution. COG has historically lacked this discipline, resulting in an incoherent strategy and insufficient focus on EPS growth and return on invested capital (ROIC). Their expertise addresses this critical gap.
- **Significant Alignment with COG Ordinary Shareholders** – Once appointed, both Robertson and Dwyer were quick to acquire ordinary shares in COG. At the time of writing, John Dwyer owns ~4.5m shares with a further ~2.5m options exercisable at $1.30, and Tony Robinson owns ~2.5m ordinary shares with the same number of options. For us, this highlights their commitment to restoring COG's value and driving consistent earnings growth over the medium term.

With the new board in place, COG has swiftly advanced its simplification strategy. The sale of minority stakes in Earlypay Ltd (ASX: EPY) and Centrepoint Alliance Ltd (ASX: CAF) has generated ~$25 million in cash proceeds. The remaining step in this simplification effort, in our view, is addressing the Westlawn Group, COG's asset management business. We believe this business contributes less than $2 million to group profitability but adds significant complexity to the balance sheet and cash flow statement due to Westlawn's debenture program. If this business were to be sold, it would enable current and prospective shareholders to clearly see the capital-light nature and strong free cash flow generated by COG's core operations.

Ultimately, for COG to achieve long-term success, it must deliver consistent organic earnings growth, even if that growth rate is ~5-10% p.a. While the full strategy is yet to be disclosed, we anticipate that Robertson and Dwyer's insurance broking expertise will drive improvements in COG's underdeveloped insurance broking division. Given the thousands of finance broking transactions that occur through a COG-owned or aligned broker, the potential for cross-selling insurance products is substantial.

At the very least, we believe COG now has a credible opportunity to unlock its full potential as Australia's largest finance, broking & aggregation business. While its ultimate scale and valuation remain uncertain, comparable businesses with steady organic growth and strategic acquisitions have historically commanded premium earnings multiples. Accordingly, COG's future valuation could be significant, provided it executes effectively under its revitalised leadership.

| Insurance Broking Addressable Market in COG Asset Finance Network | FY25 NAOS Estimates |
|---|---|
| COG Net Amount Financed | $9,000,000,000 |
| Average Size of Asset Finance Loan | $73,000 |
| Total # of Asset Finance Loans Completed | 123,288 |
| Insurance Cost % of Asset Finance Loan | 5.0% |
| Average Insurance Cost per Loan | $3,650 |
| Est. % of COG Asset Finance Loans Requiring Insurance | 100.0% |
| Number of COG Asset Finance Loans Requiring Insurance | 123,288 |
| Total Insurance Premiums on COG Asset Finance Loans | $450,000,000 |
| Est. Average Insurance Commission | 15.0% |
| Total Insurance Broker Commissions on COG Asset Finance Loans | $67,500,000 |
| Est. Insurance Broker EBITDA margins | 30.0% |
| **Total EBITDA on Insurance Premiums Written on COG Asset Finance Loans*** | **$20,250,000** |

*In FY22 COG reported ~$1.5m of NPATA from Insurance Broking

Source – Company, NAOS

## Outlook for FY26

At our October 2024 national roadshows, we emphasised the goal of delivering a 10-20% return for the NCC portfolio in FY25, supported by the low valuations of our core holdings and modest earnings growth projections.

Although we are disappointed that we missed this target, despite a robust ~10% performance in 1H FY25, the Investment Team is confident that the strengthened qualitative and quantitative attributes of our core holdings will drive substantial share price appreciation as their intrinsic value is realised.

In my experience, often the last thing to change for many businesses is the share price. Emerging companies usually need one or more catalysts to spark a valuation surge, and below, I highlight key FY26 catalysts for select holdings, each poised to drive substantial market re-ratings.

### Big River Industries (ASX: BRI)

- **Strengthened Executive Leadership** – Over the past two years, BRI has significantly expanded and revitalised its executive team to support its ambition of achieving ~$1 billion in annual revenue. Key roles, such as Head of Supply Chain (which have been filled for over 12 months), are driving strategies with the potential to enhance long-term profitability, particularly at the gross margin level. As market conditions normalise, these initiatives are expected to deliver more apparent financial benefits, currently offset by a challenging market environment.
- **Property Consolidation** – BRI's acquisitions of complementary private businesses over the past five years have left it with multiple sites across Australia, some facing rising rental costs amid a dynamic construction materials market. BRI has initiated a consolidation strategy to ensure each site is fit for purpose, with sufficient scale to boost profit margins over time. Stabilising lease-related expenses, such as depreciation and interest, should amplify profit growth as gross margins and revenue recover.
- **Improved Market Conditions** – BRI's end markets, with ~65% tied to residential construction, have generally been at cyclical lows for the past 12-18 months. However, structural tailwinds supporting long-term growth, such as Australia's housing shortage, remain robust and have strengthened. More importantly, we have started to see progress in addressing constraints such as interest rate reductions, reduced planning red tape and tradesman availability. As these reforms take effect, increased activity in residential, commercial, and infrastructure projects (e.g., the 2032 Olympics capital expenditure, as shown in the chart below) could drive ~10-20% annual growth, significantly boosting BRI's profitability.

| Infrastructure Program | Estimated Costs ($b) |
|---|---:|
| Brisbane Area | $2.5 |
| Gabba refurbishment | $2.7 |
| New & upgraded minor venues | $1.9 |

Source – Queensland Audit Office

### Hancock & Gore (ASX: HNG)

- **Clarity on Schoolblazer Australia's First Client** – As noted earlier, Schoolblazer Australia secured its irst private school client for the 2026 school year. While details on the school's identity and size remain undisclosed, we expect greater clarity as 2026 approaches. This milestone is critical, as we believe other schools are awaiting a successful irst-mover transition to validate Schoolblazer's seamless digital platform, potentially driving adoptions in 2027 and beyond.
- **Integration of Trutex Acquisition and Synergies** – With most of the emphasis on the expansion of Schoolblazer Australia, less focus has been placed on the recent acquisition of Trutex. While Schoolblazer Australia drives HNG's organic revenue growth, the Trutex acquisition offers complementary benefits. As a UK-based uniform provider, Trutex brings established sourcing relationships that could optimise HNG's supply chain. For HNG, with approximately $200 million in group revenue, a 1-2% increase in EBIT margin could substantially enhance profitability, thereby strengthening the group's financial performance.
- **Simplifying Group Financials** – HNG's listed investment company (LIC) structure and unconsolidated Global Uniform Solutions (GUS) inancials can seem complex. We are con ident HNG's leadership is implementing strategies—through enhanced reporting or restructuring—to clarify operations and unlock substantial shareholder value over time.

## Urbanise.com (ASX: UBN)

- **Payments Portal Launch** – UBN and NAB are prioritising an industry-leading payments portal, emphasising usability and functionality. Scheduled for launch in mid-FY26, the portal's success will hinge on customer feedback, a critical factor in the UBN-NAB partnership's long-term impact.
- **Initial Product Uptake** – Success for UBN going forward will depend on how many of Australia's ~2.3 million strata lots transition to its integrated software and NAB banking platform. Following the launch, the speed and scale of adoption will be key to capturing a significant share of this market.
- **Capital Management Initiatives** – Based on the potential revenue opportunities available for UBN in their ANZ strata operations, we anticipate that the company will focus on high-return, low-risk opportunities. This could involve capital management initiatives to prioritise the strata business.
- **NAB's Option Exercise** – As part of the original agreement, NAB can acquire an additional 4.99% of UBN at $1.255 per share within 12 months of the payments portal launch, increasing its stake to 19.99%. This option could signal confidence in the partnership's progress.

## COG Financial Services (ASX: COG)

- **New Board and Strategic Overhaul** – Following the March 2025 board renewal, new Chair Tony Robertson and Director John Dwyer, former PSC Insurance founders, have yet to fully implement their vision for COG. Their expertise suggests a simple and repeatable strategy with an emphasis on driving consistent organic growth, which we expect to take shape in FY26.
- **Business Simplification** – As previously stated, COG's CY23-24 share price decline stemmed from poor capital allocation and operational complexity. We have already seen steps to unwind this complexity via sales of COG's minority investments in Earlypay (ASX: EPY) and Centrepoint Alliance (ASX: CAF). Divesting Westlawn Finance, which adds over $100 million in assets and liabilities via its debenture program, would further simplify COG's balance sheet and clarify its cash flow profile.
- **Insurance Broking Opportunity** – COG facilitates ~$10 billion in annual finance for assets and equipment. Insurance broking has always been considered a growth lever for COG, given the complementary nature of offering insurance alongside finance for the purchase of business-critical equipment. COG's insurance broking strategy has historically underperformed, falling short of expected growth. With the expertise of the new directors, we anticipate a renewed focus on revitalising this division. Given COG's scale in finance broking, facilitating thousands of significant transactions annually, enhancements to the insurance broking operations could drive substantial organic growth for years to come.

While the catalysts outlined above may appear nuanced, we believe their realisation in FY26 could deliver substantial shareholder value, particularly if accompanied by valuation re-ratings and sustained earnings growth.

This reinforces our conviction that the intrinsic value of our investments significantly exceeds their current share prices, despite the modest performance in FY25. We remain optimistic that, building on FY25, the Investment Portfolio can achieve significantly strong cumulative returns by FY26, driven by the strength of our core holdings.

I look forward to updating you over the next 12 months on the progress of these investee companies concerning these catalysts, and we remain confident that many should materialise as anticipated. The NAOS team and I remain steadfastly committed to delivering sustainable, positive returns for all NCC shareholders through a concentrated portfolio of Australian and New Zealand emerging companies.

I would also like to acknowledge our long-standing NCC shareholders for their unwavering support, particularly during periods of performance volatility. As a sign of my confidence in NCC's long-term value creation, I have continued to acquire shares and will do so as long as this potential remains.

Kind regards,

**Sebastian Evans**
Managing Director and Chief Investment Officer
NAOS Asset Management Limited

# NCC Core Investments

## Big River Industries Limited

ASX: BRI

Big River Industries Limited (BRI) is a leading manufacturer and distributor of value-added timber and building material products in Australia and New Zealand. BRI has gained scale in recent years through the acquisition of bolt-on businesses to diversify its product offering and expand its geographical network, which now sits at 26 sites. BRI operates in the commercial sector, with customers using BRI products in real estate developments (detached and multi-residential), commercial construction projects and civil construction, among others. BRI has over 9,000 active trading accounts, serviced by ~640 staff members. BRI achieved $415 million in revenue in FY24.


## COG Financial Services

ASX: COG

COG Financial Services (COG) is Australia's leading aggregator of finance brokers and equipment leasing services to small and medium-sized enterprises (SMEs). COG's operations are spread across three complementary business divisions: Finance Broking & Aggregation (FB&A), Lending & Funds Management, and Novated Leasing, all of which service the financial needs of SMEs nationwide. As at the end of FY24, COG had a ~21% market share of the Australian Asset Finance Broking market, with the COG network financing $8.9bn in assets for SMEs in FY24. COG has been highly acquisitive in recent years, acquiring finance brokers, insurance brokers, as well as funds management and novated leasing businesses.


### Saunders International Limited

ASX: SND

Saunders International Limited (SND) has expertise in engineering and construction projects, having worked across Australia for over 70 years. Today, SND has over 500 employees, who work on projects in the Energy, Water, Power, Defence, Resource and Infrastructure sectors. The projects SND executes are of critical importance to its clients in federal/state governments and the private sector. Clients of SND include Western Sydney Airport, NSW Government (Bridges Program), BP and the Australian Defence Force.

### Hancock & Gore

ASX: HNG

Hancock & Gore (HNG) is a listed investment company. Its wholly owned operating business, Global Uniform Solutions (GUS) represents ~80% of the group's gross asset value. GUS is a leading supplier & e-commerce retailer of school uniforms in both the Australian and the United Kingdom markets.

### Ordermentum

Unlisted

Ordermentum is a two-sided ordering, payments, and insights platform widely used in the hospitality industry. The B2B ordering & payments platform connects hospitality venues (including cafes, restaurants, clubs and pubs) across Australia with suppliers, helping to improve business efficiencies, grow sales and drive profitability for both suppliers and venues.

# Investing With NAOS Asset Management

NAOS Asset Management is a specialist fund manager that provides concentrated exposure to quality Australian and New Zealand emerging companies.

NAOS takes a concentrated and long-term approach to investing and aims to work collaboratively with businesses rather than be a passive shareholder. NAOS seeks to invest in businesses with established moats and significant exposure to structural industry tailwinds, which are run by proven, aligned and transparent management teams who have a clear understanding of how to compound capital.

We aim to make significant investments in businesses and, on occasion, seek board representation or appoint highly regarded independent directors. Importantly, NAOS, its Directors and staff are significant shareholders in the NAOS LICs, ensuring strong alignment with all shareholders.

NAOS is B Corp Certified. As a B Corp in the financial services industry, we are counted among businesses that are leading a global movement for an inclusive, equitable and regenerative economy.

NAOS launched its first LIC in 2013 with 400 shareholders. Today, NAOS manages three LIC vehicles and one private investment fund for approximately 6,000 shareholders.

Certified B Corporation

# Our Values

### Encourage Independent Thinking

Rather than follow the crowd, we prefer to pave the way with innovation and provide a better outcome for our stakeholders. We have a disciplined investment process and avoid getting caught up in the hype and noise of the market.

### Do One Thing and Do It Really, Really Well

At NAOS, we focus on providing concentrated exposure to quality Australian and New Zealand emerging companies, and we strive to be the best at this.

### Tell It Like It Is

At NAOS, we are committed to honesty and transparency. We continue to exist due to the earned trust of our shareholders.

### Have the Right People in the Right Environment

Each NAOS employee has been specifically chosen for their unique ability, proven experience and willingness to learn. At NAOS, we have created an inclusive work culture that supports all our employees.

### Be Invested and Aligned

As NAOS Directors and employees, we have a significant interest in NAOS' investment strategies. This means we are invested alongside our shareholders, creating a strong alignment of interests.

### Have a Long-term Perspective

We believe in investing in businesses where today's earnings do not accurately reflect what the same business may earn over the longer term. Prior to investing in a business, we ask ourselves: Do we want to own this business forever?

### Act Responsibly

We are responsible for investing the funds of our fellow shareholders, and we take this responsibility seriously. At NAOS, we strive to act responsibly and diligently in all matters, from our investment choices to our shareholder communications.

### Be an Owner

NAOS employees strive to make NAOS a success by taking ownership of their tasks and responsibilities. In addition, NAOS Asset Management Limited is majority-owned by its employees and Directors.

### Give Back

As a company, we have committed to pledging 1% of our revenue, time and knowledge to movements and missions that matter. We aim to make a difference and contribute to economic, social, and environmental change.

# Our Investment Beliefs

### Value with Long-Term Growth
We believe in investing in businesses where the earnings today are not a fair reflection of what the same business will earn over the longer term. Ultimately, this earnings growth can be driven by many factors, including revenue growth, margin growth, cost cutting, acquisitions and even share buybacks. The result is earnings growth over a long-term investment horizon, even if the business was perceived to be a value-type business at the time of the initial investment.

### Invest for the Long Term
As investors who are willing to maintain perspective by taking a patient and disciplined approach, we believe we will be rewarded over the long term. If our investment thesis holds true, we persist. Many of our core investments have been held for three or more years, where management execution has been consistent and the value proposition is still apparent.

### Ignore the Index
This means we are not forced holders of stocks with large index weightings that we are not convinced are attractive investment propositions. We actively manage each investment to ensure the best outcome for our shareholders and only invest in companies that we believe will provide excellent, sustainable, long-term returns.

### Quality Over Quantity
Excessive diversification, or holding too many investments, may be detrimental to overall portfolio performance. We believe it is better to approach each investment decision with conviction. In our view, to balance risk and performance most favourably, the ideal number of quality companies in each portfolio would generally be zero to 20.

### Management Alignment
We believe in backing people who are proven and aligned with their shareholders. One of the most fundamental factors consistent across the majority of company success stories in our investment universe is a high-quality, proven management team with 'skin in the game'. NAOS Directors and employees are significant holders of shares on issue across our strategies, so the interests of our shareholders are well aligned with our own.

### Investing Within Our Circle of Competence
As a specialist fund manager since 2004, NAOS has over the years developed a strong "circle of competence" (or mental models) in specific industries. We openly acknowledge that we avoid businesses that are either too complex to understand or heavily influenced by one or two variables, such as interest rates or commodity prices. Instead, we concentrate on businesses that fall within our circle of competence, aiming to minimise the risk of permanent capital loss. Unlike others, we are comfortable setting aside investments that we consider "too hard" while we compound our knowledge in specific industries where we believe we have a competitive edge.

### Performance vs. Liquidity Focus

We believe in taking advantage of inefficient markets. The perceived risk associated with low liquidity (or difficulty buying or selling large positions) combined with investor short- termism, presents an opportunity to act based purely on the long-term value proposition where the majority may lose patience and move on. Illiquidity is often caused by aligned founders or management having significant holdings in a company. The NAOS LICs benefit from a closed-end structure, which means they do not suffer 'redemption risk', and we can focus on finding quality, undervalued businesses regardless of their liquidity profile.

### Constructive Engagement

At NAOS, we seek to work collaboratively with businesses and their respective management teams. We are often the largest shareholder in the businesses we invest in, and from time to time, we will seek board representation either via an independent or a non-independent representative. This approach allows us to supportively engage with the boards and/or management teams of our portfolio holdings and maximise the potential for our invested capital to compound at a satisfactory rate over the long term.

Examples of constructive engagement where the NAOS investment team looks to add value include:

- growth capital if/when required;
- messaging and communications;
- capital management decisions;
- company strategy;
- board composition.

### Environmental, Social, and Governance (ESG)

As an investment manager, NAOS recognises and accepts its duty to act responsibly and in the best interests of shareholders. We believe that a high standard of business conduct and a responsible approach to environmental, social and governance (ESG) factors is associated with a sustainable business model over the longer term. This benefits not only shareholders but also the broader economy. NAOS is a signatory to the United Nations-supported Principles for Responsible Investment (PRI) and is guided by these principles in incorporating ESG into its investment practices. NAOS is also B Corp certified.

# Our Investment Process

**Total ASX-Listed Companies**

2,407

## Investment Criteria

### Management & Culture

- What is the management team's industry experience and what is its track record on results, integrity and transparency?
- What ownership levels (shareholder alignment) does the management team have?
- What is the staff turnover level and what does this say about business loyalty among employees?
- What ethical standards do employees have?
- Does the culture promote long-term strategic thinking, even at the expense of short-term profits?
- Is there a company-wide desire to be an industry leader?

### Valuation, Growth & Margin of Safety

- Does the company have a moat from competition (patents, assets, monopolies, uniqueness, pricing power)?
- Is this company moat increasing over time?
- Is the business scalable without incurring large increases in overheads?
- Is the industry growing (demographic, technological, cyclical and consumer trends)?
- Is there an obvious margin of safety (earnings quality, multiple, cash levels, growth runway)?
- What is its free cash-flow generation history and potential (capex levels, operating costs etc.)?
- What is its balance sheet flexibility (cash reserves, undrawn debt, hard assets, liability obligations)?
- Is the business growing organically (does it have avenues for internal growth)?
- What are the trends in the company's return on invested capital (ROIC) and future potential?
- Are there catalysts that can drive an increase in the share price?

### Considering ESG Factors

- Identify ESG factors we think are relevant to each proposed investment.
- Consider our stance on these ESG factors, based on the principles and frameworks we believe can help to influence positive social return.
- Integrate our findings into our broader investment process which focuses on quantitative and qualitative analysis.

NAOS also follows this Investment Criteria when investing in private emerging companies.

## Investment Universe Funnel

**Company Size & Security Type**

Remove: ASX Top 50, <$20m market cap, ETFs

**Revenue**

Remove: No substantial revenue

**Industry**

Remove: Industries in structural long-term decline and not conducive to long-term growth

ESG Negative Screen: Tobacco, Gambling, Nuclear and Uranium, Controversial Weapons, Coal Mining Operations, Oil and Gas Production and Animal Cruelty

**Balance Sheet**

Remove: Unsustainable debt levels

**Companies in the NAOS Universe**

307

**NAOS Active Investment Universe Watchlist**

42-88

**ASX: NCC**

NAOS Emerging Opportunities Company Limited

NCC generally invests in 0-20 Australian and New Zealand emerging companies.

0–20

# NAOS Qualitative Information Sources

The NAOS investment team undertakes fundamental analysis on potential and current investments.

Some examples of key focus areas include:

### Internal Engagement

- Executive team, including CEO, CFO, COO and CTO
- Board of directors (independent and non-independent)
- Wider management team and staff, for example, general managers and sales executives to assistant/associates

### External Engagement

- Former employees
- Listed and unlisted competitors
- Suppliers (current and former)
- Customers (current and former)
- Industry contacts and industry associations

### Hands On

- Company announcements and reports
- Product/service sampling and testing
- Cold calling

### Research

- Company announcements and reports
- Transcripts (company specific and other)
- Industry reports and journals
- Social media and industry forums
- Surveys, ratings and proprietary analytical tools
- ESG and positive impact analysis

# Considering ESG Factors in the NAOS Investment Process

At NAOS, as an investment manager, we recognise and accept our duty to act responsibly and in the best interests of all stakeholders. We believe that a high standard of business conduct and a responsible approach to environmental, social and governance (ESG) factors are associated with a sustainable business model over the longer term, which also benefits the broader economy.

We recognise the material impacts that ESG factors can have on investment returns and risk, and also the wider implications for achieving a positive social return.

## Screening

NAOS excludes investment in specific industries and companies whose products, services or ethics do not align with our responsible investment goals, such as:

- Tobacco
- Gambling
- Nuclear & uranium
- Controversial weapons
- Coal mining operations, oil & gas production
- Animal cruelty

## Due Diligence and Investment Decision

- Identify ESG factors we think are relevant to each proposed investment
- Consider our stance on these ESG factors, based on the principles and frameworks we believe can help to influence positive social return
- Integrate our findings into our broader investment process, which focuses on quantitative and qualitative analysis

## Ownership and Monitoring

- With our long-term, concentrated investment approach, we are often a substantial shareholder in our investee companies and can meaningfully influence them to address identified ESG issues
- Creating accountability through ongoing monitoring and engagement with our investee companies

## Our Guidelines

Our approach to considering ESG factors in our investment process is guided by:

*Signatory of:*

**The Principles for Responsible Investment (UNPRI)**

A globally recognised framework consisting of six principles that guide the incorporation of ESG factors into investment analysis.

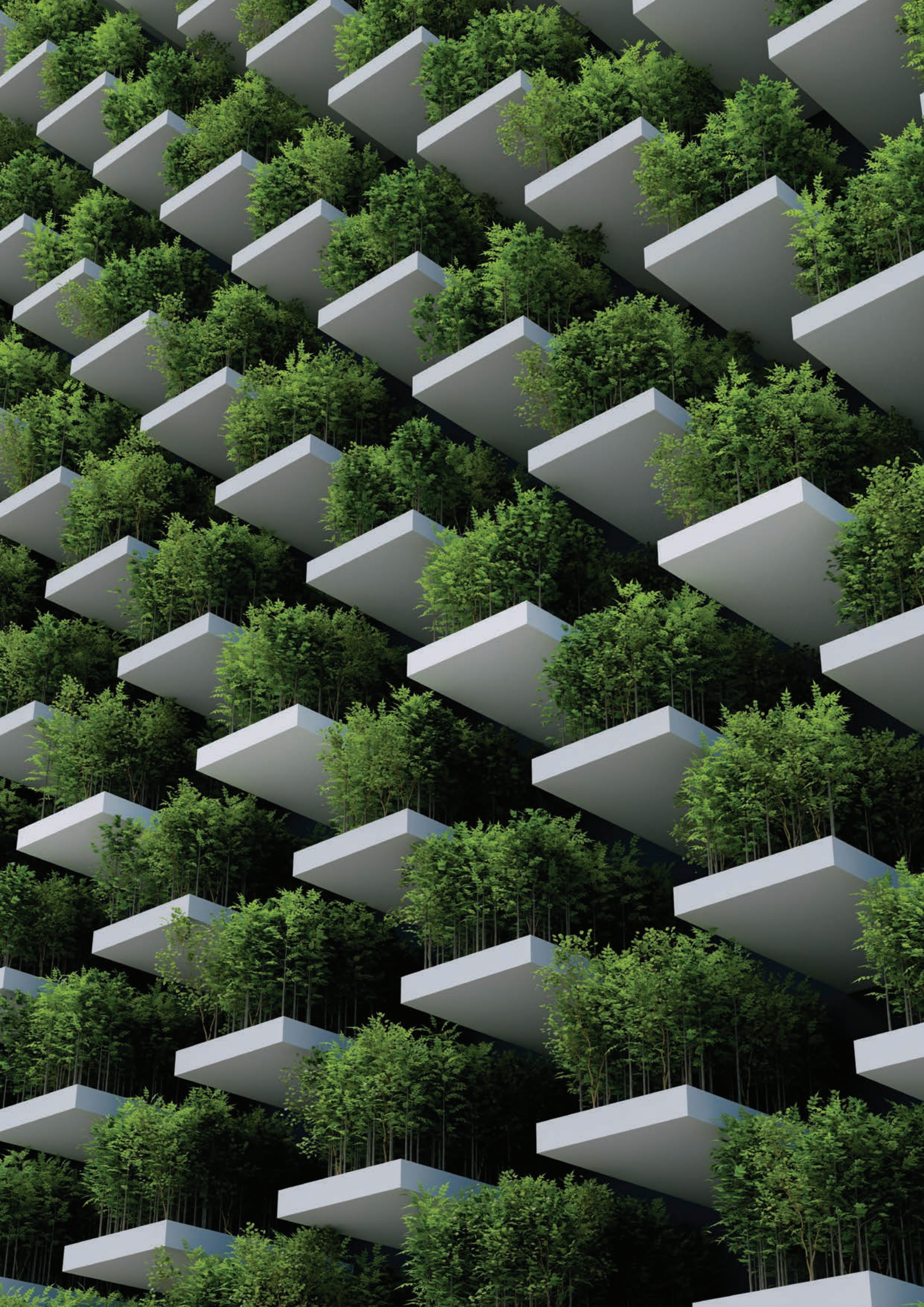
**The United Nations Sustainable Development Goals (UNSDG)**

A global framework that addresses sustainability challenges worldwide, offering 17 interconnected goals to achieve by 2030.

## Accreditation

**Certified B Corporation**

B Corporation certification is afforded to companies that demonstrate high standards of verified performance, accountability and transparency in the areas of social and environmental responsibility.



# Investee Company in Focus

# Hancock & Gore Ltd

ASX: HNG

At NAOS Asset Management, we believe in providing shareholders with meaningful insights into the companies in which we invest. We recently spoke with Alexander (Sandy) Beard, Executive Chairman of Hancock & Gore, to gain a deeper understanding of the company's strategic priorities, competitive positioning, and long-term alignment with shareholders.

### How do you balance risk and returns when investing?

We focus on businesses with clear market positions, consistent earnings, aligned management, and fair valuations. We build long-term partnerships, not chase trends. If a business earns more cash than it uses—and we can buy it at a fair price—we're interested. Risk is best managed through alignment and capable leadership.

### What sets you apart in the school uniform industry?

We focus on doing the basics well—reliable delivery, strong service, and smart logistics. Schoolblazer, our standout brand, is a pure e-commerce model offering 48-hour delivery, a sizing algorithm, and free name-taping. It's trusted, premium, and sustainable. Growth is coming from UK expansion, Mountcastle retail, Schoolblazer's entry into the ANZ market, and our new sportswear line, Limitless. The near-final Trutex UK acquisition adds international scale.

### How do you approach acquisitions?

We're not in the business of collecting companies. We don't buy for scale—we buy businesses we understand, run by people we respect, at a fair price. Our aim is to hold long-term. Acquisition decisions are made by experienced operators with real equity in H&G, ensuring strong alignment with our strategy.

### How are you addressing sustainability and digital transformation?

We focus on what customers truly value—if sustainability or technology improves a business, we invest. Global Uniform Solutions uses 90% recycled polyester, and Schoolblazer has cut single-use plastics by 75% since 2021. Disruptive Packaging is gaining global traction with its eco-friendly alternative to wax cardboard and EPS. Across the group, digital transformation is a priority—Schoolblazer's in-house IT team is enhancing systems with AI to improve efficiency and service.

### How does your strategy meet shareholder return expectations?

We're disciplined capital allocators focused on the long term. By owning high-quality businesses and letting compounding work, we aim to deliver strong, risk-adjusted returns. Since adopting our current strategy in 2020, we've achieved >15% total shareholder returns.

# Our Team

## Sebastian Evans

Chief Investment Officer and Managing Director

Sebastian is a Director of NAOS Emerging Opportunities Company Limited (ASX: NCC), NAOS Small Cap Opportunities Company Limited (ASX: NSC), NAOS Ex- 50 Opportunities Company Limited (ASX: NAC), and has held the positions of Chief Investment Officer (CIO) and Managing Director of NAOS Asset Management Limited, the Investment Manager, since 2010. Sebastian is the CIO across all investment strategies.

Sebastian holds a Master of Applied Finance (MAppFin) majoring in investment management as well as a Bachelor of Commerce majoring in finance and international business, a Graduate Diploma in Management from the Australian Graduate School of Management (AGSM) and a Diploma in Financial Services.

## Robert Miller

Portfolio Manager

Robert joined NAOS in September 2009 as an investment analyst. Robert has been a portfolio manager since November 2014 and is currently Portfolio Manager across all NAOS LICs: NAOS Emerging Opportunities Company Limited (ASX: NCC), NAOS Small Cap Opportunities Company Limited (ASX: NSC), NAOS Ex-50 Opportunities Company Limited (ASX: NAC), and the NAOS Private Opportunities Fund. Robert is also a Non-Executive Director of Ordermentum Pty Ltd.

Robert holds a Bachelor of Business from the University of Technology, Sydney, and a Master of Applied Finance (MAppFin) from the Financial Services Institute of Australasia/Kaplan.

## Jared Tilley

Senior Investment Analyst

Jared joined NAOS in April 2021 as Senior Investment Analyst. Jared has over 18 years' financial services experience. Most recently, Jared was an investment analyst at Contact Asset Management, and prior to that, he spent nine years at Colonial First State.

Jared holds a Bachelor of Commerce majoring in accounting and finance from the University of Notre Dame, Sydney, and is a CFA Charterholder.

## Tom Pearce

Investment Analyst Intern

Tom currently studying a Bachelor of Commerce (Finance) at The University of Sydney, where he has developed a strong interest in investing and portfolio management.

## Rajiv Sharma

Head of Legal and Compliance

Rajiv is Head of Legal and Compliance at NAOS and holds a Bachelor of Laws (First Class Honours), a Bachelor of Business (accounting major) and a Graduate Diploma in Legal Practice from the University of Technology, Sydney.

Rajiv has over 15 years' experience, having most recently held senior legal roles at Custom Fleet, part of Element Fleet Management (TSX: EFN), and also at Magellan Financial Group (ASX: MFG). He has also previously worked at law firms Johnson Winter & Slattery, and Clayton Utz.

Rajiv is a member of the Law Society of New South Wales and is admitted to the Supreme Court of New South Wales and the High Court of Australia.

## Mohit Kabra

Chief Financial and Operating Officer

Mohit Kabra is the Chief Financial Officer (CFO) and Chief Operating Officer (COO). Since joining NAOS in 2025, he has been responsible for NAOS' financial strategy and overseeing its operations. With a strong focus on governance, financial planning, and regulatory compliance, Mohit plays a key role in driving NAOS' strategic direction and long-term success.

With over 17 years at Deloitte Touche Tohmatsu across three continents, Mohit has developed deep expertise in investment management. His experience spans audit, accounting, advisory services, mergers and acquisitions, financial due diligence, business valuations, and capital market transactions.

Mohit is a Certified Public Accountant (CPA) with the Colorado Board of Accountancy and a member of the American Institute of Certified Public Accountants (AICPA). He is also an associate member of the Institute of Chartered Accountants of India and holds a Bachelor of Commerce (Hons.) from the University of Delhi, India.

## Angela Zammit

Marketing and Communications Manager

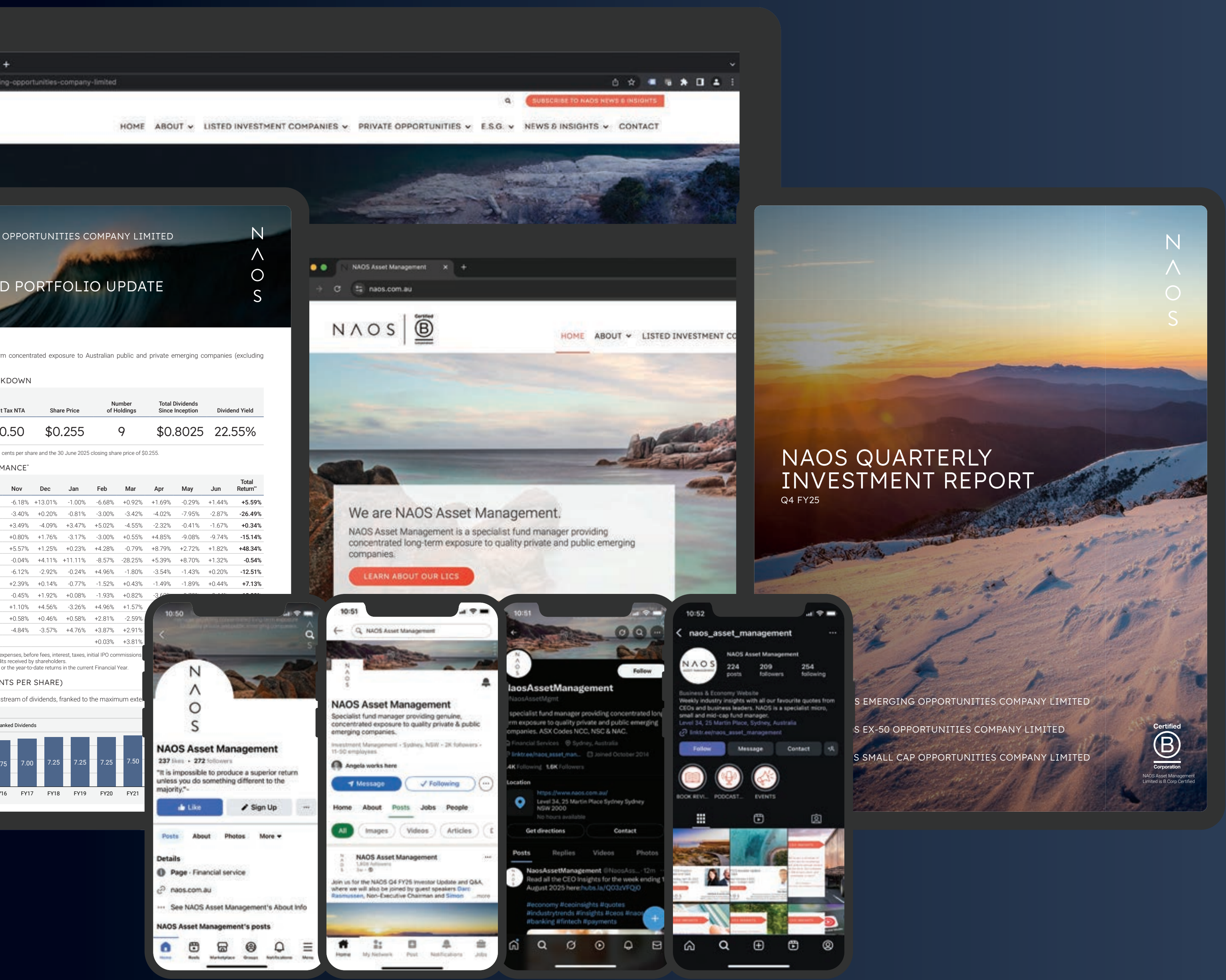
Angela joined NAOS in May 2020 in the capacity of Marketing and Communications Manager.

Prior to joining NAOS, Angela held marketing roles for companies in both Australia and the UK, including SAI Global, American Express, Citibank, and Arete Marketing.

Angela holds a Bachelor of Communications majoring in advertising and marketing from the University of Canberra.

# Shareholder Communications

NAOS Asset Management is dedicated to keeping our shareholders informed and engaged. We strive to deliver timely and relevant updates throughout the financial year, including our monthly newsletter, weekly CEO insights, quarterly investment reports, and invitations to our quarterly webinars and annual roadshows. We value your input and welcome any feedback or suggestions—please feel free to email us at enquiries@naos.com.au.



# NAOS Giving Back

To be caretakers of the next generation, we must actively support positive change. Supporting our commitment to ESG issues, NAOS Asset Management (the management company) donates 1% of recurring revenue to the community and the environment.

NAOS is proud to be supporting:


Australian Kookaburra Kids Foundation

Empowering young people to thrive beyond the impacts of family mental illness

Greening Australia

Healthy, productive landscapes where people and nature thrive.

Bush Heritage Australia

Together, we're returning the bush to good health.

# Corporate Governance Statement

The Board of NAOS Emerging Opportunities Company Limited is committed to achieving and demonstrating the highest standards of corporate governance. As such, the Company has adopted what it believes to be appropriate corporate governance policies and practices, having regard to its size and the nature of its activities.

The Board has adopted the ASX Corporate Governance Principles and Recommendations, which are complemented by the Company's core principles of honesty and integrity. The corporate governance policies and practices adopted by the Board are outlined in the Corporate Governance section of the Company's website naos.com.au/corporate-governance.

# Contents

# Directors' Report

The Directors present their report together with the financial report of NAOS Emerging Opportunities Company Limited (the "Company") for the year ended 30 June 2025.

## Company Information

The Company is a listed investment company ("LIC") and its shares are listed on the Australian Securities Exchange. The Company has outsourced its investment management function to NAOS Asset Management Limited (ACN 107 624 126) (Australian Financial Services Licence No. 273 529) (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 public and private Australian emerging companies (excluding resource companies).

## Directors and Officers

The following persons held office as Directors of the Company during or since the end of the year.

### Directors

| Name | Appointment Date | Period of Office |
|---|---|---|
| Sarah Williams (Independent Chair) | 31 January 2019 | 31 January 2019 - Present |
| David Rickards OAM<br>(Independent Director (retired 31 January 2025)) | 20 November 2012 | 20 November 2012 - 31 January 2025 |
| Warwick Evans | 6 November 2012 | 6 November 2012 - Present |
| Sebastian Evans | 6 November 2012 | 6 November 2012 - Present |
| Roberto Credaro<br>(Independent Director (appointed 31 January 2025)) | 31 January 2025 | 31 January 2025 - Present |

The qualifications and experience of each person who has been a Director of the Company at any time since 1 July 2024 are provided below.

## Directors Information

### Sarah Williams - Independent Chair

Sarah Williams has been an Independent Director since January 2019, and was elected as Chair on 1 December 2022. Sarah is also a Director of NAOS Ex-50 Opportunities Company Limited (ASX: NAC) and NAOS Small Cap Opportunities Company Limited (ASX: NSC).

Sarah has over 25 years' experience in executive management, leadership, IT and risk management within the financial services and IT industries. Most recently, Sarah was an Executive Director at Macquarie Group holding the role of Head of IT for the Asset Management, Investment Banking and Leasing businesses. During her 18 year tenure at Macquarie Group she also led the Risk and Regulatory Change team, the Equities IT team and developed the IT M&A capability. Sarah has also held senior roles with JP Morgan and Pricewaterhouse Coopers in London.

Sarah has also been a director of charitable organisations including Cure Cancer Australia Foundation and Make a Mark Australia. Sarah holds a Honours Degree in Engineering Physics from Loughborough University.

### David Rickards OAM - Independent Director

David Rickards has been an Independent Director of the Company since its inception and retired on 31 January 2025. David is also an Independent Chair of NAOS Small Cap Opportunities Company Limited (ASX: NSC) and a Director of NAOS Ex-50 Opportunities Company Limited (ASX: NAC). He is also Co-founder of Social Enterprise Finance Australia Limited (Sefa) and was a director and treasurer of Bush Heritage Australia for nine years.

David has over 25 years of equity market experience, most recently as an executive director at Macquarie Group where he was head of equities research globally, as well as equity strategy since 1989 until he retired in mid-2013. David was also a consultant for the financial analysis firm Barra International.

David holds a Master of Business Administration from the University of Queensland majoring in accounting and finance. He also has a Bachelor of Engineering (Civil Engineering) and a Bachelor of Engineering (Structural Engineering) from the University of Sydney, and a Bachelor of Science (Pure Mathematics and Geology).

### Warwick Evans - Non-Independent Director

Warwick Evans has been a Director of the Company since its inception. Warwick is also a Director of NAOS Ex-50 Opportunities Company Limited (ASX: NAC), NAOS Small Cap Opportunities Company Limited (ASX: NSC) and NAOS Asset Management Limited, the Investment Manager.

Warwick has over 35 years of equity market experience, most notably as Managing Director for Macquarie Equities (globally) from 1991 to 2001 as well as being an Executive Director for Macquarie Group. He was the founding Chairman and CEO of the Newcastle Stock Exchange (NSX), and was also Chairman of the Australian Stockbrokers Association. Prior to these positions he was an Executive Director at County NatWest.

Warwick holds a Bachelor of Commerce majoring in economics from the University of New South Wales.

### Sebastian Evans - Non-Independent Director

Sebastian Evans has been a Director of the Company since its inception. Sebastian is also a Director of NAOS Ex-50 Opportunities Company Limited (ASX: NAC), NAOS Small Cap Opportunities Company Limited (ASX: NSC) and has held the positions of Chief Investment Officer (CIO) and Managing Director of NAOS Asset Management Limited, the Investment Manager since 2010.

Sebastian is the CIO across all investment strategies. He holds a Master of Applied Finance (MAppFin) majoring in investment management as well as a Bachelor of Commerce majoring in finance and international business, a Graduate Diploma in Management from the Australian Graduate School of Management (AGSM) and a Diploma in Financial Services.

### Roberto Credaro - Independent Director

Robert Credaro was appointed Independent Director of the Company on 31 January 2025.

Robert has 34 years of experience as a financial services executive with extensive experience in equities research and portfolio management, private equity investing and superannuation. He was most recently Head of Public and Private Equity at Aware Super.

Prior to this role, he was the Chief Investment Officer of Macquarie Private Bank and a Division Director in Macquarie's private equity advisory and funds management business. Robert started his financial services career at Macquarie Securities, prior to which he worked in the Federal Treasury in Canberra.

Robert holds a Bachelor of Economics (Honours) from Sydney University, is a CFA Charterholder and a Graduate of the Australian Institute of Company Directors (GAICD).

## Company Secretary

The following persons held office as company secretary during or since the end of the year.

| Name | Appointment Date | Period of Office |
|---|---:|---:|
| Sebastian Evans | 10 July 2019 | 10 July 2019 - Present |
| Rajiv Sharma | 12 March 2021 | 12 March 2021 - Present |

## Company Secretary Information

### Rajiv Sharma

Rajiv is Head of Legal & Compliance at NAOS Asset Management and holds a Bachelor of Laws (First Class Honours), a Bachelor of Business (Accounting major) and a Graduate Diploma in Legal Practice from the University of Technology, Sydney. Rajiv has over 15 years' experience, having most recently held senior legal roles at Custom Fleet, part of Element Fleet Management Group (TSX: EFN) and Magellan Financial Group (ASX: MFG). He has also previously worked at law firms Johnson Winter & Slattery and Clayton Utz.

Rajiv is a member of the Law Society of New South Wales and is admitted to the Supreme Court of New South Wales and the High Court of Australia.

## Meetings of Directors

The following table shows the number of board meetings for the year ended 30 June 2025.

| Year ended 30 June 2025 | Eligible to attend | Attended |
|---|---|---|
| Sarah Williams (Independent Chair) | 11 | 11 |
| David Rickards (Independent Director (retired 31/01/2025)) | 6 | 6 |
| Warwick Evans (Director) | 11 | 10 |
| Sebastian Evans (Director) | 11 | 11 |
| Roberto Credaro (Independent Director (appointed 31/01/2025)) | 5 | 5 |

## Review of Operations

The Company reported an operating profit before tax of $1,153,850 (FY24: loss $22,396,559) and after tax of $283,550 (FY24: loss $17,659,307), reflecting a recovery in select portfolio positions. The Investment Portfolio returned +5.59% for FY25, compared with the S&P/ASX Small Ordinaries Accumulation Index (XSOAI) at +12.26%.

The post-tax NTA per share decreased from $0.54 to $0.50 over the financial year. The Company paid 4.00 cents per share in dividends, fully franked (2.00 cps final FY24 paid 31 October 2024 and 2.00 cps interim FY25 paid 24 April 2025).

Please refer to the Investment Manager's report on page 10 for further information regarding the performance of the Company.

## Financial Position

The net tangible asset value of the Company as at 30 June 2025 was $36,840,741 (2024: $39,509,175). Further information on the financial position of the Company is included in the Chair's Letter on page 8.

## Dividends Paid or Payable

| Year ended 30 June 2025 | Dividend (cents per share) | Total $ amount | % Franked | Date of payment |
|---|---|---|---|---|
| 2024 final dividend (declared 22 August 2024) | 2.00 | 1,475,992 | 100% | 31 October 2024 |
| 2025 interim dividend (declared 20 February 2025) | 2.00 | 1,475,992 | 100% | 24 April 2025 |
| | | **2,951,984** | | |

| Year ended 30 June 2024 | Dividend (cents per share) | Total $ amount | % Franked | Date of payment |
|---|---|---|---|---|
| 2023 final dividend (declared 22 August 2023) | 3.75 | 2,735,733 | 50% | 27 October 2023 |
| 2024 interim dividend (declared 22 February 2024) | 3.75 | 2,749,124 | 50% | 24 April 2024 |
| | | **5,484,857** | | |

Since 30 June 2025, the Company has declared a final dividend of 2.00 cents per share, fully franked, to be paid on 31 October 2025.

## Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company.

## Subsequent Events

On 21 August 2025, the Company declared a final dividend of 2.00 cents per share, fully franked, to be paid on 31 October 2025.

Other than the matter described above, there has been no matter or circumstance occurring subsequent to the end of the 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.

## Likely Developments

The Company will continue to be managed in accordance with the Constitution and its investment objectives.

## Environmental Regulation and Performance

The operations of the Company are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Company.

## Indemnification of Directors, Officers and Auditors

During the financial year, the Company paid premiums in respect of contracts insuring the directors' against a liability incurred as a director or executive officer to the extent permitted by the *Corporations Act 2001 (Cth)*. The contracts of insurance prohibit disclosure of the nature of the liability and the amount of the premiums.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability as such an officer or auditor.

## Non-audit Services

During the year, Deloitte Touche Tohmatsu, the Company's auditor, performed other services in addition to their statutory duties for the Company as disclosed in Note 12 to the financial statements.

The Board is satisfied that the provision of other services during the year is compatible with the general standard of independence of auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 12 did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to the auditor independence in accordance with the APES 110 Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

## 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 43.

## Remuneration Report - Audited

The Directors of the Company present the Remuneration report to shareholders. The report is a requirement under section 300A(1) of the *Corporations Act 2001* and covers the following information:

- the Board's policy for determining the nature and amount of remuneration of Directors and other key management personnel (if any) of the Company;
- a discussion of the relationship between such policy and the Company's performance; and
- the details of the remuneration of the Directors and other management personnel (if any).

### Remuneration of Directors

The Board from time to time determines remuneration of Directors within the maximum amount approved by shareholders. This is the only remuneration that Directors are entitled to.

Payments to Directors reflect the demands and responsibilities of their roles and are reviewed annually by the Board. The Company determines remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors.

Directors' base fees are set at a maximum of $100,000 per annum and Directors do not receive bonuses. The maximum fees paid to Directors may not be increased without approval from the Company at a general meeting.

Director's remuneration received for the year ended 30 June 2025 and 30 June 2024 are disclosed below:

| 30 June 2025 | Short-term employee benefits<br>Directors fees<br>$ | Post-employment benefit<br>Superannuation<br>$ | Total<br>$ |
|---|---|---|---|
| Sarah Williams (Independent Chair) | 31,390 | 3,610 | 35,000 |
| Warwick Evans (Director) | 8,969 | 1,031 | 10,000 |
| David Rickards (Independent Director (retired 31/01/2025)) | 7,848 | 902 | 8,750 |
| Roberto Credaro (Independent Director (appointed 31/01/2025)) | 5,605 | 645 | 6,250 |
| | **53,812** | **6,188** | **60,000** |

| 30 June 2024 | Short-term employee benefits<br>Directors fees<br>$ | Post-employment benefit<br>Superannuation<br>$ | Total<br>$ |
|---|---|---|---|
| Sarah Williams (Independent Chair) | 31,532 | 3,468 | 35,000 |
| Warwick Evans (Director) | 9,009 | 991 | 10,000 |
| David Rickards (Independent Director) | 13,514 | 1,486 | 15,000 |
| | **54,055** | **5,945** | **60,000** |

Mr Sebastian Evans is remunerated by the Investment Manager and is currently not entitled to Director's remuneration from the Company. For the year ended 30 June 2025, the remuneration disclosures for Mr David Rickards cover the period from 1 July 2024 to 31 January 2025, being the date of his retirement as a Director of the Company. The disclosures for Mr Roberto Credaro cover the period from 31 January 2025 to 30 June 2025, being the date of his appointment as a Director.

### Interests in Shares and Options of the Company

During the financial year ended 30 June 2025 and the year ended 30 June 2024, the relevant interests of the Directors and their related parties in the shares and bonus options of the Company were:

| Ordinary shares<br>Year ended 30 June 2025 | Opening balance<br>No of shares | Acquired<br>No of shares | Sold<br>No of shares | Closing balance<br>No of shares |
|---|---|---|---|---|
| Sarah Williams (Independent Chair) | 20,363 | 2,290 | - | 22,653 |
| Warwick Evans (Director) | 2,703,536 | - | - | 2,703,536 |
| Sebastian Evans (Director) | 1,823,810 | 227,545 | - | 2,051,355 |
| David Rickards (Independent Director (retired 31/01/2025)) | 1,229,011 | 57,877 | - | 1,286,888 |
| Roberto Credaro (Independent Director (appointed 31/01/2025)) | - | - | - | - |

| Ordinary shares<br>Year ended 30 June 2024 | Opening balance<br>No of shares | Acquired<br>No of shares | Sold<br>No of shares | Closing balance<br>No of shares |
|---|---|---|---|---|
| Sarah Williams (Independent Chair) | 18,286 | 2,077 | - | 20,363 |
| Warwick Evans (Director) | 2,703,536 | - | - | 2,703,536 |
| Sebastian Evans (Director) | 1,754,840 | 378,251 | (309,281) | 1,823,810 |
| David Rickards (Independent Director) | 1,158,126 | 70,885 | - | 1,229,011 |

| Bonus Options<br>Year Ended 30 June 2025 | Opening balance<br>No of bonus options | Issued<br>No of bonus options | Exercised<br>No of bonus options | Closing balance<br>No of bonus options |
|---|---|---|---|---|
| Sarah Williams (Independent Chair) | 3,850 | - | - | 3,850 |
| Warwick Evans (Director) | 540,706 | - | - | 540,706 |
| Sebastian Evans (Director) | 40,000 | - | - | 40,000 |
| David Rickards (Independent Director (retired 31/01/2025)) | 232,363 | - | - | 232,363 |
| Roberto Credaro (Independent Director (appointed 31/01/2025)) | - | - | - | - |

| Bonus Options<br>Year Ended 30 June 2024 | Opening balance<br>No of bonus options | Issued<br>No of bonus options | Exercised<br>No of bonus options | Closing balance<br>No of bonus options |
|---|---|---|---|---|
| Sarah Williams (Independent Chair) | - | 3,850 | - | 3,850 |
| Warwick Evans (Director) | - | 540,706 | - | 540,706 |
| Sebastian Evans (Director) | - | 359,063 | (319,063) | 40,000 |
| David Rickards (Independent Director) | - | 232,363 | - | 232,363 |

For the year ended 30 June 2025, the shareholding and bonus option disclosures for Mr David Rickards are stated as at 31 January 2025, being the date of his retirement as a Director of the Company. The disclosures for Mr Roberto Credaro are stated from 31 January 2025 to 30 June 2025, being the date of his appointment as a Director.

**Directors' Report (continued)**

Remuneration Report - Audited (continued)

The following table summarises Company performance and Directors Remuneration. Director's fees are not linked to the Company's performance.

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Operating profit/(loss) after tax ($) | 283,550 | (17,659,307) | (457,087) | (12,796,392) | 20,664,304 |
| Dividends (cents per share) | 4.00 | 5.75 | 7.50 | 7.50 | 7.50 |
| Level of franking (%) | 100 | 67 | 50 | 75 | 100 |
| NTA after tax ($ per share) | 0.50 | 0.54 | 0.85 | 0.93 | 1.18 |
| Total Director's remuneration ($) | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 |
| Shareholder's equity ($) | 36,840,741 | 39,509,175 | 62,096,169 | 68,024,722 | 86,292,581 |
| Share Price ($) | 0.255 | 0.415 | 0.68 | 0.83 | 1.035 |

End of Remuneration Report (Audited)

Signed in accordance with a resolution of Directors of the Company made pursuant to Section 298(2) of the *Corporations Act 2001*.

**Sarah Williams**

Independent Chair

21 August 2025

# Auditor’s Independence Declaration

**Deloitte.**

Deloitte Touche Tohmatsu
A.C.N. 74 490 121 060

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Level 46, 50 Bridge Street
Sydney NSW 2000 Australia

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21 August 2025

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

Dear Directors,

**Auditor’s Independence Declaration to NAOS Emerging 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 those charged with governance of NAOS Emerging Opportunities Company Limited.

As lead audit partner for the audit of the financial report of NAOS Emerging Opportunities Company Limited for the financial year ended 30 June 2025, 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 audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

Jonathon Corbett
Partner
Chartered Accountants

# Independent Auditor's Report

Deloitte.

Deloitte Touche Tohmatsu
A.C.N. 74 490 121 060

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## Independent Auditor's Report to the Members of NAOS Emerging Opportunities Company Limited

### Report on the Audit of the Financial Report

*Opinion*

We have audited the financial report of NAOS Emerging Opportunities Company Limited (the "Company") which comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the directors 'declaration and the Consolidated Entity Disclosure Statement.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 & 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 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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| Key Audit Matter | How the scope of our audit responded to the Key Audit Matter |
|---|---|
| <u>Valuation and existence of Level 1 financial assets held at fair value through profit or loss</u><br><br>The Company's listed equity securities are the most significant driver of the Company's net tangible assets and the profit or loss attributable to shareholders.<br><br>As at 30 June 2025, the Company's listed equity securities held at fair value through profit or loss totaled circa $44.7 million as disclosed in Notes 7 and 17.<br><br>Listed equity securities are fair valued using the unadjusted last sale price quoted on the Australian Securities Exchange. Changes in the fair value of the listed securities are recognised through profit or loss.<br><br>Given the significance of the listed equity securities, the key audit matter is whether the Company has ownership of the listed equity securities and has accurately recorded the fair value movements for the reporting period. | Our procedures included, but were not limited to:<br><br>• Evaluating key controls in place at the outsourced service providers (i.e. administrator and custodian) in relation to the valuation and existence of financial assets at fair value through profit or loss, including any exceptions noted;<br>• Obtaining confirmation of the investment holdings directly from the custodian;<br>• On a sample basis, agreeing the valuation of listed equity securities to an independent pricing source;<br>• On a sample basis, agreeing the investment holdings to the external custodian's holdings statement; and<br>• Reperforming a reconciliation of the financial assets balance for the period ended 30 June 2025, including purchases, sales, other relevant transactions.<br><br>We also assessed the adequacy of the disclosures in Notes 7 and 17 to the financial statements. |

*Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Directors for the Financial Report*

The directors are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and is free from material misstatement, whether due to fraud or error.

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In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte.

### Report on the Remuneration Report

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 40 to 42 of the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of NAOS Emerging Opportunities Company Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jonathon Corbett
Partner
Chartered Accountants

Sydney, 21 August 2025

# Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2025

| | Notes | Year ended 30 June 2025 $ | Year ended 30 June 2024 $ |
|---|---|---|---|
| **Income** | 3 | 3,516,808 | (19,757,811) |
| **Expenses** | | | |
| Management fees | 16 | (697,064) | (888,531) |
| Interest expense on convertible notes | | (1,035,000) | (1,037,836) |
| Amortisation expense on convertible note | | (87,421) | (87,661) |
| Administration fees | | (51,250) | (54,261) |
| Directors' remuneration | | (60,000) | (60,000) |
| ASX fees | | (62,312) | (97,843) |
| Auditor's remuneration | 12 | (64,500) | (64,500) |
| Custody fees | | (40,215) | (36,582) |
| Registry fees | | (61,429) | (73,787) |
| Other expenses from ordinary activities | | (203,767) | (237,747) |
| **Profit/(loss) before income tax expense** | | **1,153,850** | **(22,396,559)** |
| Income tax (expense)/benefit | 4(a) | (870,300) | 4,737,252 |
| **Profit/(loss) for the year attributable to shareholders of the Company** | | **283,550** | **(17,659,307)** |
| Other comprehensive income, net of tax | | - | - |
| **Total comprehensive income/(loss) for the year attributable to shareholders of the Company** | | **283,550** | **(17,659,307)** |
| | | | |
| **Basic and diluted gains/(losses) per share (cents per share)** | **18** | **0.38** | **(24.12)** |

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

# Statement of Financial Position as at 30 June 2025

| | Notes | As at 30 June 2025 $ | As at 30 June 2024 $ |
|---|---|---|---|
| **Assets** | | | |
| **Current Assets** | | | |
| Cash and cash equivalents | 13 | 347,911 | 156,511 |
| Trade and other receivables | 6 | 3,404,804 | 144,199 |
| Financial assets at fair value through profit or loss | 7 | 49,474,493 | 54,503,045 |
| **Total current assets** | | **53,227,208** | **54,803,755** |
| **Non-current Assets** | | | |
| Deferred tax assets | 4(b) | 6,973,988 | 7,844,286 |
| **Total non-current assets** | | **6,973,988** | **7,844,286** |
| **Total assets** | | **60,201,196** | **62,648,041** |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 8 | 644,993 | 510,825 |
| **Total current liabilities** | | **644,993** | **510,825** |
| **Non-current liabilities** | | | |
| Borrowings | 9 | 22,715,462 | 22,628,041 |
| **Total non-current liabilities** | | **22,715,462** | **22,628,041** |
| **Total liabilities** | | **23,360,455** | **23,138,866** |
| **Net assets** | | **36,840,741** | **39,509,175** |
| **Equity** | | | |
| Issued capital | 10 | 78,022,430 | 78,022,430 |
| Profits reserve | 11(a) | 19,387,924 | 22,056,358 |
| Accumulated losses | 11(b) | (60,569,613) | (60,569,613) |
| **Total equity** | | **36,840,741** | **39,509,175** |

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

# Statement of Changes in Equity for the Year Ended 30 June 2025

| | Issued capital $ | Profits reserve $ | Accumulated losses $ | Total equity $ |
|---|---|---|---|---|
| **Balance at 1 July 2023** | 77,465,260 | 27,541,215 | (42,910,306) | 62,096,169 |
| Loss for the year | - | - | (17,659,307) | (17,659,307) |
| Dividends paid | - | (5,484,857) | - | (5,484,857) |
| Share options exercised | 233,429 | - | - | 233,429 |
| Shares issued under DRP | 323,741 | - | - | 323,741 |
| Purchase of shares on market for DRP | (278,456) | - | - | (278,456) |
| DRP shares allotted | 278,456 | - | - | 278,456 |
| **Balance at 30 June 2024** | **78,022,430** | **22,056,358** | **(60,569,613)** | **39,509,175** |

| | Issued capital $ | Profits reserve $ | Accumulated losses $ | Total equity $ |
|---|---|---|---|---|
| **Balance at 1 July 2024** | 78,022,430 | 22,056,358 | (60,569,613) | 39,509,175 |
| Profit for the year | - | - | 283,550 | 283,550 |
| Transfer to profits reserve | - | 283,550 | (283,550) | - |
| Dividends paid | - | (2,951,984) | - | (2,951,984) |
| Purchase of shares on market for DRP | (351,987) | - | - | (351,897) |
| DRP shares allotted | 351,897 | - | - | 351,897 |
| **Balance at 30 June 2025** | **78,022,430** | **19,387,924** | **(60,569,613)** | **36,840,741** |

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

# Statement of Cash Flows for the Year Ended 30 June 2025

| | Notes | Year ended 30 June 2025 $ | Year ended 30 June 2024 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Payments for purchases of investments | | (17,745,076) | (7,767,062) |
| Proceeds from sales of investments | | 21,330,012 | 9,786,537 |
| Dividends received | | 1,836,704 | 3,062,057 |
| Interest received | | 1,104 | 7,451 |
| Interest paid | | (49) | - |
| Interest paid on convertible notes | | (1,067,277) | (1,022,075) |
| Management fees paid | | (699,014) | (919,847) |
| Directors' remuneration paid | | (59,484) | (60,000) |
| Administration and tax service fee paid | | (63,350) | (61,627) |
| Custody fees paid | | - | (31,957) |
| Audit fees paid | | (77,423) | (62,302) |
| Registry fees paid | | (58,085) | (70,877) |
| ASX fees paid | | (62,312) | (97,843) |
| Other payments | | (189,548) | (302,100) |
| **Net cash provided by operating activities** | 13(b) | **3,146,202** | **2,460,355** |
| **Cash flows from financing activities** | | | |
| Dividends paid net of amounts reinvested | | (2,602,905) | (4,879,347) |
| Purchase of shares on-market for DRP | | (351,897) | (278,456) |
| Share options exercised | | - | 233,429 |
| **Net cash used in financing activities** | | **(2,954,802)** | **(4,924,374)** |
| **Net increase/(decrease) in cash and cash equivalents** | | **191,400** | **(2,464,019)** |
| Cash and cash equivalents at the beginning of the financial year | | 156,511 | 2,620,530 |
| **Cash and cash equivalents at end of year** | 13(a) | **347,911** | **156,511** |
| **Non-cash activities - Dividend Reinvestment** | | **-** | **323,741** |

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

# Notes to the Financial Statements

## General Information

NAOS Emerging Opportunities Company Limited (the "Company") is a public company listed on the Australian Securities Exchange (ASX: NCC) registered and domiciled in Australia. The Company was constituted on 6 November 2012 and commenced operations on 22 February 2013.

The registered office and principal place of business of the Company is Level 34, 25 Martin Place, Sydney NSW 2000.

NAOS Asset Management Limited (the "Investment Manager") is the investment manager for the Company. The financial statements were authorised for issue by the Directors on 21 August 2025.

## 1. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

### a) Basis of Preparation

This general purpose 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 through profit or loss.

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 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. Refer to Note 1(r) for critical accounting judgements and key sources of estimation uncertainty.

### b) Prior Year Comparatives

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements.

### c) Statement of Compliance

The financial report of the Company, comprising the financial statements and notes thereto, complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board ("AASB") and International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board (the "IASB").

### 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. The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

### f) Revenue and Income Recognition

*Revenue*

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Net gains/(losses) on financial instruments held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at the period end and the fair value at the previous valuation point. Net gains/(losses) also include realised gains/losses, and do not include interest or dividend income.

*Dividends*

Dividend income is recognised on the ex-dividend date with any corresponding foreign withholding tax recorded as an expense.

*Interest income*

Interest income is recognised on a time proportionate basis taking into account the effective yield on the financial assets.

### g) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

### h) Investments in Financial Instruments

Investments in financial instruments, as defined by AASB 132 'Financial Instruments: Presentation', are categorised in accordance with AASB 9 'Financial Instruments'. This classification is determined by the purpose underpinning the acquisition of the investment.

*(i) Initial recognition, measurement and derecognition*

The Company recognises financial assets and financial liabilities on the date that it becomes party to the contractual agreement (trade date).

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit or Loss and Other Comprehensive Income.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

*(ii) Classification and subsequent measurement*

Financial Assets and Liabilities held at Fair Value through Profit or Loss

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the "financial assets or financial liabilities at fair value through profit or loss" category are presented in the Statement of Profit or Loss and Other Comprehensive Income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Company is the current close price and the quoted market price for financial liabilities is the current close price.

*Financial Liabilities*

Financial liabilities include trade and other payables and borrowings. Non-derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

*Compound Financial Instruments*

Compound financial instruments issued by the Company comprise convertible notes which are able to be converted to share capital at the option of the noteholder, and the number of shares to be issued will not vary with the changes in their fair value. The liability component of a compound financial instrument is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between fair value of the compound financial instrument as a whole and the fair value of the liability component. All directly attributable transaction costs are allocated to the liability and equity component on a proportional basis.

After initial recognition, the liability component of the compound financial instrument will be measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured after initial recognition.

*Impairment of Financial Assets*

The Company recognises a loss allowance for expected credit losses ("ECL") on financial assets excluding investments that are measured at fair value through profit and loss.

The Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The amount of the impairment loss will be recognised in the Statement of Profit or Loss and Other Comprehensive Income.

### i) Expenses

All expenses, including the Investment Manager's fees, are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accruals basis.

### j) Receivables

Receivables may include amounts for dividends, interest, trust distributions and amounts due from brokers. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out in Note 1(f) above.

Receivables also include such items as Reduced Input Tax Credits ("RITC") receivable.

### k) Payables

Trade and other payables are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services. Payables include liabilities, amounts due to brokers and accrued expenses owed by the Company which are unpaid as at the end of the reporting period.

### l) Taxation

The income tax expense/(benefit) comprises current tax and movements in deferred tax.

Current income tax expense/(benefit) is the tax payable/(receivable) on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Current and deferred tax expense/(income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity. Deferred tax assets and liabilities are ascertained based on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, and where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

### m) Dividends

Dividends payable are recognised in the reporting period in which they are declared, for the entire undistributed amount, regardless of the extent to which they will be paid in cash.

### n) Share Capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect.

### o) Profits Reserve

The profits reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments.

### p) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Company by third parties such as custodial services and investment management fees have been passed onto the Company. The Company qualifies for Reduced Input Tax Credits (RITC) hence, investment management fees, custodial fees and certain other expenses have been recognised in the Statement of Profit or Loss and Other Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO).

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the amount of GST is not recoverable from the taxation authority, it is recognised as part of acquisition of an asset or part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the tax authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

### q) Earnings per Share

Basic earnings per share are calculated by dividing net profit attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

Diluted earnings per share are calculated by dividing net profit attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares and potential ordinary shares (options) outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

### r) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, management are required to make judgments, estimates and assumptions about carrying values of some assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

*Income Tax*

The Company has recognised deferred tax assets relating to current and prior tax losses of $3,899,548 (2024: $3,899,548) and unrealised losses on investments of $3,024,419 (2024: $3,855,932) as at 30 June 2025. The utilisation of deferred tax assets depends on the ability of the Company to generate future taxable profits. The Company considers that it is probable that future taxable profits will be available to utilise those deferred tax assets. This assessment is supported by the Investment Manager's long-term performance and profitability. New information may become available that may cause the Company to change its judgement regarding calculation of tax balances, and such changes will impact the profit or loss in the period that such determination is made.

## 2. Adoption of New and Revised Accounting Standards

### New or Amended Accounting Standards 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 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

| | Year ended 30 June 2025 $ | Year ended 30 June 2024 $ |
|---|---|---|
| Net gains/(losses) on financial instruments held at fair value through profit or loss | 1,679,000 | (22,827,319) |
| Interest income | 1,104 | 7,451 |
| Dividend income | 1,836,704 | 3,062,057 |
| | **3,516,808** | **(19,757,811)** |

## 4. Income Tax

### a) Income tax expense/(benefit)

The prima facie tax on profit before income tax is reconciled to the income tax expense as follows:

| | Year ended 30 June 2025 $ | Year ended 30 June 2024 $ |
|---|---|---|
| Prima facie income tax expense/(benefit) calculated at 25% (2024: 25%) | 288,463 | (5,599,139) |
| Less the tax effect of: | | |
| Imputation credit gross up | 196,129 | 328,078 |
| Franking credit offset | (784,515) | (1,312,310) |
| Non-deductible amounts | (458,266) | (224,687) |
| Tax losses not recognised in current year | 1,628,489 | 2,070,806 |
| | **870,300** | **(4,737,252)** |
| Effective tax rate | 75% | 21% |

The Company assessed that it is a base rate entity for the year ended 30 June 2025 and 30 June 2024 and hence the reduced company tax rate of 25% is applied to all income tax related balances.

| | Year ended 30 June 2025 $ | Year ended 30 June 2024 $ |
|---|---|---|
| **Total Income tax expense/(benefit) results in a:** | | |
| Change in deferred tax assets | 870,300 | (4,737,252) |
| | **870,300** | **(4,737,252)** |

### b) Deferred tax assets

| | As at 30 June 2025 $ | As at 30 June 2024 $ |
|---|---|---|
| Unrealised losses on investments | 3,024,419 | 3,855,932 |
| Tax losses | 3,899,548 | 3,899,548 |
| Accruals | 13,353 | 15,185 |
| Capitalised Issue Costs | 36,668 | 73,621 |
| | **6,973,988** | **7,844,286** |

| | Year ended 30 June 2025 $ | Year ended 30 June 2024 $ |
|---|---|---|
| **Movement in deferred tax assets** | | |
| Balance at the beginning of the period | 7,844,286 | 3,107,036 |
| (Charged)/credited to the Statement of Profit or Loss and Comprehensive Income | (833,345) | 3,474,404 |
| Tax losses | - | 1,291,614 |
| Capitalised Issue Costs | (36,953) | (28,768) |
| **At reporting date** | **6,973,988** | **7,844,286** |

## 5. Dividends Paid and Payable

| Year ended 30 June 2025 | Dividend (cents per share) | Total $ amount | % Franked | Date of payment |
|---|---|---|---|---|
| 2024 final dividend (declared 22 August 2024) | 2.00 | 1,475,992 | 100% | 31 October 2024 |
| 2025 interim dividend (declared 20 February 2025) | 2.00 | 1,475,992 | 100% | 24 April 2025 |
| | | **2,951,984** | | |

| Year ended 30 June 2024 | Dividend (cents per share) | Total $ amount | % Franked | Date of payment |
|---|---|---|---|---|
| 2023 final dividend (declared 22 August 2023) | 3.75 | 2,735,733 | 50% | 27 October 2023 |
| 2024 interim dividend (declared 22 February 2024) | 3.75 | 2,749,124 | 50% | 24 April 2024 |
| | | **5,484,857** | | |

Dividends payable as at 30 June 2025 were $65,536 (2024: $68,354).

### Dividend Franking Information

| | Year ended 30 June 2025 $ | Year ended 30 June 2024 $ |
|---|---|---|
| Franking credits available for shareholders from previous financial periods | 824,575 | 426,411 |
| Impact on the franking account of dividends paid during the period | (983,995) | (914,146) |
| Impact on the franking account of dividends received during the period | 784,515 | 1,312,310 |
| **Franking account balance at reporting date** | **625,095** | **824,575** |

The Company's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from investments and the payment of tax.

## 6. Trade and Other Receivables

| | As at 30 June 2025 $ | As at 30 June 2024 $ |
|---|---|---|
| GST receivable | 26,577 | 24,675 |
| Unsettled trade receivables | 3,341,378 | 79,335 |
| Prepayments | 36,849 | 40,189 |
| | **3,404,804** | **144,199** |

Receivables are non-interest bearing and unsecured. Outstanding trades i.e. 'Unsettled trades receivable' are on the terms operating in the securities industry, which usually require settlement within two days of the date of the transaction. None of the receivables are past due or impaired at the end of the reporting period (2024: Nil).

## 7. Investments in Financial Instruments

### Financial assets at Fair Value through Profit or Loss

| | As at 30 June 2025 $ | As at 30 June 2024 $ |
|---|---|---|
| Investments in listed equities | 44,663,443 | 45,918,323 |
| Investments in unlisted equities | 4,811,050 | 8,584,722 |
| | **49,474,493** | **54,503,045** |

### Financial liabilities at Fair Value through Profit or Loss

There were no financial liabilities at fair value through profit or loss as at 30 June 2025 (2024: Nil).

### Disclosed Fair Values

For all financial instruments other than those measured at fair value, their carrying value approximates fair value.

## 8. Trade and Other Payables

| | As at 30 June 2025 $ | As at 30 June 2024 $ |
|---|---|---|
| Auditors' remuneration payable | 10,827 | 23,750 |
| Management fees payable | 60,627 | 62,577 |
| Unsettled trades payable | 139,427 | - |
| Dividend payable | 65,536 | 68,354 |
| Interest payable on convertible notes | 263,700 | 295,977 |
| Other payables | 104,876 | 60,167 |
| **Total** | **644,993** | **510,825** |

Payables are non-interest bearing and unsecured. Unsettled trades are on the terms operating in the investment management industry which usually require settlement within two days of the date of the transaction.

## 9. Borrowings

The Company has on issue 230,000 unsecured, redeemable, convertible notes with a total face value of $23.0 million, listed under the ticker code (ASX: NCCGA). The convertible notes carry a fixed interest entitlement of 4.50% per annum until 30 September 2026, and are convertible into ordinary shares at a conversion price of $1.15 at any time under 30 September 2026.

From 30 September 2026 to 30 September 2027 the convertible notes carry a fixed interest entitlement of 5.50% per annum, and from 30 September 2027 to 30 September 2028 the convertible notes carry a fixed interest entitlement of 6.50% per annum. Interest is paid half-yearly on 31 March and 30 September. The maturity date of the convertible notes is 30 September 2028.

Terms of the notes are regulated under a trust deed between the Company and Melbourne Securities Corporation Limited. As of 30 June 2025, a total of $263,700 (2024: $295,977) in interest is payable.

| | As at 30 June 2025 $ | As at 30 June 2024 $ |
|---|---|---|
| Opening balance of convertible notes | 22,628,041 | 22,540,380 |
| Add amortisation of costs for the period | 87,421 | 87,661 |
| **At reporting date** | **22,715,462** | **22,628,041** |

## 10. Issued Capital

| | 30 June 2025 | | 30 June 2024 | |
|---|---|---|---|---|
| | No. of Shares | $ | No. of Shares | $ |
| Issued and paid-up capital - Ordinary shares | 73,799,601 | 78,022,430 | 73,799,601 | 78,022,430 |

Detailed provisions relating to the rights attaching to these shares are set out in the Company's Constitution and the *Corporations Act 2001*. These are summarised below.

Each share will confer on its holder:

(a) the right to receive notice of and to attend general meetings of the Company and to receive all financial statements, notices and documents required to be sent to them under the Constitution and the *Corporations Act 2001*;

(b) the right to vote at a general meeting of shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per shareholder) and on a poll (one vote per share) subject to the rights and restrictions on voting which may attach to or be imposed on shares (at present there are none);

(c) the right to receive dividends;

(d) the right to receive, in kind, the whole or any part of the Company's property in a winding up, subject to the rights of a liquidator of the Company (with consent of shareholders by special resolution); and

(e) subject to the *Corporations Act 2001* and the ASX Listing Rules, shares are fully transferable.

Notes to the Financial Statements (continued)
10. Issued Capital (continued)

### Movements in Ordinary Share Capital

| | No. of shares | $ |
|---|---|---|
| **Opening balance 1 July 2023** | 72,952,814 | 77,465,260 |
| Shares issued under DRP | 498,387 | 323,741 |
| DRP shares allotted | 391,183 | 278,456 |
| Purchase of shares on-market for DRP | (391,183) | (278,456) |
| Shares issued due to options exercise | 348,400 | 233,429 |
| **Closing balance 30 June 2024** | **73,799,601** | **78,022,430** |
| **Opening balance 1 July 2024** | 73,799,601 | 78,022,430 |
| DRP shares allotted | 967,591 | 351,897 |
| Purchase of shares on-market for DRP | (967,591) | (351,897) |
| **Closing balance 30 June 2025** | **73,799,601** | **78,022,430** |

During the prior year, the Company completed a 1-for-5 bonus options issue with a record date of 21 December 2023, which entitled eligible shareholders to a bonus option to purchase new shares in the Company at an exercise price of $0.67, expiring on 31 December 2026. A total of 14,583,245 bonus options were issued, which are listed on the ASX under code NCCO, of which 348,400 had been exercised as at 30 June 2024. No options were exercised during the year ended 30 June 2025.

## 11. Profits Reserve and Accumulated Losses

### a) Profits Reserve

| | 30 June 2025 $ | 30 June 2024 $ |
|---|---|---|
| Balance at the beginning of the year | 22,056,358 | 27,541,215 |
| Transfer to profits reserve | 283,550 | - |
| Dividends paid | (2,951,984) | (5,484,857) |
| **Balance at reporting date** | **19,387,924** | **22,056,358** |

To the extent possible under the *Corporations Act 2001* and applicable tax laws, the profits reserve is preserved for future dividend payments.

### b) Accumulated Losses

| | 30 June 2025 $ | 30 June 2024 $ |
|---|---|---|
| Balance at the beginning of the year | (60,569,613) | (42,910,306) |
| Profit/(Loss) for the year attributable to members of the Company | 283,550 | (17,659,307) |
| Transfer to profits reserve | (283,550) | - |
| **Balance at reporting date** | **(60,569,613)** | **(60,569,613)** |

## 12. Auditor's Remuneration

During the year, the following fees were paid or payable for services provided by the auditor, its related parties and non-audit-related services:

| | Year ended 30 June 2025 $ | Year ended 30 June 2024 $ |
|---|---|---|
| **Audit and other assurance services - Deloitte Touche Tohmatsu** | | |
| Audit and review of financial reports | 59,500 | 59,500 |
| **Total remuneration for audit and other assurance services** | **59,500** | **59,500** |
| **Taxation Services** | | |
| Tax compliance services | 5,000 | 5,000 |
| **Total remuneration for non-audit services** | **5,000** | **5,000** |
| **Total remuneration** | **64,500** | **64,500** |

## 13. Cash and Cash Equivalents

### a) Components of Cash and Cash Equivalents

| | As at 30 June 2025 $ | As at 30 June 2024 $ |
|---|---|---|
| Cash at bank | 347,911 | 156,511 |

### b) Reconciliation of Net Profit for the Year to Net Cash provided by Operating Activities

| | Year ended 30 June 2025 $ | Year ended 30 June 2024 $ |
|---|---|---|
| **Profit/(Loss) for the year attributable to shareholders after tax** | 283,550 | (17,659,307) |
| **Adjustments for:** | | |
| Change in value of financial assets designated at fair value through profit or loss | 5,028,552 | 24,877,915 |
| Income tax benefit recognised in the Statement of Profit or Loss and Other Comprehensive Income | 870,300 | (4,737,252) |
| Amortisation expense on convertible notes | 87,421 | 87,661 |
| **Change in assets and liabilities:** | | |
| Increase in trade and other receivables | (3,260,605) | (67,867) |
| Increase/(decrease) in trade and other payables | 136,984 | (40,795) |
| **Net cash provided by operating activities** | **3,146,202** | **2,460,355** |

## 14. Key Management Personnel

### a) Key Management Personnel Compensation

The remuneration of the Company's key management personnel and their related entities for the year ended 30 June 2025 was $60,000 (2024: $60,000).

There were no shares granted during the reporting period as compensation to the Directors (2024: Nil). Transactions with related parties have taken place at arm's length and in the ordinary course of business.

### b) Related Party Shareholdings NAOS Asset Management Limited

The Company has outsourced its investment management function to NAOS Asset Management Limited. As at 30 June 2025, NAOS Asset Management Limited holds 1,087,816 shares (1.47%) (2024: 1,036,863 shares (1.40%)) and nil bonus options (2024: nil) in the Company.

Other than the disclosure at Note 16 there were no transactions entered into by the Company with other entities also managed by the key management personnel.

*Holdings of Shares by Key Management Personnel*

During the year, the relevant interests of the Directors and their related parties in the shares of the Company were as follows:

| Ordinary shares<br>Year ended 30 June 2025 | Opening balance<br>No of shares | Acquired<br>No of shares | Sold<br>No of shares | Closing balance<br>No of shares |
|---|---|---|---|---|
| Sarah Williams (Independent Chair) | 20,363 | 2,290 | - | 22,653 |
| Warwick Evans (Director) | 2,703,536 | - | - | 2,703,536 |
| Sebastian Evans (Director) | 1,823,810 | 227,545 | - | 2,051,355 |
| David Rickards (Independent Director) | 1,229,011 | 57,877 | - | 1,286,888 |
| Roberto Credaro (Independent Director (appointed 31/01/2025)) | - | - | - | - |

| Ordinary shares<br>Year ended 30 June 2024 | Opening balance<br>No of shares | Acquired<br>No of shares | Sold<br>No of shares | Closing balance<br>No of shares |
|---|---|---|---|---|
| Sarah Williams (Independent Chair) | 18,286 | 2,077 | - | 20,363 |
| Warwick Evans (Director) | 2,703,536 | - | - | 2,703,536 |
| Sebastian Evans (Director) | 1,754,840 | 378,251 | (309,281) | 1,823,810 |
| David Rickards (Independent Director) | 1,158,126 | 70,885 | - | 1,229,011 |

| Bonus Options<br>Year Ended 30 June 2025 | Opening balance<br>No of bonus options | Acquired<br>No of bonus options | Exercised<br>No of bonus options | Closing balance<br>No of bonus options |
|---|---|---|---|---|
| Ms Sarah Williams (Independent Director) | 3,850 | - | - | 3,850 |
| Mr Warwick Evans (Director) | 540,706 | - | - | 540,706 |
| Mr Sebastian Evans (Director) | 40,000 | - | - | 40,000 |
| David Rickards (Independent Director (retired 31/01/2025)) | 232,363 | - | - | 232,363 |
| Roberto Credaro (Independent Director (appointed 31/01/2025)) | - | - | - | - |

| Bonus Options<br>Year Ended 30 June 2024 | Opening balance<br>No of bonus options | Issued<br>No of bonus options | Exercised<br>No of bonus options | Closing balance<br>No of bonus options |
|---|---|---|---|---|
| Sarah Williams (Independent Chair) | - | 3,850 | - | 3,850 |
| Warwick Evans (Director) | - | 540,706 | - | 540,706 |
| Sebastian Evans (Director) | - | 359,063 | (319,063) | 40,000 |
| David Rickards (Independent Director) | - | 232,363 | - | 232,363 |

For the year ended 30 June 2025, the shareholding and bonus option disclosures for Mr David Rickards are stated as at 31 January 2025, being the date of his retirement as a Director of the Company. The disclosures for Mr Roberto Credaro are stated from 31 January 2025 to 30 June 2025, being the date of his appointment as a Director.

### c) Other Transactions within the Company

Apart from those details disclosed in this note, no other key management personnel have entered into a material contract with the Company during the financial period and there were no material contracts involving key management personnel's interests existing at year end.

## 15. 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 returns from the investment portfolio.

## 16. Related Party Information

Transactions with related parties have taken place at arm's length and in the ordinary course of business.

### Management Fees

In return for the performance of its duties, the Investment Manager of the Company is entitled to be paid a monthly management fee equal to 0.104% (excluding GST) of the gross value of the portfolio calculated on the last business day of each month representing an annualised management fee of 1.25% (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 year ended 30 June 2025:

- Management fees of $697,064 (2024: $888,531) (excluding RITC*) were incurred during the year.
- Management fees payable at 30 June 2025 were $60,627 (2024: $62,577) (excluding 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 (XSOAI)), 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 Index. No performance fee is payable if the portfolio underperforms the Benchmark Index. Any underperformance to the Benchmark Index 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. No performance fees were paid or payable to the Investment Manager during the year ended 30 June 2025 (2024: Nil).

In addition, for the year ended 30 June 2025 the Investment Manager was paid total fees of $89,000 for the provision of company secretarial, administrative, financial and accounting services under the terms of a services agreement (2024: $89,000).

## 17. Financial Risk Management

Risks arising from holding financial instruments are inherent in the Company's activities. These risks are managed through a process of ongoing identification, measurement and monitoring. The Company is exposed to credit risk, liquidity risk and market risk.

Financial instruments of the Company comprise investments in financial assets held for the purpose of generating a return on the investment made by shareholders. In addition, the Company also holds cash and cash equivalents, and other financial instruments such as trade receivables and trade payables, which arise directly from the operations of the Company. The responsibility for identifying and controlling the risks that arise from these instruments is that of the Investment Manager of the Company.

The method used to measure the risks reflects the expected impact on the performance of the Company as well as the assets attributable to shareholders of the Company resulting from reasonably possible changes in the relevant risk variables. Information regarding the Company's risk exposure is prepared and monitored by the Investment Manager against established investment mandate limits. These mandate limits reflect the investment strategy and market environment of the Company as well as the level of risk the Company is willing to accept. Information about these risk exposures at reporting date is disclosed below.

### a) Credit Risk

Credit risk represents the risk that the Company will incur financial loss as a result of a failure by a counterparty to discharge a contractual obligation to a financial instrument. The Investment Manager monitors the credit worthiness of counterparties on an ongoing basis and evaluates the credit quality of all new counterparties before engaging them.

The maximum exposure to credit risk on financial assets, excluding investments of the Company which have been recognised in the Statement of Financial Position, is the carrying amount net of any provision for impairment of those assets.

The Investment Manager is responsible for ensuring that counterparties are of sufficient quality to minimise any individual counterparty credit risk. The majority of the Company's receivables arise from unsettled trades at year end which are settled two days after trade date. Engaging with counterparties via the Australian Securities Exchange facilitates the Company in both mitigating and managing its credit risk. The exposure to credit risk for cash and cash equivalents is considered to be low as all counterparties (National Australia Bank) have a rating of A or higher.

None of the assets exposed to a credit risk are overdue or considered to be impaired.

### b) Market Risk

Market risk is the risk that the fair value of future cash flows will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, equity prices and other price risks and liquidity. Market risk is managed and monitored on an ongoing basis by the Investment Manager.

By its nature, as a listed investment company that invests in tradeable securities, the Company will always be subject to market risk as it invests its capital in securities which are not risk free as the market price of these securities can fluctuate.

*(i) Interest Rate Risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The unsecured, redeemable convertible notes that were issued on 15 April 2021 pay a fixed rate of 4.50% per annum, payable half-yearly on 31 March and 30 September each year until 30 September 2026. They will then pay a fixed interest rate of 5.50% per annum from 30 September 2026 to 30 September 2027, and a fixed interest rate of 6.50% per annum from 30 September 2027 to 30 September 2028. Interest is paid half-yearly on 31 March and 30 September.

The Company's exposure to interest rate risk is set out in the following table:

| 30 June 2025 | Floating interest rate $ | Non-interest bearing $ | Total $ |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | 347,911 | - | 347,911 |
| Trade and other receivables | - | 3,404,804 | 3,404,804 |
| Financial assets at fair value through profit or loss | - | 49,474,493 | 49,474,493 |
| **Total Assets** | **347,911** | **52,879,297** | **53,227,208** |
| **Liabilities** | | | |
| Trade and other payables | - | 644,993 | 644,993 |
| **Total Liabilities** | **-** | **644,993** | **644,993** |
| **Net exposure** | **347,911** | **52,234,304** | **52,582,215** |

| 30 June 2024 | Floating interest rate $ | Non-interest bearing $ | Total $ |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | 156,511 | - | 156,511 |
| Trade and other receivables | - | 144,199 | 144,199 |
| Financial assets at fair value through profit or loss | - | 54,503,045 | 54,503,045 |
| **Total Assets** | **156,511** | **54,647,244** | **54,803,755** |
| **Liabilities** | | | |
| Trade and other payables | - | 510,825 | 510,825 |
| **Total Liabilities** | **-** | **510,825** | **510,825** |
| **Net exposure** | **156,511** | **54,136,419** | **54,292,930** |

The sensitivity analyses below have been determined based on the Company's exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period, in the case of instruments that have floating interest rates. A 250 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible changes in interest rates.

| | Change in basis points increase/(decrease) | Impact on operating profit / Net assets attributable to shareholders ($) |
|---|---|---|
| **30 June 2025** | | |
| AUD interest rate | 250bps/(250bps) | 8,698/(8,698) |
| **30 June 2024** | | |
| AUD interest rate | 250bps/(250bps) | 3,913/(3,913) |

Notes to the Financial Statements (continued)
17. Financial Risk Management (continued)
b) Market risk (continued)

*(ii) Price Risk*

Price risk is the risk that the fair value of investments decreases as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market. Price risk is managed by monitoring compliance with established investment mandate limits. All securities present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

As at 30 June 2025 and 30 June 2024 a 10% sensitivity would have had an impact in the Company's Statement of Profit or Loss and Other Comprehensive Income and net assets attributable to shareholders as shown in the table below:

| | Impact on operating profit / Net assets attributable to shareholders | |
|---|---|---|
| | -10%<br>$ | +10%<br>$ |
| 30 June 2025 | (4,947,449) | 4,947,449 |
| 30 June 2024 | (5,450,305) | 5,450,305 |

The Company's industry sector weighting of the investment portfolio as at the reporting date is as below:

| | % of Portfolio | |
|---|---|---|
| **Industry** | **30 June 2025** | **30 June 2024** |
| Industrials | 29.36% | 29.64% |
| Construction Materials | 24.21% | 20.07% |
| Information Technology | 17.99% | 6.15% |
| Financials | 17.18% | 37.06% |
| Healthcare | 10.12% | 5.89% |
| Consumer Staples | 1.14% | - |
| Agriculture | - | 1.18% |
| Commercial & Professional Services | - | 0.01% |
| | **100.00%** | **100.00%** |

## c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company's major cash payments are the purchase of securities and dividends paid to shareholders, the levels of which are managed by the Board and the Investment Manager.

The Company's cash receipts depend upon the level of sales of securities, dividends and interest received or capital management initiatives that may be implemented by the Board from time to time.

The Investment Manager monitors the Company's cash-flow requirements daily by reference to known sales and purchases of securities, dividends and interest to be paid or received. Should these decrease by a material amount; the Company can alter its cash outflows as appropriate. The assets of the Company are largely in the form of tradeable securities which (if liquidity is available), can be sold on the market if necessary.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period from 30 June 2025 and 30 June 2024 to the contractual maturity date.

| 30 June 2025 | Less than 1 year $ | >1 year to 5 years $ | 5+ years $ | Total $ | Carrying amount $ |
|---|---|---|---|---|---|
| Trade and other payables | 644,993 | - | - | 644,993 | 644,993 |
| Borrowings | - | 23,000,000 | - | 23,000,000 | 22,715,462 |
| **Total** | **644,993** | **23,000,000** | **-** | **23,644,993** | **23,360,455** |

| 30 June 2024 | Less than 1 year $ | >1 year to 5 years $ | 5+ years $ | Total $ | Carrying amount $ |
|---|---|---|---|---|---|
| Trade and other payables | 510,825 | - | - | 510,825 | 510,825 |
| Borrowings | - | 23,000,000 | - | 23,000,000 | 22,628,041 |
| **Total** | **510,825** | **23,000,000** | **-** | **23,510,825** | **23,138,866** |

The amounts in the table are the contractual undiscounted cash flows.

### 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.

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the quoted closing prices at the end of the reporting period.

*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.

As at 30 June 2025, the Company had $4,811,050 (2024: $8,584,722) financial assets held at fair value through profit or loss included in level 3. The unlisted equity investment in Ordermentum Pty Ltd (2024: unlisted equity investments in MitchCap Pty Ltd and Ordermentum Pty Ltd) is categorised as Level 3 as it is not traded in an active market.

The price of these level 3 unlisted positions have been determined using unobservable inputs that were not developed internally by the Company, in this case, the cost of the investment or the price of a recent capital raising. A change of +/- 10% in these unobservable inputs would result in a change of +/- $481,105 (2024: +/- $858,472) in the fair value of these investments as at 30 June 2025.

**Notes to the Financial Statements (continued)**
17. Financial Risk Management (continued)
d) Fair Value Hierarchy (continued)

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 30 June 2025.

| 30 June 2025 | Level 1 $ | Level 2 $ | Level 3 $ | Total $ |
|---|---|---|---|---|
| Listed equities | 44,099,687 | 563,756 | - | 44,663,443 |
| Unlisted equities | - | - | 4,811,050 | 4,811,050 |
| **Total** | **44,099,687** | **563,756** | **4,811,050** | **49,474,493** |

| 30 June 2024 | Level 1 $ | Level 2 $ | Level 3 $ | Total $ |
|---|---|---|---|---|
| Listed equities | 45,918,323 | - | - | 45,918,323 |
| Unlisted equities | - | - | 8,584,722 | 8,584,722 |
| **Total** | **45,918,323** | **-** | **8,584,722** | **54,503,045** |

*Reconciliation of Level 3 fair values*

Financial assets measured using significant unobservable inputs (Level 3) are shown below:

| | 30 June 2025 $ | 30 June 2024 $ |
|---|---|---|
| Opening balance | 8,584,722 | 6,244,196 |
| Purchases | - | 2,300,000 |
| Unrealised gains on financial instruments held at fair value through profit or loss | 1,470,525 | 40,526 |
| Realised losses on financial instruments held at fair value through profit or loss | (1,902,820) | - |
| Disposals | (3,341,378) | - |
| **Closing balance** | **4,811,050** | **8,584,722** |
| **Total (losses)/gains on level 3 financial assets** | **(432,295)** | **40,526** |

## e) Capital Management

The Company's objectives for managing capital are:

- to maximise returns to shareholders over the long-term while safeguarding capital by investing in a concentrated portfolio, and closely monitoring the performance of the underlying investments;
- to maintain sufficient liquidity to meet the ongoing expenses of the Company; and
- to maintain sufficient size to make the operation of the Company cost-efficient.

The Board manages the Company's capital through share placements, share purchase plans, option issues, the dividend reinvestment plan, convertible note issues and the distribution of dividends to shareholders. These capital management initiatives will be used when deemed appropriate by the Board. The Company is not subject to externally imposed capital requirements.

## 18. Earnings per Share

| | Year ended 30 June 2025 cents | Year ended 30 June 2024 cents |
|---|---|---|
| Basic and diluted earnings/(loss) per share | 0.38 | (24.12) |
| | **Shares** | **Shares** |
| Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share | 73,799,601 | 73,199,917 |
| | **$** | **$** |
| Net profit/(loss) used in the calculation of basic and diluted earnings/(loss) per share | 283,550 | (17,659,307) |

## 19. Commitments and Contingencies

There are no commitments or contingencies at 30 June 2025 (2024: $ Nil).

## 20. Subsequent Events

On 21 August 2025 the Company declared a final dividend of 2.00 cents per share, fully franked, to be paid on 31 October 2025.

Other than the matter described above, there has been no matter or circumstance occurring subsequent to the end of the period 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.

## Consolidated Entity Disclosure Statement as at 30 June 2025

Subsection 295(3A)(a) of the *Corporations Act 2001* does not apply to the Company as the Company is not required to prepare consolidated financial statements by Australian Accounting Standards.

# Directors' Declaration

In accordance with a resolution of the Directors of NAOS Emerging Opportunities Company Limited, we declare that: In the opinion of the Directors:

- the 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 financial year ended 30 June 2025;
- the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 (c) to the financial statements;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the Directors have received the declarations required by section 295A of the *Corporations Act 2001*.
- the consolidated entity disclosure statement required by subsection 295(3A) of the *Corporations Act 2001* is true and correct.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Board

**Sarah Williams**
Independent Chair

21 August 2025

# Additional Information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in the report.

## Investment Portfolio

As at 30 June 2025 the Company held the following investments:

### Listed Investments

Big River Industries Limited
BTC Health Limited
COG Financial Services Limited
Hancock & Gore Limited
PharmX Technologies Limited
Prime Media Group Limited
Saunders International Limited
Urbanise.com Limited
Wingara AG Limited

### Unlisted Investments

Ordermentum Pty Ltd

During the financial year ended 30 June 2025, the Company had 379 (2024: 202) transactions in investment securities. Total brokerage fees incurred during the year ended 30 June 2025 were $191,565 (2024: $53,372).

## 20 Largest Shareholders

Details of the 20 largest ordinary shareholders and their respective holdings as at 31 July 2025.

| Shareholders | Ordinary shares held | % of issued shares |
|---|---|---|
| Myall Resources Pty Ltd | 2,611,029 | 3.54% |
| Nivesa Pty Ltd | 1,862,438 | 2.52% |
| Burtoh Ventures Pty Ltd | 1,640,917 | 2.22% |
| My Game Plan Pty Ltd | 1,473,226 | 2.00% |
| IR & JB Investments Pty Ltd | 1,281,196 | 1.73% |
| Patolo Pty Ltd | 1,280,385 | 1.73% |
| NAOS Asset Management Limited | 1,087,816 | 1.47% |
| Mr Ebamuslum Basibuyuk | 886,547 | 1.20% |
| Tilt Consulting Pty Ltd | 763,539 | 1.03% |
| HSBC Custody Nominees (Australia) Limited | 734,720 | 1.00% |
| Mr Peter Didenko | 650,000 | 0.88% |
| W W E Investments Pty Ltd | 641,098 | 0.87% |
| Netwealth Investments Limited | 604,688 | 0.82% |
| Certane CT Pty Ltd | 573,738 | 0.78% |
| Angus Mac Pty Ltd | 520,804 | 0.71% |
| Mr Brian Raymond Marsh & Mrs Pamela Margaret Marsh | 504,100 | 0.68% |
| Mr Andrew Richard Porter & Mr David John Porter | 500,000 | 0.68% |
| Mr Michael James O'Donnell | 500,000 | 0.68% |
| Hidiga Pty Ltd | 471,522 | 0.64% |
| Edamdeen Pty Ltd | 466,488 | 0.63% |
| **Total** | **19,054,251** | **25.81%** |

Additional Information (continued)

## Distribution of Ordinary Shares

Analysis of ordinary shares by size of shareholders as at 31 July 2025.

| Category | Number of shareholders | Ordinary shares held | % of issued shares |
|---|---|---|---|
| 1-1,000 | 213 | 106,934 | 0.14 |
| 1,001-5,000 | 478 | 1,390,453 | 1.88 |
| 5,001-10,000 | 277 | 2,192,716 | 2.97 |
| 10,001-100,000 | 798 | 27,571,541 | 37.36 |
| 100,001 and over | 140 | 42,537,957 | 57.65 |
| **Total** | **1,906** | **73,799,601** | **100.00** |

## 20 Largest Optionholders

Details of the 20 largest optionholders and their respective holdings as at 31 July 2025.

| Optionholders | Options held | % of issued options |
|---|---|---|
| Mr Francois Joseph Schamberger & Mrs Erica Sheina Schamberger | 700,000 | 4.92% |
| Mr Marcus Alan Weatherley Pierce | 643,873 | 4.52% |
| Myall Resources Pty Ltd | 522,205 | 3.67% |
| Nivesa Pty Ltd | 372,487 | 2.62% |
| Burtoh Ventures Pty Ltd | 328,183 | 2.30% |
| Munrose Investments Pty Ltd | 299,000 | 2.10% |
| Mifar Pty Ltd | 284,415 | 2.00% |
| IR & JB Investments Pty Ltd | 217,747 | 1.53% |
| Patolo Pty Ltd | 217,610 | 1.53% |
| Mr Srivathsan Srikantan Lakshminarayanan | 200,295 | 1.41% |
| Abeille Investments Pty Ltd | 200,000 | 1.41% |
| Ms Xi Lian Gui | 175,391 | 1.23% |
| Netwealth Investments Limited | 154,930 | 1.09% |
| Patagorang Superannuation Pty Ltd | 142,311 | 1.00% |
| HSBC Custody Nominees (Australia) Limited | 139,604 | 0.98% |
| W W E Investments Pty Ltd | 128,219 | 0.90% |
| BNP Paribas Nominees Pty Ltd | 124,747 | 0.88% |
| Mr Alistair Peter Wright | 124,442 | 0.87% |
| Perpetual Corporate Trust Ltd | 108,954 | 0.76% |
| Angus Mac Pty Ltd | 104,160 | 0.73% |
| **Total** | **5,188,573** | **36.45%** |

## Distribution of Options

Analysis of options by size of optionholders as at 31 July 2025.

| Category | Number of optionholders | Options held | % of issued options |
|---|---|---|---|
| 1-1,000 | 702 | 325,886 | 2.29 |
| 1,001-5,000 | 667 | 1,761,952 | 12.38 |
| 5,001-10,000 | 249 | 1,810,584 | 12.72 |
| 10,001-100,000 | 221 | 5,147,850 | 36.16 |
| 100,001 and over | 20 | 5,188,573 | 36.45 |
| **Total** | **1,859** | **14,234,845** | **100.00** |

## 20 Largest Convertible Noteholders

Details of the 20 largest convertible noteholders and their respective holdings as at 31 July 2025.

| Convertible noteholders | Convertible notes held | % of issued convertible notes |
|---|---|---|
| Kaluki Pty Ltd | 17,488 | 7.60% |
| Mutual Trust Pty Ltd | 12,834 | 5.58% |
| J P Morgan Nominees Australia Pty Limited | 11,400 | 4.96% |
| KST Group Pty Ltd | 9,500 | 4.13% |
| HSBC Custody Nominees (Australia) Limited | 8,549 | 3.72% |
| Perpetual Corporate Trust Ltd | 8,238 | 3.58% |
| Davft Pty Ltd | 7,000 | 3.04% |
| Netwealth Investments Limited | 5,668 | 2.46% |
| VCM Investments Pty Ltd | 5,138 | 2.23% |
| Press Form Holdings Pty Ltd | 5,088 | 2.21% |
| Riseley Family Investments Pty Ltd | 5,000 | 2.17% |
| Securities and Estates Pty Ltd | 4,800 | 2.09% |
| VCM Investments Pty Ltd | 3,934 | 1.71% |
| ACN 101 162 056 Pty Ltd | 3,700 | 1.61% |
| The Friends School D/F Inc | 3,445 | 1.50% |
| Vantage Capital Management Pty Ltd | 3,280 | 1.43% |
| G Chan Pension Pty Ltd | 3,000 | 1.30% |
| Apis Holdings Pty Ltd | 2,920 | 1.27% |
| Gerard Mccluskey Pty Ltd | 2,500 | 1.09% |
| Mr William Johnston & Ms Christine Johnston | 2,500 | 1.09% |
| Natilli Smsf Pty Ltd | 2,500 | 1.09% |
| Lunoo Pty Ltd | 2,500 | 1.09% |
| **Total** | **130,982** | **56.95%** |

Additional Information (continued)

## Distribution of Convertible Notes

Analysis of convertible notes by size of convertible note holders as at 31 July 2025.

| Category | Number of convertible note holders | Convertible notes held | % of issued notes |
|---|---|---|---|
| 1-1,000 | 195 | 54,744 | 23.80 |
| 1,001-5,000 | 40 | 84,353 | 36.68 |
| 5,001-10,000 | 7 | 49,181 | 21.38 |
| 10,001-100,000 | 3 | 41,722 | 18.14 |
| 100,001 and over | - | - | - |
| **Total** | **245** | **230,000** | **100.00** |

## Voting Rights

All shareholders registered on the Company's share register have the right to vote at a general meeting of shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per shareholder) and on a poll (one vote per Share) subject to the rights and restrictions on voting which may attach to or be imposed on shares (at present there are none).

## ASX Listing

Quotation has been granted for all ordinary shares, bonus options and convertible notes (ASX Code: NCC, NCCO, and NCCGA respectively) of the Company on all member exchanges of the Australian Securities Exchange Limited.

## Buyback

Currently there is no intention to buy back any of the shares of the Company.

## Unmarketable Parcels

As at 31 July 2025, the number of shareholdings held in less than marketable parcels was 83.

## Unquoted Securities

There are currently no unquoted securities on issue by the Company.

## Restrictions on Shares

There are currently no restrictions attached to the shares of the Company.

# Corporate Information

## Directors

Sarah Williams (Independent Chair)
David Rickards OAM (Independent Director (retired 31/01/2025))
Warwick Evans (Director)
Sebastian Evans (Director)
Roberto Credaro (Independent Director (appointed 31/01/2025))

## Company Secretary

Sebastian Evans
Rajiv Sharma

## 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: 273 529)

## Contact Details

T: (02) 9002 1576
E: enquiries@naos.com.au
W: 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

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