

# Table of Contents for Financial Statements

|    |                                                                                            |    |                                                                |
|----|--------------------------------------------------------------------------------------------|----|----------------------------------------------------------------|
| 40 | Directors' Report                                                                          | 53 | Statement of Changes in Equity for the Year Ended 30 June 2026 |
| 46 | Auditor's Independence Declaration                                                         | 54 | Statement of Cash Flows for the Year Ended 30 June 2026        |
| 47 | Independent Auditor's Report                                                               | 55 | Notes to the Financial Statements                              |
| 51 | Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2026 | 72 | Directors' Declaration                                         |
| 52 | Statement of Financial Position as at 30 June 2026                                         | 73 | Additional Information                                         |
|    |                                                                                            | 76 | Corporate Information                                          |

## Directors' Report

The Directors present their report together with the financial report of NAOS Small Cap Opportunities Company Limited (the "Company") for the financial year ended 30 June 2026.

### COMPANY INFORMATION

The Company is a listed investment company ("LIC") and its shares are listed on the Australian Securities Exchange. Since 20 October 2017, the Company has outsourced its investment management function to NAOS Asset Management Limited (ACN 107 624 126) (Australian Financial Services Licence No. 273529) (the "Investment Manager").

### PRINCIPAL ACTIVITIES

The Company invests primarily in a concentrated portfolio of listed equities with the objective of providing investors with a long-term concentrated exposure to Australian and New Zealand 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           |
|----------------------------------------|------------------|----------------------------|
| David Rickards OAM (Independent Chair) | 28 February 2018 | 28 February 2018 - Present |
| Sarah Williams (Independent Director)  | 25 August 2022   | 25 August 2022 - Present   |
| Trevor Carroll (Independent Director)  | 27 March 2017    | 27 March 2017 - Present    |
| Warwick Evans                          | 20 October 2017  | 20 October 2017 - Present  |
| Sebastian Evans                        | 20 October 2017  | 20 October 2017 - Present  |

The qualifications and experience of each person who has been a Director of the Company at any time since 1 July 2025 are provided below.

### DIRECTORS INFORMATION

#### David Rickards OAM, Independent Chair

David Rickards has been an Independent Director of the Company since 28 February 2018, and was elected Chair on 10 November 2022. David is also an Independent 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 from 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).

#### Sarah Williams, Independent Director

Sarah Williams was appointed as an Independent Director of the Company on 25 August 2022. Sarah is also an Independent Director and Chair of NAOS Ex-50 Opportunities Company Limited (ASX: NAC) and NAOS Emerging Opportunities Company Limited (ASX: NCC).

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 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.

### Trevor Carroll, Independent Director

Trevor Carroll has been an Independent Director of the Company since 27 March 2017.

Trevor was formerly Australian/New Zealand CEO of Electrolux Home Products. With over 30 years of experience in consumer-focused product strategy, brand marketing and manufacturing, Trevor's experience extends to membership of the Electrolux Global Product Council, which is responsible for product development worldwide.

Following his retirement as CEO, Trevor undertook a role in Shanghai advising Electrolux China on product strategy. In recent years, Trevor has been a director of The Good Guys, Fusion Retail Brands and Crane Group.

He is an emeritus member of the Australian Industry Group Board, where he was National President between 2006 and 2008. Trevor holds a Bachelor of Commerce from Canterbury University (NZ).

### Warwick Evans, Non-Independent Director

Warwick Evans has been a Director of the Company since 20 October 2017. Warwick is also a Director of NAOS Emerging Opportunities Company Limited (ASX: NCC), NAOS Ex-50 Opportunities Company Limited (ASX: NAC), 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.

### Sebastian Evans, Non-Independent Director

Sebastian Evans has been a Director of the Company since 20 October 2017. Sebastian is also a Director of NAOS Emerging Opportunities Company Limited (ASX: NCC), 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, 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.

## COMPANY SECRETARY

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

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

## COMPANY SECRETARY INFORMATION

### Rajiv Sharma, Company Secretary

Rajiv is the Chief Business Officer at NAOS Asset Management.

Rajiv has over 16 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 holds a Bachelor of Laws (First Class Honours), a Bachelor of Business (Accounting) and a Graduate Diploma in Legal Practice from the University of Technology Sydney and is admitted as a legal practitioner to the Supreme Court of New South Wales and the High Court of Australia.

## Directors' Report (continued)

## MEETINGS OF DIRECTORS

The following table shows the number of meetings held during the financial year ended 30 June 2026.

| Year ended 30 June 2026               | Eligible to attend | Attended |
|---------------------------------------|--------------------|----------|
| David Rickards (Independent Chair)    | 9                  | 9        |
| Sarah Williams (Independent Director) | 9                  | 8        |
| Trevor Carroll (Independent Director) | 9                  | 8        |
| Warwick Evans (Director)              | 9                  | 9        |
| Sebastian Evans (Director)            | 9                  | 9        |

## REVIEW OF OPERATIONS

For the financial year ended 30 June 2026 the Company recorded a loss after tax of \$6,596,675 (2025: loss after tax of \$9,071,358). The loss for the year includes a non-cash charge of \$4,896,545 arising from a reassessment at 30 June 2026 of the deferred tax asset recognised for carried forward tax losses. The underlying tax losses remain available to the Company. The Investment Portfolio returned -9.86% for the year, compared with the benchmark S&P/ASX Small Ordinaries Accumulation Index, which returned +8.11%. Pre-tax net tangible asset backing per share decreased from 38.17 cents at 30 June 2025 to 28.09 cents at 30 June 2026. Total shareholder return for the 12 month period was 33.14%, or 35.41% including the value of franking credits, reflecting the dividends paid during the year and a movement in the share price from a discount of 26.64% to a premium of 15.70% to pre-tax net tangible asset backing.

Dividends totalling 5.00 cents per share were paid during the financial year. Including the final quarterly dividend of 1.25 cents per share declared on 21 August 2026, dividends in respect of the 2026 financial year total 5.00 cents per share, unchanged from the 2025 financial year. The profit reserve at 30 June 2026 was 7.9 cents per share. Please refer to the Investment Manager's Report on page 11 for further information regarding the performance of the Company.

Under the on-market share buy-back, 906,890 shares were bought back and cancelled for a total consideration of \$290,893, executed at a discount to NTA and accretive to NTA per share.

## FINANCIAL POSITION

The net tangible asset value of the Company as at 30 June 2026 was \$49,241,307 (2025: \$62,733,497). Further information on the financial position of the Company is included in the Letter from the Chair on page 8.

| Year ended 30 June 2026                                                  | Dividend<br>(cents per share) | Total amount<br>\$'000 | % Franked | Date of payment   |
|--------------------------------------------------------------------------|-------------------------------|------------------------|-----------|-------------------|
| 2025 Final quarterly dividend<br>(declared on 21 August 2025)            | 1.25                          | 1,651                  | 0%        | 30 September 2025 |
| 2026 First quarterly interim dividend<br>(declared on 22 October 2025)   | 1.25                          | 1,650                  | 50%       | 28 November 2025  |
| 2026 Second quarterly interim dividend<br>(declared on 19 February 2026) | 1.25                          | 1,652                  | 50%       | 10 April 2026     |
| 2026 Third quarterly interim dividend<br>(declared on 22 April 2026)     | 1.25                          | 1,652                  | 50%       | 4 June 2026       |
|                                                                          |                               | <b>6,605</b>           |           |                   |

## Directors' Report (continued)

### Financial Position (continued)

| Year ended 30 June 2025                                                  | Dividend<br>(cents per share) | Total amount<br>\$'000 | % Franked | Date of payment   |
|--------------------------------------------------------------------------|-------------------------------|------------------------|-----------|-------------------|
| 2024 Final quarterly dividend<br>(declared on 22 August 2024)            | 1.25                          | 1,686                  | 100%      | 30 September 2024 |
| 2025 First quarterly interim dividend<br>(declared on 16 October 2024)   | 1.25                          | 1,686                  | 100%      | 29 November 2024  |
| 2025 Second quarterly interim dividend<br>(declared on 20 February 2025) | 1.25                          | 1,686                  | 100%      | 4 April 2025      |
| 2025 Third quarterly interim dividend<br>(declared on 16 April 2025)     | 1.25                          | 1,682                  | 0%        | 4 June 2025       |
|                                                                          |                               | <b>6,740</b>           |           |                   |

Since 30 June 2026, the Company has declared a final quarterly dividend of 1.25 cents per share, franked to 50%, to be paid on 30 September 2026.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

## SUBSEQUENT EVENTS

On 21 August 2026, the Company declared a final quarterly dividend of 1.25 cents per share, franked to 50%, to be paid on 30 September 2026.

Effective 7 August 2026, the Investment Manager changed its name from NAOS Asset Management Limited to NAOS Asset Management Pty Ltd.

Other than the above, there has been no other 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.

## ROUNDING

The Company has applied the relief available under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 and accordingly, the amounts in the financial statements and in the Directors' Report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar (where indicated).

## Directors' Report (continued)

## PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company.

## NON-AUDIT SERVICES

No non-audit services were provided by Deloitte Touche Tohmatsu during the year. Refer to Note 12 of this financial report for details of auditor remuneration.

## 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 46.

## 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).

The key management personnel of the Company are the directors listed on page 40. The Company has no executive employees, as its investment management, administrative, and company secretarial functions are outsourced to the Investment Manager.

## 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. The maximum amount is currently \$750,000 (including superannuation contributions).

Directors' remuneration received for the year ended 30 June 2026 and 30 June 2025 is disclosed below, with the post-employment benefits reflecting the increase in the superannuation guarantee rate from 11.5% to 12.0% effective 1 July 2025.

|                                       | Short-term<br>employee benefits | Post-employment<br>benefit |                |
|---------------------------------------|---------------------------------|----------------------------|----------------|
|                                       | Directors' fees<br>\$           | Superannuation<br>\$       | Total<br>\$    |
| <b>30 June 2026</b>                   |                                 |                            |                |
| David Rickards (Independent Chair)    | 31,390                          | 3,767                      | 35,157         |
| Sarah Williams (Independent Director) | 22,422                          | 2,691                      | 25,113         |
| Trevor Carroll (Independent Director) | 22,422                          | 2,691                      | 25,113         |
| Warwick Evans (Director)              | 22,422                          | 2,691                      | 25,113         |
| <b>Total</b>                          | <b>98,656</b>                   | <b>11,840</b>              | <b>110,496</b> |

|                                       | Short-term<br>employee benefits | Post-employment<br>benefit |                |
|---------------------------------------|---------------------------------|----------------------------|----------------|
|                                       | Directors' fees<br>\$           | Superannuation<br>\$       | Total<br>\$    |
| <b>30 June 2025</b>                   |                                 |                            |                |
| David Rickards (Independent Chair)    | 31,390                          | 3,610                      | 35,000         |
| Sarah Williams (Independent Director) | 22,422                          | 2,578                      | 25,000         |
| Trevor Carroll (Independent Director) | 22,422                          | 2,578                      | 25,000         |
| Warwick Evans (Director)              | 22,422                          | 2,578                      | 25,000         |
| <b>Total</b>                          | <b>98,656</b>                   | <b>11,344</b>              | <b>110,000</b> |

## Directors' Report (continued)

### Remuneration Report - Audited (continued)

#### Remuneration of Directors (continued)

Mr Sebastian Evans is remunerated by the Investment Manager and is currently not entitled to Directors' remuneration from the Company.

#### Interest in shares of the Company

During the years ended 30 June 2026 and 30 June 2025, the relevant interests of the Directors and their related parties in the Company's shares were as follows:

| Ordinary shares                       | Opening balance | Acquired     | Sold         | Closing balance |
|---------------------------------------|-----------------|--------------|--------------|-----------------|
| Year ended 30 June 2026               | No of shares    | No of shares | No of shares | No of shares    |
| David Rickards (Independent Chair)    | 461,488         | 34,118       | -            | 495,606         |
| Sarah Williams (Independent Director) | 79,472          | 8,318        | -            | 87,790          |
| Trevor Carroll (Independent Director) | 212,979         | 16,110       | -            | 229,089         |
| Warwick Evans (Director)              | 837,978         | 123,234      | -            | 961,212         |
| Sebastian Evans (Director)            | 1,609,767       | 171,356      | -            | 1,781,123       |

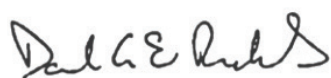
| Ordinary shares                       | Opening balance | Acquired     | Sold         | Closing balance |
|---------------------------------------|-----------------|--------------|--------------|-----------------|
| Year ended 30 June 2025               | No of shares    | No of shares | No of shares | No of shares    |
| David Rickards (Independent Chair)    | 402,024         | 59,464       | -            | 461,488         |
| Sarah Williams (Independent Director) | 26,511          | 52,961       | -            | 79,472          |
| Trevor Carroll (Independent Director) | 212,979         | -            | -            | 212,979         |
| Warwick Evans (Director)              | 730,002         | 107,976      | -            | 837,978         |
| Sebastian Evans (Director)            | 1,339,945       | 269,822      | -            | 1,609,767       |

The following table summarises Company performance and Directors' remuneration over 5 years:

|                                            | 2026    | 2025    | 2024     | 2023    | 2022     |
|--------------------------------------------|---------|---------|----------|---------|----------|
| Operating profit/(loss) after tax (\$'000) | (6,597) | (9,071) | (24,282) | 2,610   | (19,788) |
| Dividends (cents per share)                | 5.00    | 5.00    | 5.00     | 5.00    | 5.00     |
| Level of franking (%)                      | 37.5    | 75      | 100      | 100     | 100      |
| NTA after tax (\$ per share)               | 0.37    | 0.47    | 0.59     | 0.81    | 0.84     |
| Total Directors' remuneration (\$)         | 110,496 | 110,000 | 110,000  | 106,353 | 85,000   |
| Shareholders' equity (\$'000)              | 49,241  | 62,734  | 79,159   | 112,203 | 120,401  |
| Share Price (\$)                           | 0.325   | 0.28    | 0.44     | 0.68    | 0.73     |

Director fees are not linked to the Company's performance. 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*.



**David Rickards OAM**

Independent Chair

21 August 2026

## Auditor's Independence Declaration



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

Quay Quarter Tower  
Level 46, 50 Bridge Street  
Sydney NSW 2000 Australia

Tel: +61 (0) 2 9322 3895  
[www.deloitte.com.au](http://www.deloitte.com.au)

21 August 2026

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

Dear Directors,

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

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to those charged with governance of NAOS Small Cap Opportunities Company Limited.

As lead audit partner for the audit of the financial report of NAOS Small Cap Opportunities Company Limited for the financial year ended 30 June 2026, 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

A handwritten signature in black ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink that appears to read "Jonathon Corbett".

Jonathon Corbett  
Partner  
Chartered Accountants

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# Independent Auditor's Report



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

Quay Quarter Tower  
Level 46, 50 Bridge Street  
Sydney NSW 2000 Australia

Tel: +61 (0) 2 9322 3895  
[www.deloitte.com.au](http://www.deloitte.com.au)

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

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of NAOS Small Cap Opportunities Company Limited (the "Company") which comprises the statement of financial position as at 30 June 2026, 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, 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 2026 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 APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities 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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# Independent Auditor's Report



| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | How the scope of our audit responded to the Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b><u>Valuation and existence of financial assets held at fair value through profit or loss</u></b></p> <p>The Company's investments in financial instruments are the most significant driver of the Company's net tangible assets and the profit or loss attributable to shareholders. The fluctuations in the fair value of the investments impact the realised and unrealised gains and losses recognised in the statement of profit or loss and other comprehensive income and, as a result, also affect the current and deferred tax balances.</p> <p>As at 30 June 2026, the Company's investments in financial instruments held at fair value through profit or loss amounted to \$50.0 million as disclosed in Notes 7 and 17.</p> <p>Financial instruments are held at fair value through profit or loss and are measured using valuation techniques appropriate to the nature of each investment and the available market data and classified within the fair value hierarchy. Changes in the fair value of these investments are recognised in profit or loss.</p> <p>Given the significance of the investments in financial instruments to the financial report, and the judgement involved in determining the fair value of the investments, we considered the existence and valuation of financial assets held at fair value through profit or loss to be a key audit matter.</p> | <p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Obtaining confirmation of the investment holdings directly from the custodian;</li> <li>• On a sample basis, agreeing the valuation of listed equity securities to an independent pricing source;</li> <li>• On a sample basis, agreeing the investment holdings to the external custodian's holdings statement; and</li> <li>• Reperforming a reconciliation of the financial assets balance for the period ended 30 June 2026, including purchases, sales, and other relevant transactions.</li> </ul> <p>We also assessed the adequacy of the disclosures in Notes 7 and 17 to the financial statements.</p> |

## 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 2026, 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.

# Independent Auditor's Report



## *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.

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.

## Independent Auditor's Report



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.

### **Report on the Remuneration Report**

#### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 44 to 45 of the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of NAOS Small Cap Opportunities Company Limited, for the year ended 30 June 2026, 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.

A handwritten signature in black ink, appearing to read "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read "Jonathon Corbett".

Jonathon Corbett  
Partner  
Chartered Accountants  
Sydney, 21 August 2026

## Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2026

|                                                                                          | Notes    | Year ended<br>30 June 2026<br>\$'000 | Year ended<br>30 June 2025<br>\$'000 |
|------------------------------------------------------------------------------------------|----------|--------------------------------------|--------------------------------------|
| <b>Income</b>                                                                            | <b>3</b> | <b>(3,567)</b>                       | <b>(5,634)</b>                       |
| <b>Expenses</b>                                                                          |          |                                      |                                      |
| Management fees                                                                          | 16       | (732)                                | (957)                                |
| Interest expense                                                                         | 9        | (1,172)                              | (1,495)                              |
| Transaction costs                                                                        |          | (371)                                | (468)                                |
| Listing, custody and registry fees                                                       |          | (175)                                | (233)                                |
| Legal and professional fees                                                              |          | (91)                                 | (71)                                 |
| Amortisation costs                                                                       |          | (113)                                | (153)                                |
| Directors' remuneration                                                                  |          | (110)                                | (110)                                |
| Other expenses from ordinary activities                                                  |          | (369)                                | (418)                                |
| <b>Loss before income tax benefit</b>                                                    |          | <b>(6,700)</b>                       | <b>(9,539)</b>                       |
| Income tax benefit                                                                       | 4(a)     | 103                                  | 468                                  |
| <b>Loss for the year attributable to shareholders of the Company</b>                     |          | <b>(6,597)</b>                       | <b>(9,071)</b>                       |
| Other comprehensive income for the year, net of tax                                      |          | -                                    | -                                    |
| <b>Total comprehensive loss for the year attributable to shareholders of the Company</b> |          | <b>(6,597)</b>                       | <b>(9,071)</b>                       |
| Basic and diluted loss per share (cents per share)                                       | 18       | (5.00)                               | (6.74)                               |

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

## Statement of Financial Position as at 30 June 2026

|                                                       | Notes | As at<br>30 June 2026<br>\$'000 | As at<br>30 June 2025<br>\$'000 |
|-------------------------------------------------------|-------|---------------------------------|---------------------------------|
| <b>Assets</b>                                         |       |                                 |                                 |
| <b>Current assets</b>                                 |       |                                 |                                 |
| Cash and cash equivalents                             | 13(a) | 305                             | 203                             |
| Trade and other receivables                           | 6     | 190                             | 60                              |
| Prepayments                                           |       | -                               | 71                              |
| Financial assets at fair value through profit or loss | 7     | 50,033                          | 63,611                          |
| <b>Total current assets</b>                           |       | <b>50,528</b>                   | <b>63,945</b>                   |
| <b>Non-current assets</b>                             |       |                                 |                                 |
| Deferred tax assets                                   | 4(b)  | 12,169                          | 12,000                          |
| <b>Total non-current assets</b>                       |       | <b>12,169</b>                   | <b>12,000</b>                   |
| <b>Total assets</b>                                   |       | <b>62,697</b>                   | <b>75,945</b>                   |
| <b>Liabilities</b>                                    |       |                                 |                                 |
| <b>Current liabilities</b>                            |       |                                 |                                 |
| Trade and other payables                              | 8     | 595                             | 463                             |
| <b>Total current liabilities</b>                      |       | <b>595</b>                      | <b>463</b>                      |
| <b>Non-current liabilities</b>                        |       |                                 |                                 |
| Borrowings                                            | 9     | 12,861                          | 12,748                          |
| <b>Total non-current liabilities</b>                  |       | <b>12,861</b>                   | <b>12,748</b>                   |
| <b>Total liabilities</b>                              |       | <b>13,456</b>                   | <b>13,211</b>                   |
| <b>Net assets</b>                                     |       | <b>49,241</b>                   | <b>62,734</b>                   |
| <b>Equity</b>                                         |       |                                 |                                 |
| Issued capital                                        | 10    | 175,873                         | 176,164                         |
| Profits reserve                                       | 11(a) | 10,405                          | 10,025                          |
| Accumulated losses                                    | 11(b) | (137,037)                       | (123,455)                       |
| <b>Total equity</b>                                   |       | <b>49,241</b>                   | <b>62,734</b>                   |

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 2026

|                                      | Issued capital<br>\$'000 | Profits reserve<br>\$'000 | Accumulated<br>losses<br>\$'000 | Total equity<br>\$'000 |
|--------------------------------------|--------------------------|---------------------------|---------------------------------|------------------------|
| <b>Balance at 1 July 2024</b>        | 176,778                  | 16,765                    | (114,384)                       | 79,159                 |
| Loss for the year                    | -                        | -                         | (9,071)                         | (9,071)                |
| Dividends paid                       | -                        | (6,740)                   | -                               | (6,740)                |
| DRP shares allotted                  | 998                      | -                         | -                               | 998                    |
| Purchase of shares on-market for DRP | (998)                    | -                         | -                               | (998)                  |
| Shares bought back from shareholders | (614)                    | -                         | -                               | (614)                  |
| <b>Balance at 30 June 2025</b>       | <b>176,164</b>           | <b>10,025</b>             | <b>(123,455)</b>                | <b>62,734</b>          |

|                                      | Issued capital<br>\$'000 | Profits reserve<br>\$'000 | Accumulated<br>losses<br>\$'000 | Total equity<br>\$'000 |
|--------------------------------------|--------------------------|---------------------------|---------------------------------|------------------------|
| <b>Balance at 1 July 2025</b>        | 176,164                  | 10,025                    | (123,455)                       | 62,734                 |
| Profit/(loss) for the year           | -                        | 6,985                     | (13,582)                        | (6,597)                |
| Dividends paid                       | -                        | (6,605)                   | -                               | (6,605)                |
| DRP shares allotted                  | 914                      | -                         | -                               | 914                    |
| Purchase of shares on-market for DRP | (914)                    | -                         | -                               | (914)                  |
| Shares bought back from shareholders | (291)                    | -                         | -                               | (291)                  |
| <b>Balance at 30 June 2026</b>       | <b>175,873</b>           | <b>10,405</b>             | <b>(137,037)</b>                | <b>49,241</b>          |

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 2026

|                                                             | Notes | Year ended<br>30 June 2026<br>\$'000 | Year ended<br>30 June 2025<br>\$'000 |
|-------------------------------------------------------------|-------|--------------------------------------|--------------------------------------|
| <b>Cash flows from operating activities</b>                 |       |                                      |                                      |
| Payments for purchase of investments                        |       | (42,849)                             | (33,956)                             |
| Proceeds from sale of investments                           |       | 50,582                               | 61,100                               |
| Dividends received                                          |       | 1,781                                | 2,627                                |
| Interest received                                           |       | 3                                    | 24                                   |
| Interest paid to note holders                               |       | (1,142)                              | (1,408)                              |
| Income tax paid                                             |       | (65)                                 | -                                    |
| Other payments                                              |       | (1,312)                              | (1,693)                              |
| <b>Net cash provided by operating activities</b>            | 13(b) | <b>6,998</b>                         | <b>26,694</b>                        |
| <b>Cash flows from financing activities</b>                 |       |                                      |                                      |
| Purchase of shares on-market for DRP                        |       | (914)                                | (998)                                |
| Dividends paid net of amounts reinvested                    | 5     | (5,691)                              | (5,742)                              |
| Share buybacks                                              |       | (291)                                | (614)                                |
| Repayment of unsecured notes                                |       | -                                    | (32,171)                             |
| Proceeds from issue of unsecured notes                      |       | -                                    | 13,110                               |
| Costs of issue of unsecured notes                           |       | -                                    | (436)                                |
| <b>Net cash used in financing activities</b>                |       | <b>(6,896)</b>                       | <b>(26,851)</b>                      |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |       | <b>102</b>                           | <b>(157)</b>                         |
| Cash and cash equivalents at the beginning of the year      |       | 203                                  | 360                                  |
| <b>Cash and cash equivalents at the end of the year</b>     | 13(a) | <b>305</b>                           | <b>203</b>                           |

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



# Notes to the Financial Statements

## General Information

NAOS Small Cap Opportunities Company Limited (the "Company") is a public company listed on the Australian Securities Exchange (ASX: NSC) registered and domiciled in Australia. The Company was constituted on 14 January 2004 and commenced operations on 25 March 2004.

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 2026.

## 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.

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 figures for the prior period have been presented for all amounts disclosed in these 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 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 ("A\$") 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) Income Recognition

#### Income

Income 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 income 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 reporting date (or disposal) 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.

## Notes to the Financial Statements (continued)

### 1. Summary of Material Accounting Policies (continued)

#### f) Income Recognition (continued)

##### *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.

#### **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 year 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.

##### *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 the 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 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.

## Notes to the Financial Statements (continued)

### 1. Summary of Material Accounting Policies (continued)

#### 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").

#### 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/(benefit) 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 RITC hence, investment management fees, custodial fees and 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").

## Notes to the Financial Statements (continued)

### 1. Summary of Material Accounting Policies (continued)

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

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.

#### 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 judgements, 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 period tax losses of \$8,865,280 (2025: \$6,257,869) and unrealised losses on investments of \$3,266,583 (2025: \$5,699,139) as at 30 June 2026. The utilisation of these deferred tax assets depends on the ability of the Company to generate future taxable profits. The Company considers it probable that such profits will be available, supported by the Investment Manager's long-term performance and profitability. New information may become available that could cause the Company to change its judgement regarding the calculation of tax balances, with any such changes recognised in profit or loss in the period in which the determination is made.

In addition, the Company has carried forward tax losses with a gross value of approximately \$71,950,278 (2025: \$52,364,098) for which no deferred tax asset has been recognised, as it is not considered probable, on the basis of the assessment described above, that sufficient future taxable amounts will be available against which those losses could be utilised. These losses remain available indefinitely for offset against future taxable profits, subject to the Company continuing to satisfy the loss recoupment rules.

## 2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

### **New or amended Accounting Standard and Interpretations adopted in the current period**

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. These Standards and Interpretations did not have a material impact on these financial statements.

### **New Accounting Standards and Interpretations not yet adopted**

At the date of authorisation of these financial statements, the Company has not early adopted AASB 18 Presentation and Disclosure in Financial Statements, which has been issued but is not yet effective. AASB 18 replaces AASB 101 and introduces enhanced requirements for the presentation of financial statements, including new required categories and subtotals in the statement of profit or loss, disclosures about management-defined performance measures, and improved guidance on aggregation and disaggregation of information.

The standard is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The Company is currently assessing the impact of AASB 18 on its financial statements.

The potential effect of the revised standard on the Company's financial statements has not yet been determined. The Company does not intend to early adopt AASB 18.

### 3. INCOME

|                                                                          | Year ended<br>30 June 2026<br>\$'000 | Year ended<br>30 June 2025<br>\$'000 |
|--------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Net losses on financial assets held at fair value through profit or loss | (5,351)                              | (8,284)                              |
| Interest income                                                          | 3                                    | 23                                   |
| Dividend income                                                          | 1,781                                | 2,627                                |
| <b>Total income</b>                                                      | <b>(3,567)</b>                       | <b>(5,634)</b>                       |

### 4. INCOME TAX

#### a) Income tax benefit

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

|                                                                        | Year ended<br>30 June 2026<br>\$'000 | Year ended<br>30 June 2025<br>\$'000 |
|------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Prima facie income tax expense/(benefit) calculated at 25% (2025: 25%) | (1,675)                              | (2,387)                              |
| Less the tax effect of:                                                |                                      |                                      |
| Imputation credit gross up                                             | 179                                  | 279                                  |
| Franking credit offset                                                 | (717)                                | (1,117)                              |
| Unrecognised tax losses                                                | 2,045                                | 2,757                                |
| Underprovision from prior year                                         | 65                                   | -                                    |
|                                                                        | <b>(103)</b>                         | <b>(468)</b>                         |
| Effective Tax Rate                                                     | 2%                                   | 5%                                   |

The Company assessed that it is a base rate entity for the year ended 30 June 2026 and 30 June 2025 and hence the reduced company tax rate of 25% is applied to all income tax related balances.

|                                | Year ended<br>30 June 2026<br>\$'000 | Year ended<br>30 June 2025<br>\$'000 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Change in deferred tax asset   | (168)                                | (468)                                |
| Underprovision from prior year | 65                                   | -                                    |
|                                | <b>(103)</b>                         | <b>(468)</b>                         |

#### b) Deferred tax assets

|                                  | As at<br>30 June 2026<br>\$'000 | As at<br>30 June 2025<br>\$'000 |
|----------------------------------|---------------------------------|---------------------------------|
| Tax losses                       | 8,865                           | 6,258                           |
| Accruals                         | 36                              | 42                              |
| Capitalised issue costs          | 1                               | 1                               |
| Unrealised losses on investments | 3,267                           | 5,699                           |
|                                  | <b>12,169</b>                   | <b>12,000</b>                   |

## Notes to the Financial Statements (continued)

## 4. Income tax (continued)

## b) Deferred tax assets (continued)

|                                                                            | As at<br>30 June 2026<br>\$'000 | As at<br>30 June 2025<br>\$'000 |
|----------------------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>Movement in deferred tax assets</b>                                     |                                 |                                 |
| Balance at the beginning of the period                                     | 12,000                          | 11,533                          |
| Credited to the Statement of Profit or Loss and Other Comprehensive Income | 169                             | 467                             |
| <b>At reporting date</b>                                                   | <b>12,169</b>                   | <b>12,000</b>                   |

## 5. DIVIDENDS PAID

| Year ended 30 June 2026                                                  | Dividend<br>(cents per share) | Total amount<br>\$'000 | % Franked | Date of payment   |
|--------------------------------------------------------------------------|-------------------------------|------------------------|-----------|-------------------|
| 2025 Final quarterly dividend<br>(declared on 21 August 2025)            | 1.25                          | 1,651                  | 0%        | 30 September 2025 |
| 2026 First quarterly interim dividend<br>(declared on 22 October 2025)   | 1.25                          | 1,650                  | 50%       | 28 November 2025  |
| 2026 Second quarterly interim dividend<br>(declared on 19 February 2026) | 1.25                          | 1,652                  | 50%       | 10 April 2026     |
| 2026 Third quarterly interim dividend<br>(declared on 22 April 2026)     | 1.25                          | 1,652                  | 50%       | 4 June 2026       |
|                                                                          |                               | <b>6,605</b>           |           |                   |

| Year ended 30 June 2025                                                  | Dividend<br>(cents per share) | Total amount<br>\$'000 | % Franked | Date of payment   |
|--------------------------------------------------------------------------|-------------------------------|------------------------|-----------|-------------------|
| 2024 Final quarterly dividend<br>(declared on 22 August 2024)            | 1.25                          | 1,686                  | 100%      | 30 September 2024 |
| 2025 First quarterly interim dividend<br>(declared on 16 October 2024)   | 1.25                          | 1,686                  | 100%      | 29 November 2024  |
| 2025 Second quarterly interim dividend<br>(declared on 20 February 2025) | 1.25                          | 1,686                  | 100%      | 4 April 2025      |
| 2025 Third quarterly interim dividend<br>(declared on 16 April 2025)     | 1.25                          | 1,682                  | 0%        | 4 June 2025       |
|                                                                          |                               | <b>6,740</b>           |           |                   |

## Notes to the Financial Statements (continued)

### 5. Dividends Paid (continued)

#### Dividend Franking Information

|                                                                           | Year ended<br>30 June 2026<br>\$'000 | Year ended<br>30 June 2025<br>\$'000 |
|---------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Franking credits available for shareholders from previous financial years | (65)                                 | 505                                  |
| Impact on the franking account of dividends paid during the year          | (825)                                | (1,685)                              |
| Impact on the franking account of dividends received during the year      | 717                                  | 1,115                                |
| Impact on franking account of income tax paid                             | 65                                   | -                                    |
| <b>Franking account balance at reporting date</b>                         | <b>(108)</b>                         | <b>(65)</b>                          |

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<br>30 June 2026<br>\$'000 | As at<br>30 June 2025<br>\$'000 |
|-----------------------------|---------------------------------|---------------------------------|
| Unsettled trade receivables | 160                             | 25                              |
| Other receivables           | 30                              | 35                              |
| <b>Total</b>                | <b>190</b>                      | <b>60</b>                       |

Receivables are non-interest bearing and unsecured. Outstanding trades, i.e. "Unsettled trade receivables", are on the terms operating in the investment management industry which usually require settlement within two days of the date of the transaction. Based on the analysis at the end of the reporting period, the impairment under the ECL method is considered to be immaterial and no amount is recognised in the financial statements (2025: Nil).

## 7. INVESTMENTS IN FINANCIAL INSTRUMENTS

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

|                                                                    | As at<br>30 June 2026<br>\$'000 | As at<br>30 June 2025<br>\$'000 |
|--------------------------------------------------------------------|---------------------------------|---------------------------------|
| Investments in listed equities                                     | 50,033                          | 63,611                          |
| <b>Total financial assets at fair value through profit or loss</b> | <b>50,033</b>                   | <b>63,611</b>                   |

### 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 2026 (2025: Nil).

### Disclosed Fair Values

For all financial instruments other than those measured at fair value, their carrying value approximates fair value as they are either cash/cash equivalents and/or short-term in nature such as trade and other payables/receivables.

## Notes to the Financial Statements (continued)

## 8. TRADE AND OTHER PAYABLES

|                          | As at<br>30 June 2026<br>\$'000 | As at<br>30 June 2025<br>\$'000 |
|--------------------------|---------------------------------|---------------------------------|
| Unsettled trades payable | 12                              | -                               |
| Other payables           | 583                             | 463                             |
| <b>Total</b>             | <b>595</b>                      | <b>463</b>                      |

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 issued \$13.24 million unsecured notes with a five-year term, carrying an interest rate equal to the six-month BBSW plus a margin of 4.80% per annum. Interest is payable semi-annually on 11 May and 11 November. Interest expense for the year amounted to \$1,172,274 (2025: \$1,495,416), of which \$189,928 (2025: \$159,651) remained payable at 30 June 2026. The unsecured notes are due for repayment on 11 November 2029. The terms of the notes are regulated under a trust deed between the Company and Equity Trustees Limited.

|                                    | As at<br>30 June 2026<br>\$'000 | As at<br>30 June 2025<br>\$'000 |
|------------------------------------|---------------------------------|---------------------------------|
| Opening balance of unsecured notes | 12,748                          | 32,092                          |
| Repayment of unsecured notes       | -                               | (32,171)                        |
| Unsecured notes issued in the year | -                               | 13,110                          |
| Less issue costs                   | -                               | (436)                           |
| Add amortisation of costs for year | 113                             | 153                             |
| <b>At reporting date</b>           | <b>12,861</b>                   | <b>12,748</b>                   |

## 10. ISSUED CAPITAL

|                                              |               | 30 June 2026 |               | 30 June 2025 |
|----------------------------------------------|---------------|--------------|---------------|--------------|
|                                              | No. of Shares | \$'000       | No. of Shares | \$'000       |
| Issued and paid up capital - ordinary shares | 132,001,294   | 175,873      | 132,908,184   | 176,164      |

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

Each share will confer on its holder:

- 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*;
- the right to receive dividends;
- 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 members by special resolution); and
- 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**

|                                      | <b>No. of shares</b> | <b>\$'000</b>  |
|--------------------------------------|----------------------|----------------|
| <b>Opening balance 1 July 2024</b>   | 134,973,666          | 176,778        |
| DRP shares allotted                  | 2,784,508            | 998            |
| Purchase of shares on market for DRP | (2,784,508)          | (998)          |
| Shares bought back                   | (2,065,482)          | (614)          |
| <b>Closing balance 30 June 2025</b>  | <b>132,908,184</b>   | <b>176,164</b> |
| <b>Opening balance 1 July 2025</b>   | 132,908,184          | 176,164        |
| DRP shares allotted                  | 2,551,645            | 914            |
| Purchase of shares on market for DRP | (2,551,645)          | (914)          |
| Shares bought back                   | (906,890)            | (291)          |
| <b>Closing balance 30 June 2026</b>  | <b>132,001,294</b>   | <b>175,873</b> |

**11. PROFITS RESERVE AND ACCUMULATED LOSSES**

**a) Profits Reserve**

|                                  | <b>As at<br/>30 June 2026<br/>\$'000</b> | <b>As at<br/>30 June 2025<br/>\$'000</b> |
|----------------------------------|------------------------------------------|------------------------------------------|
| Opening balance                  | 10,025                                   | 16,765                                   |
| Transfer to profits reserve      | 6,985                                    | -                                        |
| Dividends paid                   | (6,605)                                  | (6,740)                                  |
| <b>Balance at reporting date</b> | <b>10,405</b>                            | <b>10,025</b>                            |

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**

|                                      | <b>As at<br/>30 June 2026<br/>\$'000</b> | <b>As at<br/>30 June 2025<br/>\$'000</b> |
|--------------------------------------|------------------------------------------|------------------------------------------|
| Balance at the beginning of the year | (123,455)                                | (114,384)                                |
| Loss retained in accumulated losses  | (13,582)                                 | (9,071)                                  |
| <b>Balance at reporting date</b>     | <b>(137,037)</b>                         | <b>(123,455)</b>                         |

During the financial year, the Company transferred the net profit recognised for the six months ended 31 December 2025 to the profit reserve. The loss recognised for the six months ended 30 June 2026 was retained in accumulated losses.

## Notes to the Financial Statements (continued)

## 12. AUDITORS' REMUNERATION

|                                                                      | Year ended<br>30 June 2026<br>\$ | Year ended<br>30 June 2025<br>\$ |
|----------------------------------------------------------------------|----------------------------------|----------------------------------|
| <b>Audit and other assurance services - Deloitte Touche Tohmatsu</b> |                                  |                                  |
| Audit and review of financial reports                                | 68,448                           | 65,500                           |
| <b>Total remuneration for audit and other assurance services</b>     | <b>68,448</b>                    | <b>65,500</b>                    |
| <b>Taxation Services - Pitcher Partners</b>                          |                                  |                                  |
| Tax compliance services                                              | 22,660                           | 16,260                           |
| <b>Total remuneration for non-audit services</b>                     | <b>22,660</b>                    | <b>16,260</b>                    |

## 13. CASH AND CASH EQUIVALENTS

## a) Components of cash and cash equivalents

|              | As at<br>30 June 2026<br>\$'000 | As at<br>30 June 2025<br>\$'000 |
|--------------|---------------------------------|---------------------------------|
| Cash at bank | 305                             | 203                             |

## b) Reconciliation of Loss for the year to cash provided by operating activities

|                                                                                                 | Year ended<br>30 June 2026<br>\$'000 | Year ended<br>30 June 2025<br>\$'000 |
|-------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Loss for the year attributable to shareholders after tax</b>                                 | (6,597)                              | (9,071)                              |
| <b>Adjustments for:</b>                                                                         |                                      |                                      |
| Amortisation expense on unsecured notes                                                         | 113                                  | 153                                  |
| Net movement in financial assets at fair value through profit or loss                           | 13,578                               | 35,925                               |
| Income tax benefit recognised in the Statement of Profit or Loss and Other Comprehensive Income | (103)                                | (468)                                |
| Income tax paid                                                                                 | (65)                                 | -                                    |
| <b>Change in assets and liabilities</b>                                                         |                                      |                                      |
| (Increase)/decrease in trade and other receivables                                              | (130)                                | 15                                   |
| Increase in trade and other payables                                                            | 131                                  | 140                                  |
| Decrease in prepayments                                                                         | 71                                   | -                                    |
| <b>Net cash provided by operating activities</b>                                                | <b>6,998</b>                         | <b>26,694</b>                        |

## 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 2026 was \$110,496 (2025: \$110,000).

Other than the disclosure at Note 16 there were no shares granted during the reporting period as compensation to the Directors. 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 2026, NAOS Asset Management Limited holds 1,747,437 shares (2025: 1,580,400 shares) in the Company. Other than the disclosure at Note 16 and above there was no interest in the Company held by other entities also managed by the key management personnel.

#### *Holdings of Shares by Key Management Personnel*

During the period, 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 2026 | Opening balance<br>No of shares | Acquired<br>No of shares | Sold<br>No of shares | Closing balance<br>No of shares |
|--------------------------------------------|---------------------------------|--------------------------|----------------------|---------------------------------|
| David Rickards (Independent Chair)         | 461,488                         | 34,118                   | -                    | 495,606                         |
| Sarah Williams (Independent Director)      | 79,472                          | 8,318                    | -                    | 87,790                          |
| Trevor Carroll (Independent Director)      | 212,979                         | 16,110                   | -                    | 229,089                         |
| Warwick Evans (Director)                   | 837,978                         | 123,234                  | -                    | 961,212                         |
| Sebastian Evans (Director)                 | 1,609,767                       | 171,356                  | -                    | 1,781,123                       |

| 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 |
|--------------------------------------------|---------------------------------|--------------------------|----------------------|---------------------------------|
| David Rickards (Independent Chair)         | 402,024                         | 59,464                   | -                    | 461,488                         |
| Sarah Williams (Independent Director)      | 26,511                          | 52,961                   | -                    | 79,472                          |
| Trevor Carroll (Independent Director)      | 212,979                         | -                        | -                    | 212,979                         |
| Warwick Evans (Director)                   | 730,002                         | 107,976                  | -                    | 837,978                         |
| Sebastian Evans (Director)                 | 1,339,945                       | 269,822                  | -                    | 1,609,767                       |

### 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 from the investment portfolio.

## Notes to the Financial Statements (continued)

**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 as Investment Manager of the Company, the Investment Manager is entitled to be paid a monthly management fee rate equal to 0.0958% (excluding GST) of the gross value of the portfolio calculated on the last business day of each month representing an annualised management fee rate of 1.15% (excluding GST) per annum of the average gross value of the portfolio. At its discretion and subject to shareholder approval, the Investment Manager may elect to be paid in shares.

The following management fees were paid or payable to the Investment Manager during the year ended 30 June 2026:

- Management fees of \$732,340 (2025: \$957,137) (excluding RITC\*) were incurred during the year.
- Management fees payable at 30 June 2026 were \$52,899 (2025: \$67,065) (including RITC\*).

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

**Performance Fees**

In the event that the investment portfolio outperforms the Benchmark Index (being the S&P/ASX Small Ordinaries Accumulation Index (XSOAI)), the Investment Manager is entitled to an annual performance fee equal to 20% (excluding GST) of the amount the portfolio outperforms the Benchmark Index. No performance fee is payable if the portfolio underperforms the Benchmark Index. Any underperformance to the Benchmark Index is carried forward to future performance calculation periods and must be recouped before the Investment Manager is entitled to a performance fee. No performance fees were paid or payable to the Investment Manager for the year ended 30 June 2026 (2025: \$Nil).

In addition, the Company has a services agreement with the Investment Manager to provide the use of premises and facilities, company secretarial, administrative, financial and accounting services. For the year ended 30 June 2026 the fees paid to the Investment Manager were \$180,000 (2025: \$180,000).

**17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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, market risk (including price risk and interest rate risk) and risks relating to fair value.

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 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 under policies approved by the Board.

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 financial assets exposed to a credit risk are overdue or considered to be impaired.

## Notes to the Financial Statements (continued)

### 17. Financial Risk Management Objectives and Policies (continued)

#### 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 notes that were issued on 11 November 2024 pay an interest equal to the 6 month BBSW plus a margin of 4.80% per annum payable half-yearly on 11 May and 11 November.

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

|                                                       | Floating interest<br>rate<br>\$'000 | Non-interest<br>bearing<br>\$'000 | Total<br>\$'000 |
|-------------------------------------------------------|-------------------------------------|-----------------------------------|-----------------|
| <b>30 June 2026</b>                                   |                                     |                                   |                 |
| <b>Assets</b>                                         |                                     |                                   |                 |
| Cash and cash equivalents                             | 305                                 | -                                 | 305             |
| Receivables                                           | -                                   | 190                               | 190             |
| Financial assets at fair value through profit or loss | -                                   | 50,033                            | 50,033          |
| <b>Total Assets</b>                                   | <b>305</b>                          | <b>50,223</b>                     | <b>50,528</b>   |
| <b>Liabilities</b>                                    |                                     |                                   |                 |
| Trade and other payables                              | -                                   | 595                               | 595             |
| <b>Total Liabilities</b>                              | <b>-</b>                            | <b>595</b>                        | <b>595</b>      |
| <b>Net exposure</b>                                   | <b>305</b>                          | <b>49,628</b>                     | <b>49,933</b>   |
| <b>30 June 2025</b>                                   |                                     |                                   |                 |
| <b>Assets</b>                                         |                                     |                                   |                 |
| Cash and cash equivalents                             | 203                                 | -                                 | 203             |
| Receivables                                           | -                                   | 60                                | 60              |
| Financial assets at fair value through profit or loss | -                                   | 63,611                            | 63,611          |
| <b>Total Assets</b>                                   | <b>203</b>                          | <b>63,671</b>                     | <b>63,874</b>   |
| <b>Liabilities</b>                                    |                                     |                                   |                 |
| Trade and other payables                              | -                                   | 463                               | 463             |
| <b>Total Liabilities</b>                              | <b>-</b>                            | <b>463</b>                        | <b>463</b>      |
| <b>Net exposure</b>                                   | <b>203</b>                          | <b>63,208</b>                     | <b>63,411</b>   |

**Notes to the Financial Statements (continued)****17. Financial Risk Management Objectives and Policies (continued)****b) Market risk (continued)****(i) Interest Rate Risk (continued)**

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.

|                     | <b>Change in basis points increase/<br/>(decrease)</b> | <b>Impact on operating profit / Net<br/>assets attributable to shareholders<br/>\$'000</b> |
|---------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>30 June 2026</b> |                                                        |                                                                                            |
| AUD interest rate   | 250bps/(250bps)                                        | 8/(8)                                                                                      |
| <b>30 June 2025</b> |                                                        |                                                                                            |
| AUD interest rate   | 250bps/(250bps)                                        | 5/(5)                                                                                      |

**(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 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 2026 and 30 June 2025, 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:

|              | <b>Impact on operating profit / Net assets<br/>attributable to shareholders</b> |                        |
|--------------|---------------------------------------------------------------------------------|------------------------|
|              | <b>-10%<br/>\$'000</b>                                                          | <b>+10%<br/>\$'000</b> |
| 30 June 2026 | (5,003)                                                                         | 5,003                  |
| 30 June 2025 | (6,361)                                                                         | 6,361                  |

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

| <b>Industry</b>                    | <b>30 June 2026</b> | <b>% of Portfolio<br/>30 June 2025</b> |
|------------------------------------|---------------------|----------------------------------------|
| Construction Materials             | 46.63%              | 38.43%                                 |
| Industrials                        | 36.11%              | 31.83%                                 |
| Health Care                        | 12.69%              | -                                      |
| Consumer Discretionary             | 4.57%               | 0.75%                                  |
| Financials                         | -                   | 23.39%                                 |
| Commercial & Professional Services | -                   | 2.77%                                  |
| Information Technology             | -                   | 1.30%                                  |
| Materials                          | -                   | 1.05%                                  |
| Communication Services             | -                   | 0.48%                                  |
| <b>Total</b>                       | <b>100.00%</b>      | <b>100.00%</b>                         |

## Notes to the Financial Statements (continued)

### 17. Financial Risk Management Objectives and Policies (continued)

#### 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 other 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 2026 and 30 June 2025 to the contractual maturity date.

| 30 June 2026             | Less than 1 year<br>\$'000 | > 1 year to 2 years<br>\$'000 | 2 to 5 years<br>\$'000 | Total<br>\$'000 | Carrying amount<br>\$'000 |
|--------------------------|----------------------------|-------------------------------|------------------------|-----------------|---------------------------|
| Trade and other payables | 595                        | -                             | -                      | 595             | 595                       |
| Borrowings               | -                          | -                             | 13,243                 | 13,243          | 12,861                    |
| <b>Total</b>             | <b>595</b>                 | <b>-</b>                      | <b>13,243</b>          | <b>13,838</b>   | <b>13,456</b>             |

| 30 June 2025             | Less than 1 year<br>\$'000 | > 1 year to 2 years<br>\$'000 | 2 to 5 years<br>\$'000 | Total<br>\$'000 | Carrying amount<br>\$'000 |
|--------------------------|----------------------------|-------------------------------|------------------------|-----------------|---------------------------|
| Trade and other payables | 463                        | -                             | -                      | 463             | 463                       |
| Borrowings               | -                          | -                             | 13,243                 | 13,243          | 12,748                    |
| <b>Total</b>             | <b>463</b>                 | <b>-</b>                      | <b>13,243</b>          | <b>13,706</b>   | <b>13,211</b>             |

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 and quoted prices in markets in which there are few transactions for identical or similar assets or liabilities. Financial instruments that are valued using other inputs that are not quoted prices but are observable for the assets or liabilities also fall into this categorisation.

##### Level 3:

Financial instruments that have been valued, in whole or in part, by using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Unobservable valuation inputs are determined based on the best information available, which might include the entity's own data, reflecting its assumptions as well as best practices carried out or undertaken by other market participants. These valuation techniques are used to the extent that observable inputs are not available.

**Notes to the Financial Statements (continued)****17. Financial Risk Management Objectives and Policies (continued)****d) Fair Value Hierarchy (continued)****Level 3: (continued)**

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

**Financial Assets at Fair Value through Profit or Loss**

| <b>30 June 2026</b> | <b>Level 1<br/>\$'000</b> | <b>Level 2<br/>\$'000</b> | <b>Level 3<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|---------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| Financial assets    |                           |                           |                           |                         |
| Listed equities     | 50,033                    | -                         | -                         | 50,033                  |
| <b>Total</b>        | <b>50,033</b>             | <b>-</b>                  | <b>-</b>                  | <b>50,033</b>           |

| <b>30 June 2025</b> | <b>Level 1<br/>\$'000</b> | <b>Level 2<br/>\$'000</b> | <b>Level 3<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|---------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| Financial assets    |                           |                           |                           |                         |
| Listed equities     | 63,611                    | -                         | -                         | 63,611                  |
| <b>Total</b>        | <b>63,611</b>             | <b>-</b>                  | <b>-</b>                  | <b>63,611</b>           |

There were no transfers between levels 1, 2 and 3 during the year (2025: None). The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**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, unsecured notes issues, the dividend reinvestment plan, share buybacks 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**

|                                  | <b>Year ended<br/>30 June 2026<br/>Cents</b> | <b>Year ended<br/>30 June 2025<br/>Cents</b> |
|----------------------------------|----------------------------------------------|----------------------------------------------|
| Basic and diluted loss per share | (5.00)                                       | (6.74)                                       |

|                                                                                                            | <b>Shares</b> | <b>Shares</b> |
|------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share | 132,065,731   | 134,636,659   |

|                                                                  | <b>\$'000</b> | <b>\$'000</b> |
|------------------------------------------------------------------|---------------|---------------|
| Loss used in the calculation of basic and diluted loss per share | (6,597)       | (9,071)       |



## 19. COMMITMENTS AND CONTINGENCIES

There are no commitments and contingencies as at 30 June 2026 (30 June 2025: Nil).

## 20. SUBSEQUENT EVENTS

On 21 August 2026, the Company declared a final quarterly dividend of 1.25 cents per share, franked to 50%, to be paid on 30 September 2026.

Effective 7 August 2026, the Investment Manager changed its name from NAOS Asset Management Limited to NAOS Asset Management Pty Ltd.

Other than the matters described above, there has been no matter or circumstance occurring subsequent to the end of the period that has materially affected, or may materially 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 2026

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.

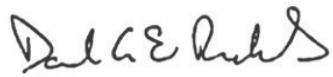
## Directors' Declaration

In accordance with a resolution of the Directors of NAOS Small Cap Opportunities Company Limited, the Directors declare that:

- the financial statements and notes are in accordance with the Corporations Regulations 2001 including compliance with Australian Accounting Standards and give a true and fair view of the Company's financial position as at 30 June 2026 and its performance for the year ended on that date;
- 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;
- the Directors have received the declarations required by section 295A of the *Corporations Act 2001*; and
- 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



**David Rickards OAM**

Independent Chair

21 August 2026

## Additional Information

The additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in the report is set out below.

### INVESTMENT PORTFOLIO

As at 30 June 2026 the Company held the following investments:

ARB Corporation Limited  
Big River Industries Limited  
Mainfreight Limited  
MaxiPARTS Limited  
Move Logistics Group Limited  
Saunders International Limited  
Schoolblazer Limited  
SkinKandy Limited  
SomnoMed Limited  
Wagners Holding Company Limited  
XRF Scientific Limited

During the financial year ended 30 June 2026, the Company had 681 (2025: 432) transactions in investment securities. Total brokerage fees incurred during the year ended 30 June 2026 were \$398,162 (2025: \$500,524).

## Additional Information (continued)

## 20 LARGEST SHAREHOLDERS

Details of the 20 largest ordinary shareholders along with their respective holdings as at 31 July 2026.

| Shareholders                                          | Ordinary shares held | % of issued shares |
|-------------------------------------------------------|----------------------|--------------------|
| Citicorp Nominees Pty Limited                         | 6,914,269            | 5.24%              |
| Mr James Vincent Chester Guest                        | 2,589,610            | 1.96%              |
| Gold Tiger Investments Pty Ltd                        | 2,175,000            | 1.65%              |
| NAOS Asset Management Limited                         | 1,747,437            | 1.32%              |
| Mrs Karen Michelle Gibson                             | 1,537,823            | 1.17%              |
| Mr Reginald George Kenneth Nealie & Mrs Teresa Nealie | 1,350,000            | 1.02%              |
| BNP Paribas Nominees Pty Ltd                          | 1,282,612            | 0.97%              |
| Angus Mac Pty Ltd                                     | 1,240,701            | 0.94%              |
| Mr George Havas                                       | 1,180,000            | 0.89%              |
| Mr Bruce Atkinson & Mrs Jean Margaret Atkinson        | 1,097,409            | 0.83%              |
| Mr Rohan Francis Cooper & Mrs Glenys Joy Cooper       | 1,000,000            | 0.76%              |
| Mr Kym Anthony Plotkin                                | 1,000,000            | 0.76%              |
| W W E Investments Pty Ltd                             | 961,212              | 0.73%              |
| Mr Michael John Blayney                               | 888,490              | 0.67%              |
| HSBC Custody Nominees (Australia) Limited             | 816,104              | 0.62%              |
| Business2Business Relocations and Fitouts Pty Ltd     | 773,595              | 0.59%              |
| Deemtene Pty Limited                                  | 710,680              | 0.54%              |
| Netwealth Investments Limited                         | 702,317              | 0.53%              |
| Dr Ross Andrew Gawler                                 | 680,000              | 0.52%              |
| Certane CT Pty Ltd                                    | 658,246              | 0.50%              |
| <b>Total</b>                                          | <b>29,305,505</b>    | <b>22.20%</b>      |

## DISTRIBUTION OF ORDINARY SHARES

Analysis of ordinary shares by size of shareholders as at 31 July 2026.

| Category              | Number of shareholders | Ordinary shares held | % of issued shares |
|-----------------------|------------------------|----------------------|--------------------|
| 1-1,000               | 342                    | 91,102               | 0.07%              |
| 1,001-5,000           | 546                    | 1,633,009            | 1.24%              |
| 5,001-10,000          | 401                    | 3,138,835            | 2.38%              |
| 10,001-100,000        | 1,239                  | 44,078,759           | 33.39%             |
| 100,001-9,999,999,999 | 266                    | 83,059,589           | 62.92%             |
| <b>Total</b>          | <b>2,794</b>           | <b>132,001,294</b>   | <b>100%</b>        |

## Additional Information (continued)

### 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 (ASX Code: NSC) of the Company on all Member Exchanges of the Australian Securities Exchange Limited.

### BUYBACK

For the financial year ended 30 June 2026 the Company has bought back a total of 906,890 shares for a consideration of \$290,893 (2025: The Company bought back a total of 2,065,482 ordinary shares for a consideration of \$613,215).

### UNMARKETABLE PARCELS

As at 31 July 2026 the number of shareholdings held in less than marketable parcels was 426.

### 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

David Rickards OAM (Independent Chair)

Sarah Williams (Independent Director)

Trevor Carroll (Independent Director)

Warwick Evans (Director)

Sebastian Evans (Director)

### 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: 273529)

### CONTACT DETAILS

T: (02) 9002 1576

E: [enquiries@naos.com.au](mailto:enquiries@naos.com.au)

W: [www.naos.com.au](http://www.naos.com.au)

### SHARE REGISTRY

Boardroom Pty Limited

Level 8

210 George Street

Sydney NSW 2000

Telephone: 1300 737 760

### AUDITOR

Deloitte Touche Tohmatsu

Level 46, Quay Quarter Tower

50 Bridge Street

Sydney NSW 2000

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