NAOS

NAOS SMALL CAP OPPORTUNITIES COMPANY LIMITED

NSC

ANNUAL REPORT 2026

ACN 107 617 381

Contents

NAOS

Acknowledgement of Country

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

NSC Key Dates

NSC

2026 ANNUAL GENERAL MEETING

Thursday 12 November 2026

NAOS Small Cap Opportunities Company Limited advises that its Annual General Meeting (AGM) will be held at 9.45 am (AEDT) on Thursday, 12 November 2026, at Beaumont Room, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney NSW 2000.

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

In accordance with the ASX Listing Rules, valid nominations for the position of Director are required to be lodged at the registered office of the Company no later than 5.00 pm (AEST) on 17 September 2026.

FY26 FINAL QUARTERLY DIVIDEND DATES

Ex-Dividend Date	**Thursday 10 September 2026**
Record Date	**Friday 11 September 2026**
Last Date for DRP Election	**Monday 14 September 2026**
Payment Date	**Wednesday 30 September 2026**

NAOS INVESTOR ROADSHOW

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

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

PERTH — **Thursday 8 October**

InterContinental Perth City Centre
815 Hay Street, Perth WA 6000
10.30 am-12.00 pm

BRISBANE — **Thursday 15 October**

Sofitel Brisbane Central
249 Turbot Street, Brisbane QLD 4000
10.30 am-12.00 pm

MELBOURNE — **Thursday 22 October**

Hilton Melbourne Little Queen Street
18 Little Queen Street, Melbourne VIC 3000
10.30 am-12.00 pm

SYDNEY — **Tuesday 27 October**

Australian Museum
1 William Street, Sydney NSW 2010
10.30 am-12.00 pm

ADELAIDE — **Thursday 5 November**

The Playford Adelaide
120 North Terrace, Adelaide SA 5000
10.30 am-12.00 pm

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

NAOS Small Cap Opportunities Company Limited

Share Price Premium to Pre-Tax NTA at 30 June 2026

15.70%

Dividends Since Inception

43.50 cps

Directors' Shareholding

+11%

NSC

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

KEY METRICS AS AT 30 JUNE 2026

Pre-Tax Net Tangible Assets per Share

$0.28

Post-Tax Net Tangible Assets per Share

$0.37

FY26 Dividend (cents per share)

5.0 cents

Dividend Yield*

15.38%

Share Price

$0.325

Shares on Issue

132,001,294

Directors' Shareholding (number of shares)

3,554,820

Profits Reserve (cents per share)

7.9 cents

INVESTMENT PORTFOLIO PERFORMANCE AS AT 30 JUNE 2026

	NSC Investment Portfolio Performance**	S&P/ASX Small Ordinaries Accumulation Index	Performance Relative to Benchmark
1 Year	-9.86%	+8.11%	-17.97%
3 Years (p.a.)	-14.20%	+9.89%	-24.09%
5 Years (p.a.)	-11.18%	+2.98%	-14.16%
Inception (p.a.)	-3.27%	+5.65%	-8.92%
Inception (Total Return)	-24.80%	+60.25%	-85.05%

* Dividend yield is based on the four most recent dividends declared on or before 30 June 2026, totalling 5.0 cents per share, and is calculated using the closing share price of $0.325 at 30 June 2026.

** Investment Portfolio Performance is post all operating expenses, before fees, interest, taxes and capital-raising costs. Returns compounded for periods greater than 12 months. Performance has not been grossed up for franking credits received by shareholders. Inception performance (p.a. and Total Return) is from 1 December 2017.

Board Of Directors

DAVID RICKARDS OAM

Independent Chair

David Rickards OAM has been an Independent Director of the Company since 28 February 2018 and was elected Chair of the Company on 10 November 2022. David is also the 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 majoring in accounting and finance from the University of Queensland. 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).

SEBASTIAN EVANS

Director

Sebastian Evans has been a Director of the Company since 20 October 2017. Sebastian is also a Director of NAOS Ex-50 Opportunities Company Limited (ASX: NAC), NAOS Emerging Opportunities Company Limited (ASX: NCC) and has held the positions of Chief Investment Officer (CIO) and Managing Director of NAOS Asset Management Limited, the Investment Manager, since 2010.

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

SARAH WILLIAMS

Independent Director

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

Sarah has been a director of charitable organisations, including Cure Cancer Australia Foundation and Make A Mark Australia. Sarah holds an 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 Australia and New Zealand CEO of Electrolux Home Products. With over 30 years' 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 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

Director

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

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

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

Letter from the Chair

Dear fellow shareholders,

On behalf of the Board, welcome to the Annual Report for NAOS Small Cap Opportunities Company Limited (Company) for the financial year ended 30 June 2026. I would like to thank all shareholders for your continued support and welcome all new shareholders who joined the register during the year.

For the financial year ended 30 June 2026, the NSC Investment Portfolio returned -9.86%, compared with the benchmark S&P/ASX Small Ordinaries Accumulation Index, which returned +8.11%. The Company recorded an after-tax loss of $6.60 million (FY25: after-tax loss of $9.07 million), and pre-tax net tangible asset backing per share decreased from 38.17 cents to 28.09 cents over the course of the year, as set out in the chart on the following page.

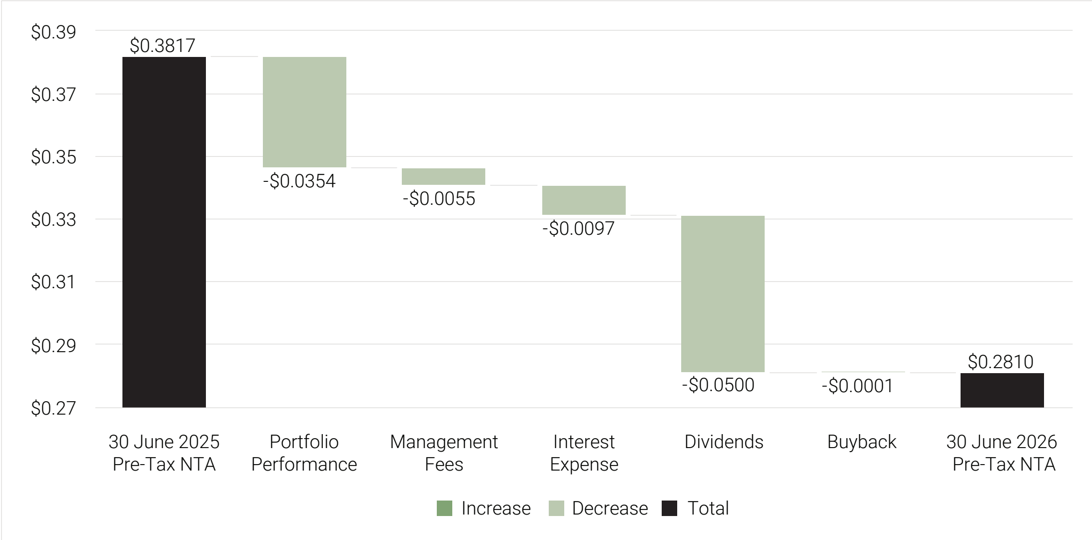
The portfolio result was driven by share price reductions in a small number of large holdings against the economic backdrop, which offered little valuation support regardless of company-specific outcomes. Rather than the interest rate relief widely anticipated at the start of the year, the Reserve Bank of Australia increased the cash rate by 0.75% over the financial year to 4.35%, with inflation proving more persistent than forecast and conflict in the Middle East pushing oil and refined fuel prices higher. Higher discount rates weighed on valuations across the market, often regardless of how the underlying businesses performed operationally.

Total shareholder return for the 12 month period was 33.14%, or 35.41% when including the value of franking credits.

Whilst this has been a poor result, the Company's share price told a different story. Over the twelve months, the share price increased from $0.280 to $0.325, strengthening notably over the final quarter, and the Company closed the financial year trading at a premium of 15.70% to pre-tax net tangible asset backing, having commenced the year at a discount of 26.64%.

Portfolio return and NTA measure the performance and value of the Company's underlying investments. Total shareholder return measures the change in the market value of a shareholder's investment, together with dividends paid over the period. Total shareholder return for the 12-month period was 33.14%, or 35.41% when including the value of franking credits, driven by the dividends paid over the year and by the movement in the share price relative to pre-tax NTA.

NSC Pre-Tax NTA Performance

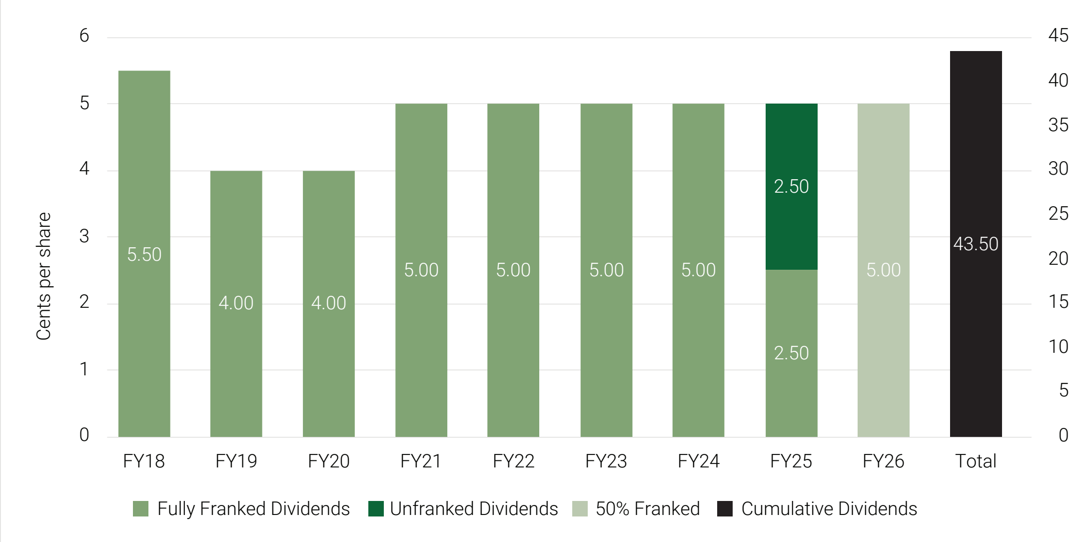


Dividends are the part of the shareholder returns that the Board can most directly influence, and we have declared a final quarterly dividend of 1.25 cents per share, franked to 50%, bringing the total dividend for FY26 to 5.00 cents per share. Based on the closing share price of $0.325 at 30 June 2026, this represents a yield of 15.38%, or 17.95% once the value of the attached franking credits is included.

The Company seeks to provide shareholders with a sustainable stream of dividends, franked to the maximum extent possible, while maintaining a profit reserve sufficient to continue paying them in periods where performance has been harder to generate. The profit reserve balance at year-end was 7.9 cents per share.

Since inception, the Company has now declared 43.50 cents per share in dividends, together with 15.90 cents per share in franking credits, being 59.40 cents per share in total. That is more than 1.8 times the closing share price of 32.5 cents at 30 June 2026.

NSC Dividend History



Capital management is the other avenue available to the Board, and the principal activities during the year were:

- **Dividends**: the quarterly rate of 1.25 cents per share was maintained throughout the year.
- **On-market share buy-back**: 906,890 shares were acquired and cancelled at a total cost of $290,893, at a time when the shares were trading at a discount to pre-tax net tangible asset backing.
- **Dividend reinvestment plan**: all dividend reinvestment plan entitlements were satisfied through on-market purchases during the year, meaning shareholders received their reinvested dividends without any dilution to their holdings.

The Board continues to remain strongly aligned with all shareholders through their respective shareholdings, which increased by 353,136 shares over the course of the financial year, an increase of 11.0%, to a cumulative 3,554,820 shares.

Notably, since the end of the financial year, a number of the Company's holdings have provided positive updates. In the short term, this may not lead to a significant re-rating of these businesses' valuations, but the Board believes it highlights their true underlying value and the significant discount to fair value at which they are trading today. Given the recent events mentioned above, the Board anticipates a significantly stronger FY27 for shareholders.

A detailed view of the Company's Investment Portfolio is set out in the Investment Manager's Report on the following pages, which I would encourage shareholders to read.

On behalf of the Board of Directors, I would like to thank the staff of the Investment Manager for their efforts and dedication over the course of the financial year, and to all shareholders for their continued support.

David Rickards OAM

Independent Chair

21 August 2026

Investment Manager’s Report

Dear fellow shareholders,

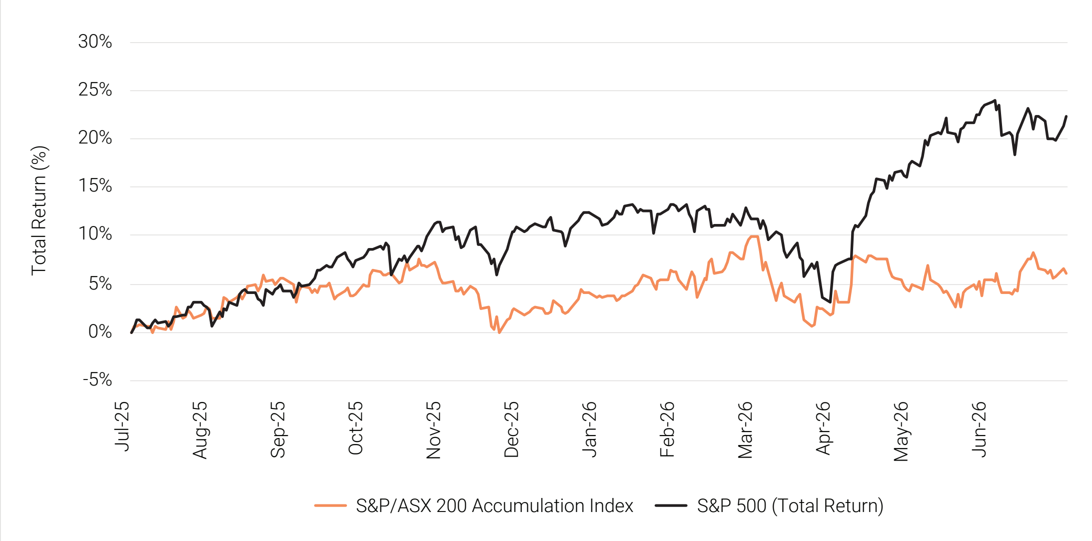
For the financial year ended 30 June 2026 (FY26), the NSC Investment Portfolio returned -9.86% compared to the Benchmark S&P/ASX Small Ordinaries Accumulation Index (XSOAI), which returned +8.11%. We want to be clear: this is a deeply unsatisfactory result, particularly following the difficult FY25 outcome, and one for which we, as the team responsible for managing NSC, take full ownership.

We are not in the business of making excuses. We are, however, in the business of allocating capital with a long-term view, and even after the recent improvement in performance, the NAOS team genuinely believes that the intrinsic value of NSC’s core investments materially exceeds their current carrying value. As a sign of my personal alignment, I have continued to acquire NSC shares on-market throughout FY26; I do not own any shares outside the NAOS LICs, and intend to maintain that position for as long as this view remains.

The Year in Markets - Capital, Capex and Concentration

FY26 will be remembered for both the extraordinary concentration of capital at the top end of global equity markets and the geopolitical and macroeconomic noise that has run alongside it. The S&P/ASX 200 Accumulation Index (XJOAI) delivered a +6.11% return. In the US, the S&P 500 Index returned +22.32%, but the dispersion within those headline numbers tells a more meaningful story.

S&P/ASX 200 v S&P 500 (Total Return)



Source - S&P, Iress

For most of CY25, the so-called 'Magnificent 7' companies continued to drive the bulk of US equity returns, with this cohort delivering an average return of ~27.5% versus the S&P 500 Index's return of ~16%. That dynamic reversed in CY26. Through the first half of CY26, the Magnificent 7 underperformed the broader index, returning +3.7% versus the S&P 500 Index return of +9.9%. By February, as a snapshot, the cohort was down -7% while the equal-weighted S&P 493 was up +4%. This is the first sustained period of underperformance for the Magnificent 7 cohort since 2022 and, in our view, marks an early shift in market breadth that requires close watching.

Underpinning FY26, both domestically and globally, was the AI infrastructure capital expenditure cycle. The five largest US hyperscalers - Alphabet Inc. (NDQ: GOOG), Amazon Inc. (NDQ: AMZN), Microsoft Corp. (NDQ: MSFT), Meta Platforms Inc. (NDQ: META) and Oracle Corp. (NYSE: ORCL) - collectively committed in excess of US$700 billion of capital expenditure in CY26, an increase of circa 36% year-on-year, with around 75% of that spend tied directly to AI infrastructure. To put that into perspective, Alphabet Inc. alone spent ~US$45 billion in Q2 CY26, which was 100% higher than the previous corresponding period, with Google Cloud's reported contracted customer backlog exceeding US$510 billion. The Data Centre division for NVIDIA Corp. (NDQ: NVDA) generated revenue of circa US$75 billion in a single quarter (Q1 CY26), up circa 92% year-on-year.

These are numbers without a clear historical analogue. The capital being deployed into AI infrastructure, such as Graphics Processing Units (GPUs), power infrastructure, cooling, networking and the physical real estate that houses it, has, by some measures, exceeded the entire telecommunications buildout of the late 1990s. The relevant question for investors in emerging companies is not whether this capex cycle is happening - clearly, it is - but what the second-and third-order effects look like, and which companies further down the value chain are positioned to benefit without taking on hyperscaler-level capital risk.

The Software De-Rating

Sitting in awkward contrast to the AI infrastructure spend and data centre buildout has been the sharp de-rating of many listed software companies. In our Q3 FY26 Quarterly Investment Report, we referred to this dynamic, often coined the 'SaaSpocalypse'.

Globally, and on the ASX, several of the most highly regarded software businesses have seen their share prices fall by 50% or more over a 6-12-month period, with notable ASX examples including Xero Ltd (ASX: XRO), Pro Medicus Ltd (ASX: PME), TechnologyOne Ltd (ASX: TNE) and Objective Corp. Ltd (ASX: OCL).

The driver of this de-rating is a genuine question over the long-term durability of software revenue. Will customers continue to pay the same price per seat in five years' time if a competing AI-native product offers comparable functionality at a fraction of the cost? Will existing customers consume less of the software they already have? Will some customers simply build their own alternatives? These are not abstract questions; they are likely being asked by every CFO undertaking an enterprise software renewal within their existing environment.

In our view, this de-rating will not be felt evenly across the sector. Those with deep integrations into customer workflows, regulatory data, or proprietary network effects appear comparatively well insulated. Those whose primary value proposition is a thin layer on top of a large language model capability are far more exposed. As renowned global software investor Thoma Bravo noted at its annual investor meeting in March, total spend on software applications may actually increase as AI implementation drives efficiency gains, but the distribution of that spend across vendors will look very different from what it is today.

Interest Rates and the Middle East

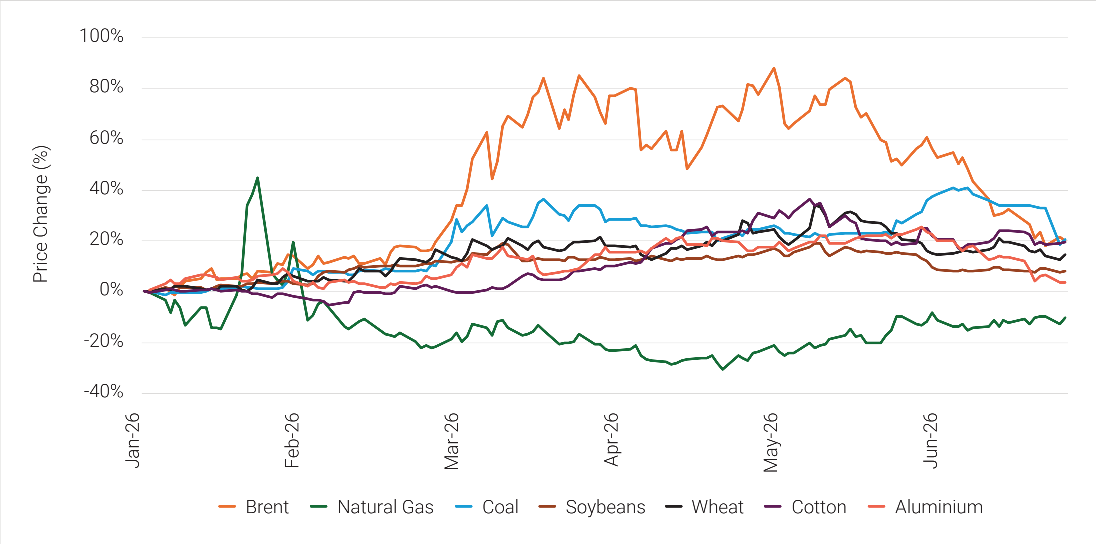
A year ago, the consensus view was that domestic interest rates would continue their gradual descent through CY26. That view has not aged well. Through FY26, the Reserve Bank of Australia (RBA) increased interest rates by +0.75%, taking the cash rate back to 4.35% at the time of writing. The drivers of this reversal are well documented. Underlying inflation has proven stickier than expected, the labour market remains tight, and the conflict in the Middle East has driven oil and refined fuel prices sharply higher, which is now feeding through to the broader Consumer Price Index (CPI). It can also be strongly argued that interest rate increases no longer have the same desired effect as they did 10-20 years ago, given the demographic shifts in Australian society.

The conflict in the Middle East, which escalated meaningfully in early CY26, remains unresolved at the time of writing. For Australian businesses, the practical impact has been twofold:

1. A higher input cost profile for anything energy-intensive or transport-dependent; and
2. A delay in the timing of expected interest rate relief that many had built into FY26 budgets.

From our perspective, the more worrying variable is that we believe many second- and third-order effects are only now starting to make their way through supply chains. Examples include the inputs required to make many food-packaging items, the glues used in manufacturing processes such as plywood, and more nuanced pure-oil products. A good outcome, in our view, would be one where the impact is contained to price rises; a more realistic scenario is supply disruptions and volume curtailments that persist for a considerable period.

Commodity Price Movements - 6 Months



Source - Koyfin

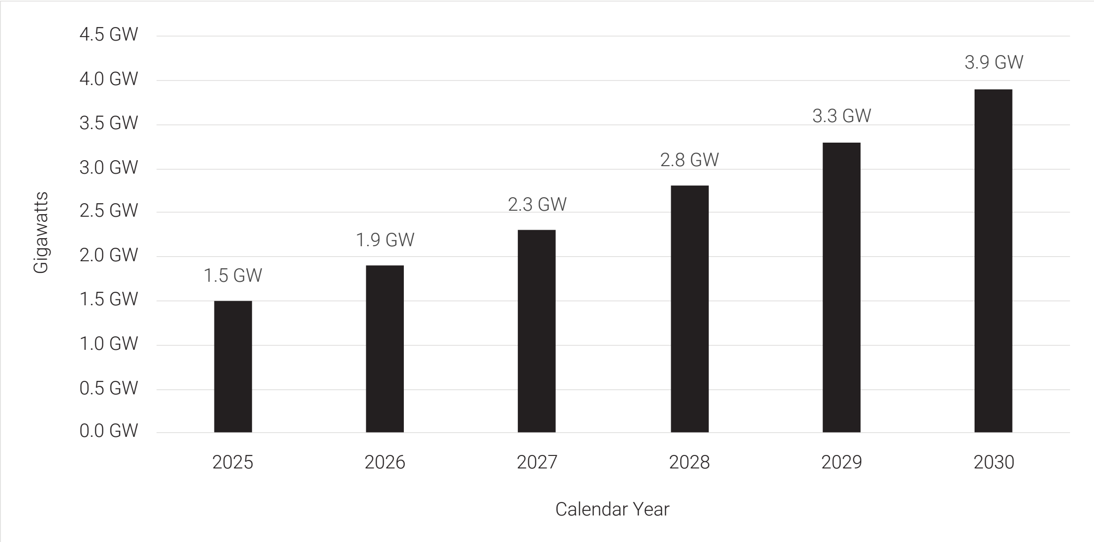
As we consistently emphasise, we do not claim any ability to consistently pick market highs and lows. However, the practical implications of the above for the businesses we own are reasonably clear. Discretionary consumer activity is softer than it was 6-12 months ago. Construction-related demand has continued to recover from cyclical lows, but more slowly than we had hoped. Defence-related spending continues to expand, both in Australia and globally, as governments respond to a more volatile geopolitical environment. The cost of debt remains higher than what businesses had been expecting 12 months ago, which has renewed the focus on capital efficiency and cash generation.

The Australian Knock-On - Data Centres, Contractors and Defence

The most consequential domestic development of FY26 has, in our view, been the way in which the global AI capex cycle has begun to translate into demand for physical infrastructure on Australian shores. Australia is now firmly on the global hyperscaler map as a build location, with the most visible commitment being both Amazon Inc.'s circa AU$20 billion data centre investment announced in mid-2025 and Microsoft Corp.'s AU$25 billion expansion investment announced in April 2026.

On a national basis, Australia's deployable data centre capacity is expected to more than double from circa 1.5 GW in 2025 to in excess of 3.9 GW by 2030, requiring an estimated AU$26 billion in new build. To put that in perspective, this is the kind of structural construction pipeline that the domestic resources sector last enjoyed during the LNG construction boom of the early 2010s. Equally potent is the fact that, despite this projected build-out, demand will still outstrip supply.

Forecasted Gigawatts (GW) of Data Centre Demand in Australia

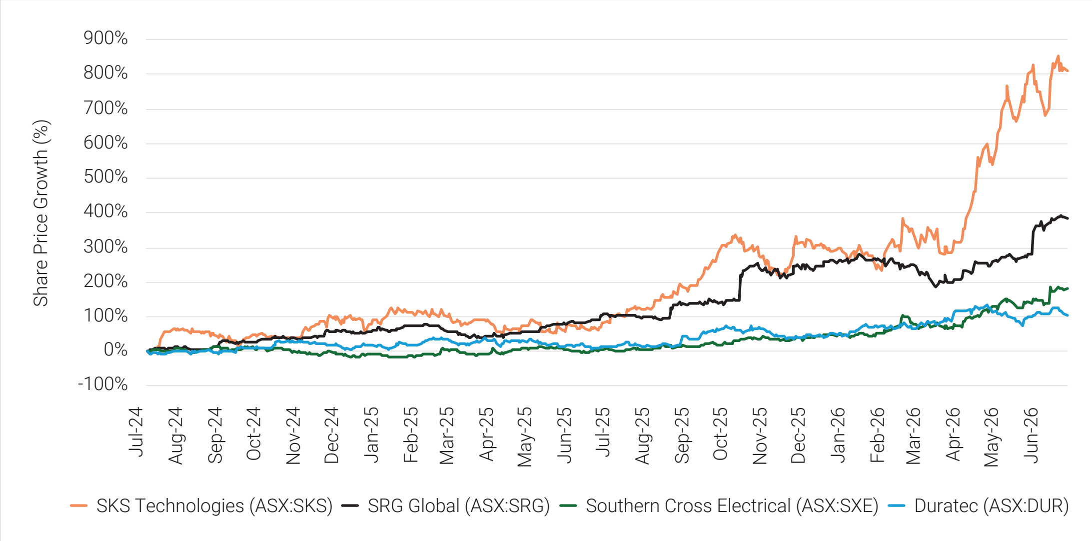


Source - NextDC, McKinsey & Co.

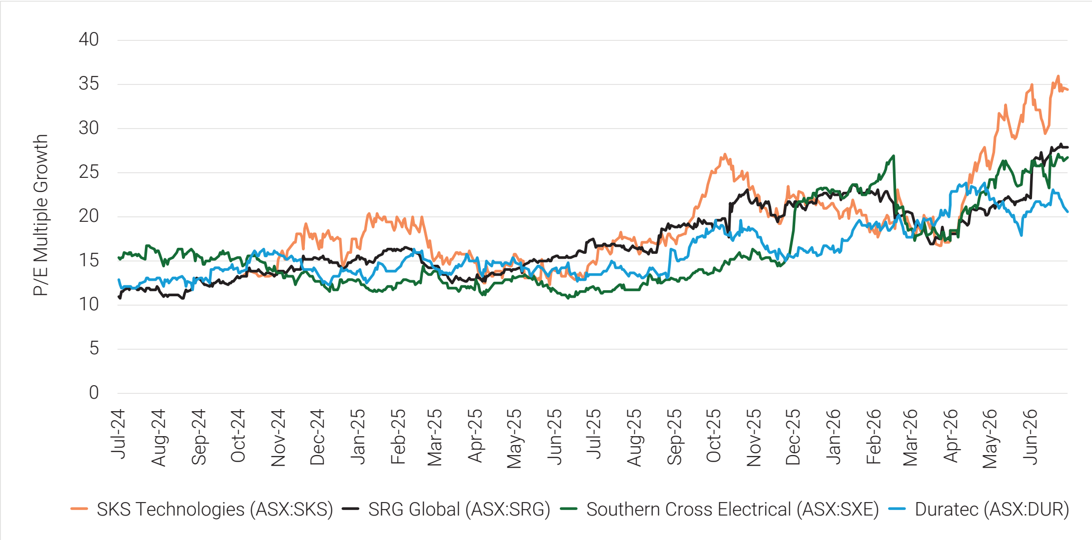
Layered on top of this is a marked uplift in federal government Defence spending, with successive commitments to expand the Department of Defence's facilities footprint to support advanced aircraft, drones, submarines and related capability. Both the Data Centre theme and the Defence spending theme are highly capital-intensive, have multi-year durations, and ultimately require much of the same skill base: electrical engineering, civil works, mechanical fit-out, communications cabling, and high-voltage power infrastructure. For the specialist Australian contractors that can credibly self-perform across these disciplines, demand for their services appears the strongest it has been in well over a decade.

The market has noticed. Over the past 12-18 months, the share prices of contracting and engineering services businesses, including SKS Technologies Group Ltd (ASX: SKS), SRG Global Ltd (ASX: SRG), Southern Cross Electrical Engineering Ltd (ASX: SXE) and Duratec Ltd (ASX: DUR) have re-rated materially, in several cases more than doubling. The earnings underpinning these moves are real. Order books across the cohort have grown significantly, the project mix has shifted to higher-margin work, and pricing power has improved as bid lists have shortened.

Contractors & Engineering Firms - Share Price Growth (%)



Contractors & Engineering Firms - P/E Multiple Growth



Source - S&P

It is worth noting, however, that the valuations applied to many of these businesses are now well above their long-term historical averages. For a sector that has historically traded on single-digit to low-teens forward earnings multiples through the cycle, in our view, the bar for continued share price appreciation from here is materially higher than it was 12 or 24 months ago. The read-through, in our view, for our Investment Portfolio is positive - the same demand backdrop directly benefits our exposure to Saunders International Ltd (ASX: SND). However, it is also a reminder that the easiest returns from this thematic have likely already been made. It is also important to weigh the longevity of these earnings profiles against the multiples at which they are being capitalised.

Pulling the Threads Together

In summary, we believe FY26 has been defined by four interrelated forces:

- An extraordinary capital expenditure cycle among the largest technology companies that has reshaped where global capital flows and how equity markets have performed;
- A broad de-rating of software businesses as investors question, for the first time in years, whether their recurring revenue will hold up;
- An interest rate path that has risen more than the market expected, on the back of stickier inflation and energy costs driven by geopolitics; and
- A conflict in the Middle East that affects the economy mainly through commodity prices and the timing of expected rate relief.

Against this backdrop, the Australian market has continued to disproportionately reward scale and passive index membership, while leaving a significant cohort of high-quality smaller businesses trading at, in our view, materially attractive valuations relative to their underlying long-term value. Despite this, the issue remains: what is the catalyst to close this disparity between perceived fair value and current value for the abovementioned cohort?

NAOS Philosophy

At NAOS, we will continue to focus on what we can control. Our investment philosophy centres on investing in emerging companies that deliver high returns on invested capital and are led by experienced, aligned management teams.

These companies operate in industries poised for sustained revenue growth, where they hold clear competitive advantages, and their business models are transparent to investors. Notably, more than 90% of NSC's portfolio is outside the ASX indices, ensuring our investments diverge significantly from the benchmark, the S&P/ASX Small Ordinaries Accumulation Index.

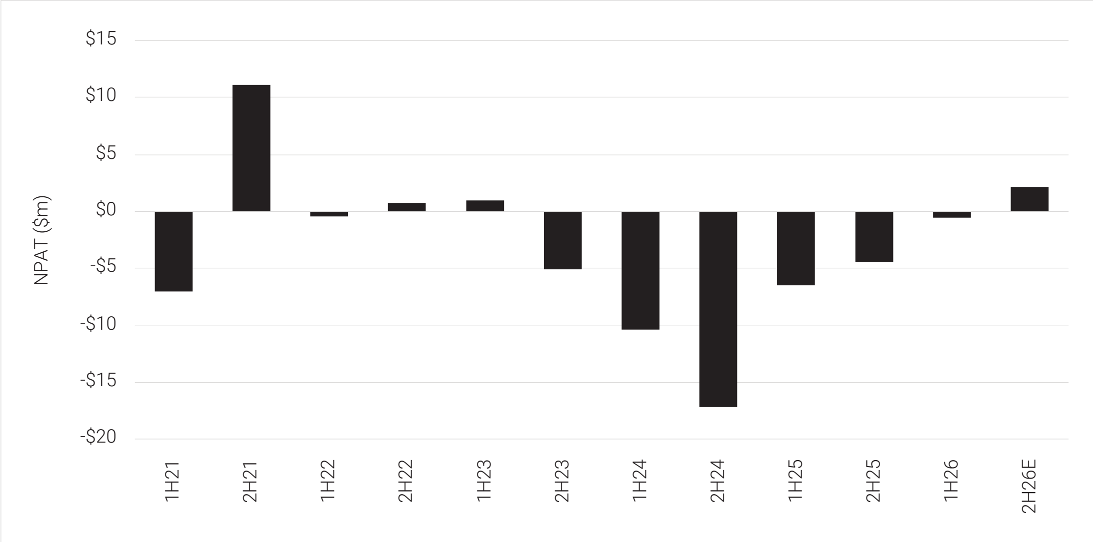
Below, I have expanded on three core investments in the NSC portfolio that experienced notable events in FY26, setting out in each case the developments we believe support a re-rating in value over the period ahead.

MOVe Logistics Group Ltd (ASX/NZX: MOV) - The Path Back to Profitability

MOVe Logistics Group Ltd (ASX/NZX: MOV) is a New Zealand-based logistics operator that has been one of the more challenging investee companies within the NSC Investment Portfolio. In FY26, in our view, the MOV share price materially detached from the underlying operating trajectory of the business. We include MOV in this report precisely because we believe the gap between price and progress is now at its widest.

Our investment thesis on MOV rests on a turnaround from a loss-making, sub-scale cost base toward a right-sized, profitable national logistics network, leveraged to an eventual recovery in the New Zealand economy. Through FY26, that operational turnaround has steadily progressed. The company's normalised earnings before tax (EBT) loss in Q1 FY26 had narrowed by 68% year-on-year, and management reaffirmed guidance to return to profitability for the full FY26 year. Pleasingly, this was confirmed during July with the company announcing it had achieved its target of positive normalised EBT for FY26. The 1H FY26 results extended that improvement, with all business lines other than Warehousing delivering planned operational gains.

MOVe Logistics NPAT ($m)



Source - Company, NAOS

The Warehousing division remains the principal area of underperformance given some of the sub-optimal leases signed by previous management teams. The current management team has flagged a small level of new business wins, ongoing productivity improvements, and the planned exit of two onerous property leases as the key contributors to improving the cost base from late FY26 into FY27. We will be monitoring the resolution of these leases and the Warehousing division's trajectory closely, as it represents the key swing factor for MOV achieving sustainable profitability.

The investment case from here, in our view, is a combination of self-help and cyclical leverage. On the self-help front, MOV has been right-sized, the cost base reset, and the customer base broadly retained - the operational gains are largely within management's control. On the cyclical side, the New Zealand economic backdrop, while still soft, has begun to show early signs of stabilisation, with declining interest rates and improving consumer confidence. MOV's national network, cost base reset and strong customer partnerships leave it well-placed to benefit operationally as economic activity improves through 2H CY26 and into CY27.

We will be the first to acknowledge that the share price action over FY26 has been disappointing, particularly given the underlying operational progress. The combination of low trading liquidity (MOV is primarily traded on the NZX) and a constrained risk appetite for small-cap logistics businesses has, in our view, weighed on the share price well beyond what the underlying earnings trajectory would warrant.

For a turnaround of this nature, the next 12 to 18 months will be critical. Success will depend not only on achieving profitability (which they have now done) but also on demonstrating that those profits are durable and scalable as volumes recover. Looking ahead, we expect management's focus to shift toward delivering sustainable 3–5% net profit after tax (NPAT) margins. We believe this is an achievable target, given the significant operating leverage in the business as it scales from a low base amid a gradually improving New Zealand economy.

Big River Industries Ltd (ASX: BRI) - JBS Acquisition and the Emergence of a Strategic Substantial Shareholder

Big River Industries Ltd (ASX: BRI) has been a core holding in the NSC Investment Portfolio for several years, with the investment thesis centred on BRI's position as one of the largest distributors of building products (timber, plywood, panels, formply, cladding, and related value-added products) in Australia. BRI also has a relatively balanced exposure across the different market segments, being residential construction, commercial construction and infrastructure. FY26 has been a period of meaningful strategic and corporate-level developments for BRI, even as end-market conditions have shown only modest improvement from the cyclical trough.

The most significant operational development of the year was the December 2025 acquisition of Johns Building Supplies (JBS), a Western Australian-based distributor of building materials. The total acquisition consideration was $17 million, funded by a fully underwritten $10 million rights issue, $2 million in vendor equity, and the balance from an earnout and existing debt facilities. Over the prior three financial years, JBS generated average annual revenue of approximately $41 million and EBITDA of $5.2 million (post-AASB 16), implying a transaction multiple that we view as attractive given the strategic rationale. For context, we believe JBS is the largest building supplies trade centre outside a Bunnings site in Western Australia.

The strategic rationale meets all of the criteria we would expect from a BRI acquisition.

1. JBS offers material exposure to higher-margin value-add products, notably in cladding, which benefit from structural long-term construction demand. This supports BRI's ongoing strategy to lift gross margins toward 30%.
2. JBS materially strengthens BRI's presence in Western Australia, a state where BRI had historically held two somewhat sub-scale sites. The combined footprint will allow BRI to compete more effectively for larger, more sophisticated WA clients.
3. JBS is a scaled operation with over $40 million in annual revenue and more than 800 customers across residential, commercial fit-out & construction segments, providing a diversified end-market exposure that, in our view, materially reduces integration risk compared to a smaller bolt-on.

The second corporate-level development of FY26 has been the emergence and continued accumulation of a new substantial shareholder, CTL (Aust) Pty Ltd. CTL first emerged on the register on 30 December 2025 with a 5.39% stake, having accumulated shares from late September 2025 onwards. Throughout the second half of FY26, including a sequence of substantial holder notices in May 2026, CTL has continued to build its stake to a current shareholding of approximately 19.9%. CTL (Aust) is linked, via its sole director, to United Steel Pty Ltd, a steel distribution business that also controls Calibre Steel and GAM Steel (both related to the Coil Steels group). Based on our understanding of the industry, we believe there is clear strategic merit in the ability to cross sell both building products (ex-steel) and steel-related building products through the same sites to the same customer base.

In parallel, the underlying BRI business has continued to navigate a challenging cyclical environment. End-market demand, with circa 65% of current revenue exposed to residential construction, has remained at cyclical lows throughout much of FY26. However, the structural tailwinds supporting the business (Australia's housing shortage, government measures to ease planning constraints, ongoing interest rate uncertainty notwithstanding) remain intact.

With the JBS earnings contribution beginning to flow through 2HFY26 and into FY27, and with the BRI executive team continuing to invest in property consolidation, supply chain optimisation and margin-accretive product mix, we believe BRI is well-positioned for a material earnings uplift as cyclical conditions normalise. Given the pro forma run rate of the combined JBS and BRI businesses, equating to a $9.6 million NPATA, we would hope this figure exceeds $12 million in FY27, which would place the business on a Price to Earnings multiple (P/E) of ~10 at the time of writing. The company has provided initial guidance for FY27 that it expects to achieve double-digit EBITDA growth vs FY26, which itself is expected to be in line with consensus forecasts.

SomnoMed Ltd (ASX: SOM) - Margin Expansion and the Rest Assure Opportunity

SomnoMed Ltd (ASX: SOM) has been a more recent addition to the NSC Investment Portfolio, and one we featured as the Investment in Focus in our Q3 FY26 Quarterly Investment Report. For shareholders who may not have seen that piece, we provide a summary of the investment thesis here.

SOM is an Australian medical device company, ASX-listed since late 2004, and a global leader in the design and manufacture of custom-fitted oral appliances for the treatment of Obstructive Sleep Apnoea (OSA). The company has announced its FY26 preliminary, unaudited results with revenue between $114 million and $115 million, compared to latest guidance of $119 million to $126 million, but pleasingly EBITDA landed towards the middle of the previously guided $10 million to $12 million. The majority of sales are generated in the US and Northern Europe, and all SOM products are manufactured at the company's own facility in the Philippines.

Fiscal Year	Revenue (AUD)	YoY Growth	Notes
FY2018	~$64M	+30%	Strong growth year
FY2019	~$59M	-8%	Pre-COVID decline
FY2020	$57M	-3%	COVID-19 impact
FY2021	$62M	+9%	Early recovery
FY2022	$73M	+16%	Post-COVID acceleration
FY2023	$84M	+15%	Sustained momentum
FY2024	$92M	+10%	Steady growth
FY2025	$112M	+22%	Record year
H1 FY2026	$61M	+13%	On track for $119-126M

Source - SomnoMed

The market opportunity is, in our view, large and structurally growing. Obstructive sleep apnoea affects an estimated 83.7 million US adults today, approximately 32% of the US adult population, yet only around 6 million have been formally diagnosed. The global sleep apnoea devices market was valued at approximately US$10.3 billion in 2025 and is projected to reach US$22.9 billion by 2034, a compound annual growth rate of approximately 9.6%. Importantly, the patient pool is growing, driven by rising obesity rates and an ageing population. A 2025 study sponsored by ResMed Inc. (ASX: RMD) projects that by 2050, OSA will affect approximately 76.6 million US adults, representing a relative increase of nearly 35%. The dominant existing treatment, continuous positive airway pressure (CPAP) therapy, suffers a well-documented compliance problem, with reported non-adherence rates of between 46% and 83% depending on the study, and more than 25% of patients abandoning CPAP entirely within approximately three years.

The arrival of GLP-1 weight-loss drugs (most notably Eli Lilly's Zepbound, which became the first medication ever FDA-approved specifically for sleep apnoea) has added a further dimension to the market opportunity. Initial market reaction focused on GLP-1s as a potential threat to existing OSA device makers. A more nuanced reading, in our view, is that GLP-1s are likely to expand the total addressable market materially over time. The mechanism is straightforward. A patient who suspects they have OSA but has been deterred from seeking a diagnosis by the perceived burden of CPAP now has a strong incentive to engage with the healthcare system if they are already receiving, or considering, GLP-1 therapy. Many of those patients will lose meaningful weight on GLP-1s and move from severe to moderate or mild OSA - patients who will still require some form of treatment (oral appliances, positional therapy, or lower-pressure CPAP) but who are now actively engaged in managing the condition.

Within this expanding market, our investment in SOM rests on three pillars.

1. **Gross margin expansion**. SOM currently achieves a gross margin of approximately 61% on its all-Philippines-manufactured product range, compared with ResMed's circa 62%. Given that ResMed has a revenue base that is ~65 times larger, we see substantial scope for SOM to improve its margin profile as it scales. Under the new leadership of CEO Karen Borg (former President, Asia Pacific at ResMed Inc.) and Amrita Blickstead (former COO and CMO at eBay Inc.), the team has prioritised automation of the largely manual production process and improved manufacturing throughput.
2. **Market share growth**. SOM currently holds an estimated share of circa 2% in the global sleep apnoea devices market, with its products primarily positioned as a second-line therapy for CPAP-intolerant patients. There is a clear opportunity to increase adoption within the existing dentist referral network through better product fit, simpler clinical processes, and improved practitioner remuneration, all of which the new leadership team has prioritised.
3. **Commercialisation of the Rest Assure product**. Of the three pillars, this is arguably the most strategically important. Rest Assure is SOM's next-generation oral appliance, developed over nearly a decade. The defining differentiator of Rest Assure is its embedded sensors, which measure and monitor treatment efficacy and patient compliance in real time. This addresses the single most significant historical limitation of oral appliances relative to CPAP - the absence of objective compliance and efficacy data. Rest Assure already holds FDA clearance for its compliance monitoring features, and management has indicated that obtaining full FDA approval for the efficacy monitoring features is the priority milestone for the period ahead. We expect management to provide clarity on the optimal go-to-market strategy, reimbursement pathways and the commercial launch profile by the end of CY26.

In our view, the medium-term opportunity for Rest Assure is significant: to transition from a second-line therapy to a credible first-line option for a meaningful subset of OSA patients. In a market expected to double over the next decade - where the dominant therapy suffers from structural compliance issues and new pharmaceutical entrants are broadening patient awareness - the upside for SOM is substantial if it can establish Rest Assure as a strong CPAP alternative.

It is rare to find a listed business that can be acquired today at a reasonable valuation that also offers meaningful exposure to a growing market, material margin expansion potential, and significant market share upside. In our opinion, SOM meets all three criteria.

Outlook for FY27

As we have noted for many years, while valuations are heavily influenced by sentiment and subjective forces in the short term, earnings power and cash generation ultimately prevail over the long run.

For many of NSC's remaining core investments, FY27 is shaping up to be a pivotal year in terms of earnings momentum, which we expect will drive a re-rating of these businesses over time. Examples include:

- **MOVe Logistics Group Ltd (ASX/NZX: MOV)** - MOV has announced that it has achieved a headline return to profitability for FY26. This should pave the way for a stronger outlook in FY27 and beyond. With a revenue base of approximately NZD$300 million and a market capitalisation of only NZD$25 million, the potential upside is significant. Even at a conservative 3% NPAT margin below best-in-class levels for the sector, the implied P/E would be just 2.7 times.

After five years of the New Zealand economy bumping along the bottom, and with the conflict in the Middle East slowing the emergence of green shoots, a recovery is yet to materialise. However, we believe improving conditions could begin to flow through in FY27.

- **Big River Industries Ltd (ASX: BRI)** - Similar in many respects to MOV, FY27 is expected to be the year BRI demonstrates to the market its ability to deliver a reasonable return on a substantial revenue base of approximately $500 million.

  The overhauled and expanded management team has spent the past two years implementing key strategic initiatives, and these efforts are now poised to drive meaningful margin improvement. Combined with the additional scale and diversification from the recent JBS acquisition, we believe FY27 will mark a step-change year for earnings. The business also carries a free option on further M&A or corporate activity, supported by CTL's new 19.9% shareholding. We would also expect the Board to provide updates on the strategic review being undertaken with Greenstone Partners, following the Board's view that the current share price does not reflect the long-term value of the business.

- **SomnoMed Ltd (ASX: SOM)** - Despite six consecutive years of revenue growth (including FY26 guidance), we firmly believe SOM is still under-earning. From a margin perspective, there remains meaningful upside in the manufacturing process, which is still largely manual. On the revenue side, SOM's share of the global non-CPAP sleep apnoea treatment market is still very low - less than 5%. The company is addressing this across the existing product range, and has also announced a new product, Virtus, a purpose-built therapy for patients with OSA and coexisting sleep bruxism (the grinding and clenching of teeth during sleep). Furthermore, the Rest Assure product offers a compelling opportunity for wider adoption, particularly given its ability to monitor compliance in real time, which should support improved reimbursement pathways. We expect significant progress on both the margin and revenue fronts throughout FY27.

- **Saunders International Ltd (ASX: SND)** - In 2HFY26, SND returned to profitability under its new CEO. The business has been deliberately scaling in preparation for entry into the Defence and Water sectors, which has seen costs outpace revenue for some time. In FY27, the key focus will be on delivering consistent financial results while securing larger-scale contracts in the water and defence sectors, alongside its core markets. Success here should demonstrate SND's ability to win more sophisticated and materially larger projects than it has historically.

While the catalysts outlined above may appear nuanced, we believe their realisation in FY27 could drive substantial shareholder value, particularly if supported by earnings growth and valuation re-ratings.

I would also like to acknowledge our long-standing NSC shareholders for their unwavering support, particularly through what has been a challenging past two-year period. As a sign of my confidence in NSC's long-term value creation, I have continued to acquire NSC shares throughout FY26, and intend to continue doing so for as long as I believe this opportunity for significant capital appreciation exists.

Kind regards,

Sebastian Evans

Managing Director and Chief Investment Officer
NAOS Asset Management Limited

NSC Core Investments

SCHOOLBLAZER

ASX: SBZ

ASX-listed group whose 100% owned operating business, Schoolblazer Group, is a global, technology-focused schoolwear and sportswear platform with segment leadership in the United Kingdom, Australia and New Zealand. The group brings together Schoolblazer UK, Trutex and Mountcastle, supplying schools across wholesale, retail and online channels under a growing contracted school base.

SOMNOMED

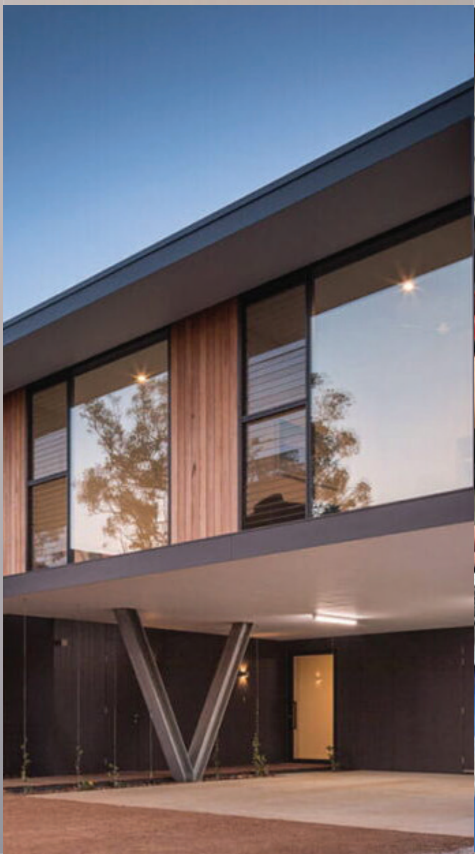
ASX: SOM

Global leader in oral appliances for the treatment of sleep apnoea, operating in 28 countries. Since 2004 has delivered over one million devices, repositioning the jaw to keep airways open during sleep as a comfortable alternative to CPAP machines, improving sleep quality for patients and their families worldwide.

BIG RIVER

MAXIPARTS LIMITED

Move



BIG RIVER INDUSTRIES

ASX: BRI

Leading manufacturer and distributor of value-added timber and building material products in Australia and New Zealand. BRI has gained scale in recent years through bolt-on acquisitions, now operating across 25 sites. Operates in the commercial sector, with customers using BRI products in real estate developments (detached and multi-residential), commercial construction and civil construction. Over 9,000 active trading accounts, serviced by ~570 staff members.

MAXIPARTS

ASX: MXI

Supplier of commercial truck and trailer aftermarket parts to the road transportation industry. Over 30 years in operation, one of the largest operators in Australia with a unified support and distribution network providing over 162,000 different parts across 30 sites nationwide.

MOVE LOGISTICS

ASX/NZX: MOV

One of the largest freight and logistics providers in New Zealand, with origins dating back to 1869. Team of 750-plus experts providing end-to-end supply chain services to more than 3,500 customers across 40 branches spanning the two main islands of New Zealand.

Investing with NAOS Asset Management

NAOS Asset Management is a specialist fund manager that provides genuine, concentrated exposure to quality private and public emerging companies.

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

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

NAOS launched its first LIC in 2013 with 400 shareholders. Today, NAOS manages three LIC vehicles and wholesale funds for approximately 5,500 shareholders.

Our Values

At NAOS, our values guide real decisions, not just good intentions - they're the standard we hold ourselves to every day. The nine principles below shape how we invest, how we communicate with our shareholders, and how we treat one another as a team.

ENCOURAGE INDEPENDENT THINKING

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

DO ONE THING AND DO IT REALLY, REALLY WELL

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

TELL IT LIKE IT IS

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

HAVE THE RIGHT PEOPLE IN THE RIGHT ENVIRONMENT

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

BE INVESTED AND ALIGNED

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

HAVE A LONG-TERM PERSPECTIVE

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

ACT RESPONSIBLY

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

BE AN OWNER

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

MAKE A POSITIVE IMPACT

Positive impact isn't something we do alongside our investment business; it's built into how NAOS is structured as a company. As a Certified B Corporation, we hold ourselves to independently verified standards across how we treat our people, engage our community, and manage our environmental impact.


CONVICTION. LONG TERM. ALIGNED
NΛOS
ASSET
MANAGEMENT
ASX: NCC
ASX: NSC
ASX: NAC

Our Investment Beliefs

NAOS' investment approach is guided by a consistent set of beliefs: a long-term perspective and a disciplined focus on our circle of competence. Rather than chasing every opportunity, we concentrate on businesses we understand and are willing to hold for years, not months. The following pages outline the core beliefs that shape how we invest on behalf of our shareholders.

VALUE WITH LONG-TERM GROWTH

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

QUALITY OVER QUANTITY

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

INVEST FOR THE LONG TERM

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

MANAGEMENT ALIGNMENT

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

IGNORE THE INDEX

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

INVESTING WITHIN OUR CIRCLE OF COMPETENCE

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

PERFORMANCE VS. LIQUIDITY FOCUS

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

CONSTRUCTIVE ENGAGEMENT

At NAOS, we seek to work collaboratively with businesses and their respective management teams.

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

- growth capital if/when required;
- messaging and communications;
- capital management decisions;
- company strategy; and
- board effectiveness (including board representation where appropriate).

Our Investment Process

Total ASX-Listed Companies

2,203

INVESTMENT CRITERIA

Management & Culture

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

Valuation, Growth & Margin of Safety

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

Considering ESG Factors

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

INVESTMENT UNIVERSE FUNNEL

Company Size & Security Type

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

Revenue

Remove No substantial revenue

Industry

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

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

Balance Sheet

Remove Unsustainable debt levels

Companies in the NAOS Universe

312

NAOS Active Investment Universe Watchlist

41-90

ASX: NSC

NAOS Small Cap Opportunities Company Limited

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

0–20

NAOS Qualitative Information Sources

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

Some examples of key focus areas include:

INTERNAL ENGAGEMENT

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

EXTERNAL ENGAGEMENT

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

HANDS ON

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

RESEARCH

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

INVESTEE COMPANY IN FOCUS

Schoolblazer Ltd

ASX: SBZ

At NAOS Asset Management, we believe in providing shareholders with meaningful insights into the companies in which we invest. We recently spoke with Tim James, Co-Founder and Executive Chairman of SBZ's wholly owned operating business Schoolblazer Group, to gain a deeper understanding of the company's strategic priorities, competitive positioning, and long-term alignment with shareholders.

schoolblazer LIMITED

How has the transition to Schoolblazer Limited as a focused school uniforms and sportswear business progressed?

We changed our name to Schoolblazer Limited (ASX: SBZ) in February 2026 to reflect the clear focus on our global schoolwear and sportswear operations. Through the combination of Schoolblazer UK, Trutex and Mountcastle, we have built a globally unified group (Schoolblazer Group) operating across the UK, Australia, New Zealand, the Middle East and Asia, supplying more than 35 countries. We have established an experienced global executive leadership team and a platform that allows us to drive operational efficiencies, invest in our brands and technology, and pursue scalable growth in a large market with recurring, structural demand.

What sets Schoolblazer apart in the school uniforms and sportswear sector?

We combine high-quality product, proprietary technology and exceptional service to satisfy schools, parents and students. Schoolblazer's premium proposition is a pure e-commerce model that makes back-to-school seamless for parents - with 100% of orders dispatched within 48 hours, a sophisticated sizing algorithm delivering a 94% first-time fit, and free name-taping. We have recently built MySchool.Shop which leverages this technology for value-focused schools.

Our vertically integrated model, strong supplier relationships and trusted brands let us deliver consistent quality products across both platforms. Our key brands offer something for the whole market: Schoolblazer for premium uniform, Trutex as our affordable 'made to last' range, and sportswear through Limitless (premium) and Akoa (value).

How are you approaching international growth and integration?

We have a clear strategy to support schools along the journey from own-operated school shops (where we have a wholesale relationship) to online retail where our solutions are of greatest value. Our key markets of the UK, Australia and New Zealand are further along in e-commerce adoption, and we have established presence in over 35 countries that are in varying stages of the journey.

Our key strategic priority is expanding Schoolblazer and MySchool.Shop e-commerce solutions in the key markets of UK, Australia and New Zealand. In parallel, we are focused on continuing global integration, particularly achieving scale benefits in sourcing and technology harmonisation to streamline operations. Beyond that, we continue to build our presence in new markets where student populations and independent school sectors are rapidly growing.

What roles do sustainability and digital innovation play in your strategy?

We believe durable, high-quality schoolwear is inherently more sustainable - products designed to be outgrown rather than worn out reduce waste and provide better value for families. We are increasing our use of recycled materials, reducing single-use plastics, strengthening ethical sourcing across our supply chain, and developing our sustainability reporting in line with emerging Australian and international standards. On the digital front, our in-house technology platform, Seraph, and our scalable MySchool.Shop offering are central to how we grow, supported by AI investment aimed at improving productivity and the customer experience.

How does Schoolblazer's strategy deliver long-term value for shareholders?

We are focused on a large global market, estimated at more than A$30 billion, with recurring demand and around 1,000 contracted schools underpinning ~A$200m target revenue in FY27. We have a long runway of growth powered by our industry-leading technology and product.

Our strategy is to grow the share of revenue that is contracted and online, diversify across geographies and hemispheres, and expand across both uniform and sportswear. We are pursuing sustainable margin expansion through operational excellence, brand strength and technology.

Importantly, our board and executive team own approximately 25% of Schoolblazer Limited, so we are deeply aligned with shareholders in building a leading global school uniforms and sportswear platform and delivering attractive, risk-adjusted returns.

Tim James
Co-Founder and Executive Chairman
Schoolblazer Ltd

Our Team

SEBASTIAN EVANS

Chief Investment Officer and Managing Director

Sebastian is a Director of NAOS Emerging Opportunities Company Limited (ASX: NCC), NAOS Small Cap Opportunities Company Limited (ASX: NSC), NAOS Ex-50 Opportunities Company Limited (ASX: NAC), and has held the positions of Chief Investment Officer (CIO) and Managing Director of NAOS Asset Management Limited, the Investment Manager, since 2010. Sebastian is the CIO across all investment strategies. Sebastian holds a Master of Applied Finance (MAppFin) majoring in investment management as well as a Bachelor of Commerce majoring in finance and international business, a Graduate Diploma in Management from the Australian Graduate School of Management (AGSM) and a Diploma in Financial Services.

ROBERT MILLER

Portfolio Manager

Robert joined NAOS in September 2009 as an investment analyst. Robert has been a portfolio manager since November 2014 and is currently Portfolio Manager across all NAOS LICs: NAOS Emerging Opportunities Company Limited (ASX: NCC), NAOS Small Cap Opportunities Company Limited (ASX: NSC), NAOS Ex-50 Opportunities Company Limited (ASX: NAC), and the NAOS Private Opportunities Fund. Robert holds a Bachelor of Business from the University of Technology, Sydney, and a Master of Applied Finance (MAppFin) from the Financial Services Institute of Australasia/Kaplan.

JARED TILLEY

Senior Investment Analyst

Jared joined NAOS in April 2021 as Senior Investment Analyst. Jared has over 19 years' financial services experience. Most recently, Jared was an investment analyst at Contact Asset Management, and prior to that, he spent nine years at Colonial First State. Jared holds a Bachelor of Commerce, majoring in accounting and finance, from the University of Notre Dame, Sydney, and is a CFA Charterholder.

TOM PEARCE

Associate Analyst

Tom joined NAOS in May 2025 as an Associate Analyst. Since joining, he has assisted the investment team across all investment strategies.

Tom holds a Bachelor of Commerce and Bachelor of Advanced Studies, majoring in Finance and Marketing from the University of Sydney.

RAJIV SHARMA

Chief Business Officer

Rajiv is the Chief Business Officer at NAOS, having first joined the firm in 2017. He has over 16 years of experience across investment management, financial services and legal practice.

He has held senior legal roles at Magellan Financial Group (ASX: MFG) and Custom Fleet, part of Element Fleet Management (TSX: EFN), and also practised at leading Australian 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.

MOHIT KABRA

Chief Financial Officer

Mohit Kabra is the Chief Financial Officer (CFO) of NAOS. Since joining in 2025, he has been responsible for financial reporting, capital management, treasury, tax and audit oversight across the NAOS listed investment companies. With a disciplined focus on governance, capital allocation and regulatory compliance, Mohit is responsible for the financial stewardship of NAOS and plays an integral part in shaping its strategic direction, while safeguarding the interests of its shareholders.

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

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

ANGELA ZAMMIT

Marketing and Communications Manager

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

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

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

Positive Impact

Positive impact isn't something we do alongside our investment business; it's built into how NAOS is structured as a company. Here's what that standard commits us to, and what it looks like in practice.

IT STARTS WITH BEING A B CORP

NAOS is a Certified B Corporation. This certification reflects an independent assessment against rigorous, verified standards spanning our treatment of employees, our engagement with the community, our governance practices, and our environmental impact, not solely our performance for investors.

Certification is not a permanent endorsement. B Corporations are required to recertify at regular intervals, ensuring our accountability to these standards is sustained over time rather than demonstrated at a single point in time.

This principle underpins everything that follows. Giving back, investing responsibly, and subjecting ourselves to independent scrutiny are not discrete initiatives layered on top of the business - they are a direct expression of the company we have chosen to be.

Certified B Corporation

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

NAOS GIVING BACK

As a B Corp, giving back isn't optional for us - it's part of the standard we've committed to. Each year NAOS Asset Management donates 1% of its annual revenue to the charity partners below. Each one supports a cause we strongly believe in.

NAOS is proud to be supporting:

Shareholder Communications

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

Corporate Governance Statement

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

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

Table of Contents for Financial Statements

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

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

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 employee benefits	Post-employment benefit	
30 June 2026	**Directors' fees $**	**Superannuation $**	**Total $**
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
Total	**98,656**	**11,840**	**110,496**

	Short-term employee benefits	Post-employment benefit	
30 June 2025	**Directors' fees $**	**Superannuation $**	**Total $**
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
Total	**98,656**	**11,344**	**110,000**

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.

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

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jonathon Corbett
Partner
Chartered Accountants

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

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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.

Independent Auditor's Report

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<u>Valuation and existence of financial assets held at fair value through profit or loss</u> 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. 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. 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. 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.	Our procedures included, but were not limited to: • 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; • Obtaining confirmation of the investment holdings directly from the custodian; • On a sample basis, agreeing the valuation of listed equity securities to an independent pricing source; • On a sample basis, agreeing the investment holdings to the external custodian's holdings statement; and • Reperforming a reconciliation of the financial assets balance for the period ended 30 June 2026, including purchases, sales, and other relevant transactions. We also assessed the adequacy of the disclosures in Notes 7 and 17 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 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.

Deloitte.

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

Deloitte.

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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

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 30 June 2026 $'000	Year ended 30 June 2025 $'000
Income	**3**	**(3,567)**	**(5,634)**
Expenses			
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)
Loss before income tax benefit		**(6,700)**	**(9,539)**
Income tax benefit	4(a)	103	468
Loss for the year attributable to shareholders of the Company		**(6,597)**	**(9,071)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to shareholders of the Company		**(6,597)**	**(9,071)**
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 30 June 2026 $'000	As at 30 June 2025 $'000
Assets			
Current assets			
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
Total current assets		**50,528**	**63,945**
Non-current assets			
Deferred tax assets	4(b)	12,169	12,000
Total non-current assets		**12,169**	**12,000**
Total assets		**62,697**	**75,945**
Liabilities			
Current liabilities			
Trade and other payables	8	595	463
Total current liabilities		**595**	**463**
Non-current liabilities			
Borrowings	9	12,861	12,748
Total non-current liabilities		**12,861**	**12,748**
Total liabilities		**13,456**	**13,211**
Net assets		**49,241**	**62,734**
Equity			
Issued capital	10	175,873	176,164
Profits reserve	11(a)	10,405	10,025
Accumulated losses	11(b)	(137,037)	(123,455)
Total equity		**49,241**	**62,734**

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 $'000	Profits reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2024	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)
Balance at 30 June 2025	**176,164**	**10,025**	**(123,455)**	**62,734**

	Issued capital $'000	Profits reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2025	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)
Balance at 30 June 2026	**175,873**	**10,405**	**(137,037)**	**49,241**

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 30 June 2026 $'000	Year ended 30 June 2025 $'000
Cash flows from operating activities			
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)
Net cash provided by operating activities	13(b)	**6,998**	**26,694**
Cash flows from financing activities			
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)
Net cash used in financing activities		**(6,896)**	**(26,851)**
Net increase/(decrease) in cash and cash equivalents		**102**	**(157)**
Cash and cash equivalents at the beginning of the year		203	360
Cash and cash equivalents at the end of the year	13(a)	**305**	**203**

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 ("$") 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.

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.

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").

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 30 June 2026 $'000	Year ended 30 June 2025 $'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
Total income	**(3,567)**	**(5,634)**

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 30 June 2026 $'000	Year ended 30 June 2025 $'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	-
	(103)	**(468)**
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 30 June 2026 $'000	Year ended 30 June 2025 $'000
Change in deferred tax asset	(168)	(468)
Underprovision from prior year	65	-
	(103)	**(468)**

b) Deferred tax assets

	As at 30 June 2026 $'000	As at 30 June 2025 $'000
Tax losses	8,865	6,258
Accruals	36	42
Capitalised issue costs	1	1
Unrealised losses on investments	3,267	5,699
	12,169	**12,000**

Notes to the Financial Statements (continued)

4. Income tax (continued)

b) Deferred tax assets (continued)

	As at 30 June 2026 $'000	As at 30 June 2025 $'000
Movement in deferred tax assets		
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
At reporting date	**12,169**	**12,000**

5. DIVIDENDS PAID

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

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

Dividend Franking Information

	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'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	-
Franking account balance at reporting date	**(108)**	**(65)**

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

6. TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 $'000	As at 30 June 2025 $'000
Unsettled trade receivables	160	25
Other receivables	30	35
Total	**190**	**60**

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 30 June 2026 $'000	As at 30 June 2025 $'000
Investments in listed equities	50,033	63,611
Total financial assets at fair value through profit or loss	**50,033**	**63,611**

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.

8. TRADE AND OTHER PAYABLES

	As at 30 June 2026 $'000	As at 30 June 2025 $'000
Unsettled trades payable	12	-
Other payables	583	463
Total	**595**	**463**

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 30 June 2026 $'000	As at 30 June 2025 $'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
At reporting date	**12,861**	**12,748**

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:

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

(b) the right to receive dividends;

(c) 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

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

Movements in Ordinary Share Capital

	No. of shares	$'000
Opening balance 1 July 2024	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)
Closing balance 30 June 2025	**132,908,184**	**176,164**
Opening balance 1 July 2025	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)
Closing balance 30 June 2026	**132,001,294**	**175,873**

11. PROFITS RESERVE AND ACCUMULATED LOSSES

a) Profits Reserve

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

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

	As at 30 June 2026 $'000	As at 30 June 2025 $'000
Balance at the beginning of the year	(123,455)	(114,384)
Loss retained in accumulated losses	(13,582)	(9,071)
Balance at reporting date	**(137,037)**	**(123,455)**

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

13. CASH AND CASH EQUIVALENTS

a) Components of cash and cash equivalents

	As at 30 June 2026 $'000	As at 30 June 2025 $'000
Cash at bank	305	203

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

	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
Loss for the year attributable to shareholders after tax	(6,597)	(9,071)
Adjustments for:		
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)	-
Change in assets and liabilities		
(Increase)/decrease in trade and other receivables	(130)	15
Increase in trade and other payables	131	140
Decrease in prepayments	71	-
Net cash provided by operating activities	**6,998**	**26,694**

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 Year ended 30 June 2026	Opening balance No of shares	Acquired No of shares	Sold No of shares	Closing balance 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 Year ended 30 June 2025	Opening balance No of shares	Acquired No of shares	Sold No of shares	Closing balance 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.

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:

30 June 2026	Floating interest rate $'000	Non-interest bearing $'000	Total $'000
Assets			
Cash and cash equivalents	305	-	305
Receivables	-	190	190
Financial assets at fair value through profit or loss	-	50,033	50,033
Total Assets	**305**	**50,223**	**50,528**
Liabilities			
Trade and other payables	-	595	595
Total Liabilities	**-**	**595**	**595**
Net exposure	**305**	**49,628**	**49,933**

30 June 2025	Floating interest rate $'000	Non-interest bearing $'000	Total $'000
Assets			
Cash and cash equivalents	203	-	203
Receivables	-	60	60
Financial assets at fair value through profit or loss	-	63,611	63,611
Total Assets	**203**	**63,671**	**63,874**
Liabilities			
Trade and other payables	-	463	463
Total Liabilities	**-**	**463**	**463**
Net exposure	**203**	**63,208**	**63,411**

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.

	Change in basis points increase/ (decrease)	Impact on operating profit / Net assets attributable to shareholders $'000
30 June 2026		
AUD interest rate	250bps/(250bps)	8/(8)
30 June 2025		
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:

	Impact on operating profit / Net assets attributable to shareholders	
	-10% $'000	+10% $'000
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:

	% of Portfolio	
Industry	**30 June 2026**	**30 June 2025**
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%
Total	**100.00%**	**100.00%**

c) Liquidity Risk

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

The Company's cash receipts depend upon the level of sales of securities, dividends and interest received or 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 $'000	> 1 year to 2 years $'000	2 to 5 years $'000	Total $'000	Carrying amount $'000
Trade and other payables	595	-	-	595	595
Borrowings	-	-	13,243	13,243	12,861
Total	**595**	**-**	**13,243**	**13,838**	**13,456**

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

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

30 June 2026	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Listed equities	50,033	-	-	50,033
Total	**50,033**	**-**	**-**	**50,033**

30 June 2025	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Listed equities	63,611	-	-	63,611
Total	**63,611**	**-**	**-**	**63,611**

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

	Year ended 30 June 2026 Cents	Year ended 30 June 2025 Cents
Basic and diluted loss per share	(5.00)	(6.74)

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

	$'000	$'000
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%
Total	**29,305,505**	**22.20%**

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%
Total	**2,794**	**132,001,294**	**100%**

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

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Telephone: 1300 737 760

AUDITOR

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

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