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NAOS SMALL CAP OPPORTUNITIES COMPANY LIMITED (ASX: NSC)

ABN 47 107 617 381

11 November 2025

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

Annual General Meeting 2025 – Chair’s Address

Please find enclosed the Chair’s Address to be presented at the Annual General Meeting of NAOS Small Cap Opportunities Company Limited to be held today at 9:45am (AEDT).

Authorised by:

Rajiv Sharma
Company Secretary

Chair's Address

Annual General Meeting of NAOS Small Cap Opportunities Company Limited
11 November 2025, 9:45am (AEDT)

Held at Castlereagh Room 1, Sheraton Grand Sydney Hyde Park
161 Elizabeth Street, Sydney NSW 2000

Dear fellow shareholders,

On behalf of the Board, we extend our appreciation to all shareholders for your continued support and warmly welcome new shareholders who joined us in FY25.

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

Against this backdrop, NSC delivered a -9.08% investment return for FY25, underperforming the S&P/ASX Small Ordinaries Accumulation Index return of +12.26%. While disappointing, this result was materially impacted by a one-off portfolio event in February 2025. Core holding, BSA Limited (ASX: BSA), lost a critical tender renewal from its largest customer, NBN Co., causing its share price to drop by ~90% by year-end. Encouragingly, from March to June 2025, the portfolio rebounded strongly with a cumulative return of ~+24%, reaffirming our confidence in the strength and quality of NSC's core investments.

For the financial year, the Company recorded an after-tax loss of \$9.08 million (compared to an after-tax loss of \$24.28 million in FY24). The Board has declared a final quarterly dividend of 1.25 cents per share (unfranked), bringing the full-year FY25 dividend to 5.0 cents per share (50% franked overall). This represents a yield of 17.86% based on the 30 June 2025 closing share price of \$0.28.

Since inception, the Company has declared 38.5 cents per share in dividends, or 53.57 cents on a grossed-up basis, with the majority fully franked. The profits reserve of the Company stands at 7.5 cents per share as at 30 June 2025. Through FY25, the pre-tax Net Tangible Asset backing (NTA) per share of the Company decreased from \$0.50 to \$0.38 over the financial year.

Throughout the year, the Board maintained a disciplined and opportunistic capital management strategy focused on enhancing long-term shareholder value. Key initiatives included:

- **No Dilutionary Share Issues** – When shares are trading at a discount to NTA, the Company acquires DRP shares on-market, eliminating dilution and preserving NTA integrity.
- **Dividends** – The Company continues to focus on delivering a sustainable stream of dividends, franked to the maximum extent possible, while maintaining an adequate profit reserve balance and funds available to reinvest into investment opportunities that could add significant long-term value for shareholders.
- **On-Market Buyback** – 2.07 million shares were acquired and cancelled, enhancing shareholder value by buying significantly below pre-tax NTA. NSC has acquired and cancelled 36.32 million shares since inception.

Despite the challenging year for NSC, as we enter FY26, the Board strongly believes that the NSC investee companies will continue to re-rate to fair value as they have started to do so since March of this calendar year. Importantly, alignment between shareholders, the Board, and the Investment Manager continues to deepen, with Directors and the NAOS staff now holding 3.2 million NSC shares.

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

David Rickards OAM
Independent Chair
NAOS Small Cap Opportunities Company Limited