12 November 2026

ASX Market Announcements
Level 27
39 Martin Place
Sydney, NSW, 2000

Annual General Meeting 2026 – 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

Thursday, 12 November 2026, 9:45am (AEDT)
Beaumont Room, Sheraton Grand Sydney Hyde Park
161 Elizabeth Street, Sydney NSW 2000

Dear fellow shareholders,

On behalf of the Board, 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.

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.

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.

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.

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.

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
NAOS Small Cap Opportunities Company Limited