

ASX:NCC FY20 HALF YEAR RESULTS

ABN 58 161 106 510

NAOS Emerging Opportunities Company Limited Announces FY20 Half Year Results and Declares Fully Franked Interim Dividend

The Board of NAOS Emerging Opportunities Company Limited (ASX: NCC) (Company) is pleased to announce that it has declared a fully franked interim dividend of 3.75 cents per share, bringing total dividends since inception to 46.50 cents per share. The Company also announced its half year result for the six-month period to 31 December 2019, reporting an after-tax profit of \$7.8 million.

INVESTMENT PORTFOLIO PERFORMANCE MONTHLY RETURNS*

| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | FY Total Return |
|-------------|--------|--------|--------|--------|--------|--------|---------|--------|--------|--------|--------|--------|-----------------|
| FY20 | +6.85% | +2.86% | +6.56% | -3.56% | -0.04% | +4.11% | +11.11% | | | | | | +30.61% |
| FY19 | -2.42% | +3.94% | +2.88% | -6.09% | -6.12% | -2.92% | -0.24% | +4.96% | -1.80% | -3.54% | -1.43% | +0.20% | -12.51% |
| FY18 | +3.43% | +4.94% | -1.24% | +2.32% | +2.39% | +0.14% | -0.77% | -1.52% | +0.43% | -1.49% | -1.89% | +0.44% | +7.13% |
| FY17 | +4.63% | +6.48% | +3.65% | -0.49% | -0.45% | +1.92% | +0.08% | -1.93% | +0.82% | -3.69% | +0.70% | +0.44% | +12.39% |
| FY16 | +2.28% | -5.77% | +0.86% | +3.72% | +1.10% | +4.56% | -3.26% | +4.96% | +1.57% | +4.67% | +5.31% | +2.97% | +24.77% |
| FY15 | +2.30% | +3.58% | -1.51% | -2.39% | +0.58% | +0.46% | +0.58% | +2.81% | -2.59% | -0.18% | +2.37% | -4.27% | +1.43% |
| FY14 | +9.19% | +7.64% | +2.80% | +5.11% | -4.84% | -3.57% | +4.76% | +3.87% | +2.91% | -0.70% | +0.85% | +0.67% | +31.54% |
| FY13 | | | | | | | | +0.03% | +3.81% | +3.03% | +4.48% | -0.99% | +10.67% |

*Investment Portfolio Performance as at 31 January 2020, figures are post all operating expenses, before fees, taxes and initial IPO and placement commissions. Performance has not been grossed up for franking credits received by shareholders. Inception date is 26 February 2013. ^ Dividend yield as at 31 January 2020.

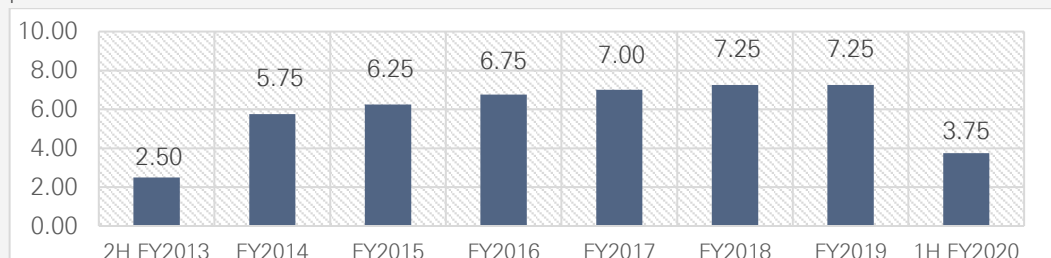
For the half year the NCC investment portfolio produced a positive return of +17.55% while the benchmark S&P/ASX Small Ordinaries Accumulation Index (XSOAI) returned +3.89% over the same period. After a challenging FY19 the Board was pleased to see such a strong return, particularly given the investment portfolio remained largely the same as the previous year. It is the view of the Investment Manager that the existing portfolio still has significant potential to deliver strong returns over the medium to long term. The Company remains focused on protecting investor capital whilst providing long-term capital growth above the relative benchmark index. Since inception to date the investment portfolio has outperformed its benchmark by +7.62% p.a. with lower volatility. For the half year ended 31 December 2019 NCC provided a total shareholder return of +20.61%, not including the benefit of franking credits received by shareholders.

LISTED OPTIONS

Over 10% of the NCC listed options (ASX: NCCOB) which expire on 29 June 2021, have been exercised to date. The Board believe growing the size of the company to between \$125 million to \$150 million is optimal as it not only allows the Investment Manager to maximise performance by still being able to access meaningful positions in quality companies; but also scales the Company to an appropriate size that lowers fixed costs on a per share basis. The option exercise price of \$1.02 represents an 18.4% discount to the 31 January 2020 pre-tax net tangible asset backing per share (NTA) of \$1.25.

FULLY FRANKED DIVIDENDS (cents per share)

It is the Board's aim to continue to be mindful of providing shareholders with a sustainable stream of growing fully franked dividends over the long term. The Company's profit reserve as at 31 December 2019 is 25 cents per share.



Shareholders can elect to participate in the Company's Dividend Reinvestment Plan (DRP). To participate in the DRP investors will need to submit their DRP election by 5:00pm Wednesday, 18 March 2020 to Boardroom Pty Limited, either online at www.investorserve.com.au or by email to enquiries@boardroomlimited.com.au.

Thank you for your continued support, we look forward to providing an update at the upcoming March/April NAOS National Investor Roadshow, shareholders and guests are invited to register for the event on our website www.naos.com.au/roadshow.

NAOS

LONG TERM PORTFOLIO PERFORMANCE

Inception (P.A) Portfolio Investment Performance*
+14.37%

Outperformance (P.A) Relative to Benchmark
+7.62%

Fully Franked Dividend Yield^
6.97%

Franking
100%

Cumulative Fully Franked Dividends
46.5 cps

DIVIDEND DATES

Ex-Dividend Date
16 March 2020

Record Date
17 March 2020

Last Date for DRP Election
18 March 2020

Payment Date
31 March 2020

ENQUIRIES

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