

NAOS Small Cap Opportunities Company Limited Announces Fully Franked Quarterly Dividend for Q2 FY19 and Half Year Results to 31 December 2018

Friday, 15 February 2019: The Board of NAOS Small Cap Opportunities Company Limited (ASX: NSC) (Company) is pleased to announce that it has declared a fully franked quarterly dividend of 1.15 cents for the three month period ending 31 December 2018. The Company also today announced its half year result for the six month period to 31 December 2018, reporting an after-tax loss of \$14.85 million.

Independent Chairman, Trevor Carroll commented:

'We are pleased to deliver shareholders a more frequent income stream through quarterly dividend payments, and this dividend brings FY19 dividends to date to 2.50 cents per share, fully franked. We remain focused on providing shareholders with a concentrated exposure to small cap industrial companies with a long term investment horizon.'

Performance

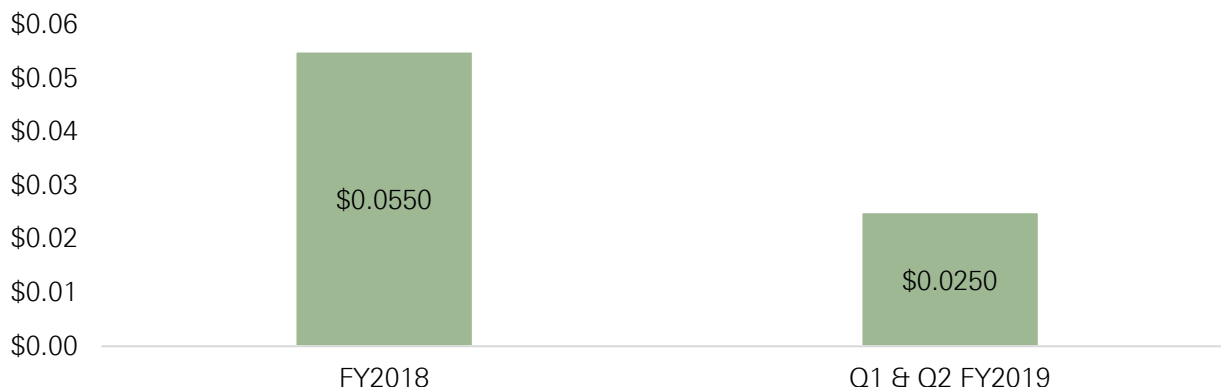
For the half year ended 31 December 2018, the NSC investment portfolio produced a negative return of -11.50%*, which although negative represented relative outperformance compared to the benchmark S&P/ASX Small Ordinaries Accumulation Index (XSOAI) which fell by -12.75%, over the six-month period.

NAOS Chief Investment Officer and Managing Director, Sebastian Evans commented:

'Clearly we do not want to deliver negative absolute returns for our shareholders, but it was pleasing to see the portfolio outperform the benchmark index over the past six months. The equity market, especially within smaller listed companies remains extremely volatile which in many instances is due to significant variances in the domestic economy. In saying that, we feel that across the majority of our core holdings we are somewhat immune from such variances and over the next 12-24 months we believe that these companies will deliver earnings growth which should lead to higher share prices and increasing dividends.'

* Investment Portfolio Performance is post all operating expenses, before fees, taxes and interest. Performance has not been grossed up for franking credits received by shareholders.

Dividend Profile - Historical Fully Franked Dividends



Q2 FY2019 Dividend Dates & Dividend Reinvestment Plan (DRP)

Ex Dividend Date	25 February 2019
Record Date	26 February 2019
Last Date for DRP Election	27 February 2019
Payment Date	11 March 2019

The Dividend Reinvestment Plan (DRP) allows shareholders to elect to receive their dividends in shares rather than cash. **DRP shares will be acquired "on market" when the post-tax net tangible assets (NTA) is greater than the share price as at record date, thereby avoiding any potential dilution to the Company's NTA and also assisting with closing the share price discount to NTA.**

To participate in the DRP, shareholders will need to submit their DRP election by 5:00pm Wednesday, 27 February 2019 to Boardroom Pty Limited, the share registry for NSC, either online through InvestorServe, by email to enquiries@boardroomlimited.com.au or fax +61 2 9279 0664. Further information on how to participate in the Company's DRP can be found at www.naos.com.au.

We appreciate the continued support from all our shareholders over the last six months and welcome all new shareholders.

For more information, please contact the NAOS team:

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About NAOS Asset Management Limited (NAOS): NAOS is a specialist fund manager providing genuine, concentrated exposure to Australian listed industrial companies outside of the ASX-50. NAOS manages three listed Investment Companies, being NAOS Emerging Opportunities Company Limited (ASX: NCC), NAOS Small Cap Opportunities Company Limited (ASX: NSC) and NAOS Ex-50 Opportunities Company Limited (ASX: NAC). NAOS employs a team of eight people and has approximately \$300 million funds under management.