

NAOS EMERGING
OPPORTUNITIES
COMPANY LIMITED

(ASX: NCC)
ABN 58 161 106 510



Level 34, MLC Centre
19 Martin Place
Sydney NSW 2000

T (02) 9002 1576
F (02) 8215 0037
E enquiries@naos.com.au

www.naos.com.au

ASX Market Announcements

ASX Limited

20 Bridge Street

Sydney NSW 2000

11 March 2021

NAOS EMERGING OPPORTUNITIES COMPANY LIMITED (ASX: NCC) TO RAISE UP TO \$23.0 MILLION THROUGH A LISTED, UNSECURED CONVERTIBLE NOTES ISSUE

NAOS Emerging Opportunities Company Limited (**NCC** or the **Company**) has today lodged a prospectus (**Prospectus**) with the Australian Securities and Investments Commission (**ASIC**) for the issue of redeemable, unsecured, unsubordinated, convertible notes (**NCC Notes**) (the **Offer**). The Offer is subject to approval by NCC shareholders which will be sought at an Extraordinary General Meeting to be convened by the Company (**EGM**). A notice of meeting for the EGM will be released on the Australian Securities Exchange (**ASX**) today and will be sent to NCC shareholders.

The NCC Notes will provide investors with a listed exposure to a fixed interest rate yield and the possibility to benefit from appreciation in the price of NCC's ordinary shares (**Ordinary Shares**) above the conversion price for the NCC Notes of \$1.15 by allowing holders to convert their NCC Notes into Ordinary Shares at any time after the date of issue until (and including) 30 September 2026.

The Board of Directors believe the issue of NCC Notes provides the ability to increase the overall size of the investment portfolio without diluting existing NCC Shareholders in order to allow its investment manager, NAOS Asset Management Limited (**Investment Manager**) to take advantage of a number of current investment opportunities.

The NCC Notes also have the potential to increase the size of the Company's equity base over the longer term should holders of the NCC Notes elect to convert their NCC Notes to Ordinary Shares, which unlocks the benefits of scale, meaning lower costs for all shareholders as the Company grows.

Key terms of the NCC Notes

- **Face Value:** each NCC Note will have a Face Value of \$100;
- **Interest Rate:**
 - ♦ Until the First Step-Up Date (30 September 2026): Fixed at **4.50% per annum**;
 - ♦ From the First Step-Up Date (30 September 2026): Fixed at **5.50% per annum**; and
 - ♦ From the Second Step-Up Date (30 September 2027): Fixed at **6.50% per annum**;
- **Interest payments:** paid semi-annually, in arrears on each of 31 March and 30 September, with the first interest payment payable on 30 September 2021;
- **Maturity Date:** 30 September 2028 (if not converted or redeemed earlier);
- **Convertibility:** convertible into Ordinary Shares upon notice at a fixed Conversion Price (subject to adjustment for certain dilutionary and other capital transactions by NCC) at any time until 30 September 2026;
- **Conversion Price:** the Conversion Price is \$1.15;
- **Issue size:** the issue of the NCC Notes will raise up to \$23.0 million (before costs);
- **Ranking:** the NCC Notes rank equally with each other and without any preference amongst themselves, and at least equally with all other unsubordinated and unsecured obligations of NCC (other than any obligations preferred by mandatory provisions of applicable laws). The NCC Notes rank ahead of Ordinary Shares; and
- **Liquidity:** application will be made for the quotation of the NCC Notes on ASX under the ticker code "NCCGA".

Offer structure

The Offer comprises two components, a Priority Offer and a Broker Firm Offer.

Priority Offer

An offer open to Eligible Participants, being any person who has a registered address in Australia and who, as at the Priority Offer Record Date of 3 March 2021, held an investment in one or more of the following:

- ♦ NAOS Emerging Opportunities Company Limited (ASX: NCC);
- ♦ NAOS Ex-50 Opportunities Company Limited (ASX: NAC);
- ♦ NAOS Small Cap Opportunities Company Limited (ASX: NSC); or
- ♦ NAC redeemable, unsecured, unsubordinated convertible notes (ASX: NACGA).

The minimum application size is 50 NCC Notes (i.e. \$5,000 worth). NCC will seek to provide applicants under the Priority Offer with an allocation of at least 100 NCC Notes (where such Applicants have applied for 100 or more NCC Notes) on a reasonable endeavours basis. NCC does not guarantee any minimum allocation and the extent of any allocation will ultimately depend on the number of applicants under the Priority Offer and total level of applications under the Offer.

Broker Firm Offer

A firm offer to Australian and New Zealand clients of Syndicate Brokers. This offer is being made to sophisticated and professional investors only (as those terms are defined in the *Corporations Act 2001* (Cth)).

Summary of key dates

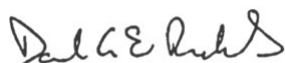
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| Priority Offer Record Date | 3 March 2021 |
| Lodgement of Prospectus with ASIC and announcement of NCC Notes Offer | 11 March 2021 |
| Notice of Meeting issued to NCC Shareholders | 11 March 2021 |
| Offer opens | 19 March 2021 |
| Offer closes | 1 April 2021 |
| Meeting of NCC Shareholders | 12 April 2021 |
| Settlement Date | 14 April 2021 |
| Issue of NCC Notes | 15 April 2021 |
| Despatch of holding statements | 16 April 2021 |
| NCC Notes expected to commence trading on ASX (normal settlement basis) | 20 April 2021 |
| First Interest Payment Date | 30 September 2021 |
| First Step-Up Date | 30 September 2026 |
| Second Step-Up Date | 30 September 2027 |
| Maturity Date | 30 September 2028 |

The key dates and times for the Offer are indicative only and may change without notice.

Further information

For further information, or if you have any questions relating to the Offer, please contact the Company on enquiries@naos.com.au or call (02) 9002 1576.

The Board thanks all NCC shareholders for their continued support.



David Rickards

Chairman

NAOS Emerging Opportunities Company Limited