



NGE Capital Limited

ASX : NGE

AGM Presentation

27 May 2025

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Company snapshot



- NGE Capital Limited (**NGE** or **Company**) is a Listed Investment Company (**LIC**) which offers investors exposure to an actively managed, concentrated portfolio of high conviction investments.
- Broad investment mandate, not restricted by geography, asset class, or security type.
- Focus primarily on listed ASX and international equities.
- Employ a bottom-up, fundamental approach to investment selection.
- Aim to generate strong risk-adjusted returns over the medium to long term.



Actively
managed



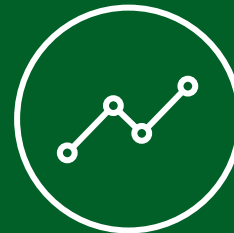
Fundamental
analysis



Concentrated,
high conviction
portfolio



Broad investment
mandate



Target strong
risk-adjusted
returns



Heavily aligned
management

Company snapshot (cont.)



Summary as at 30 April 2025

Ticker	NGE
Share price	\$1.040
Shares outstanding	34.3m
Market cap	\$35.7m
NTA per share before tax	\$1.289
NTA per share after tax	\$1.385
NTA before tax	\$44.2m
NTA after tax	\$47.5m

Substantial shareholders

David Lamm	11.68%
Raphael Lamm	9.24%
Kuridale Nominees Pty Ltd	5.46%
Ruminator Pty Ltd	5.17%
Adam Saunders	5.10%

Board of directors

David Lamm	Chief Investment Officer
Adam Saunders	Portfolio Manager
Ilan Rimer	Non-Executive Director

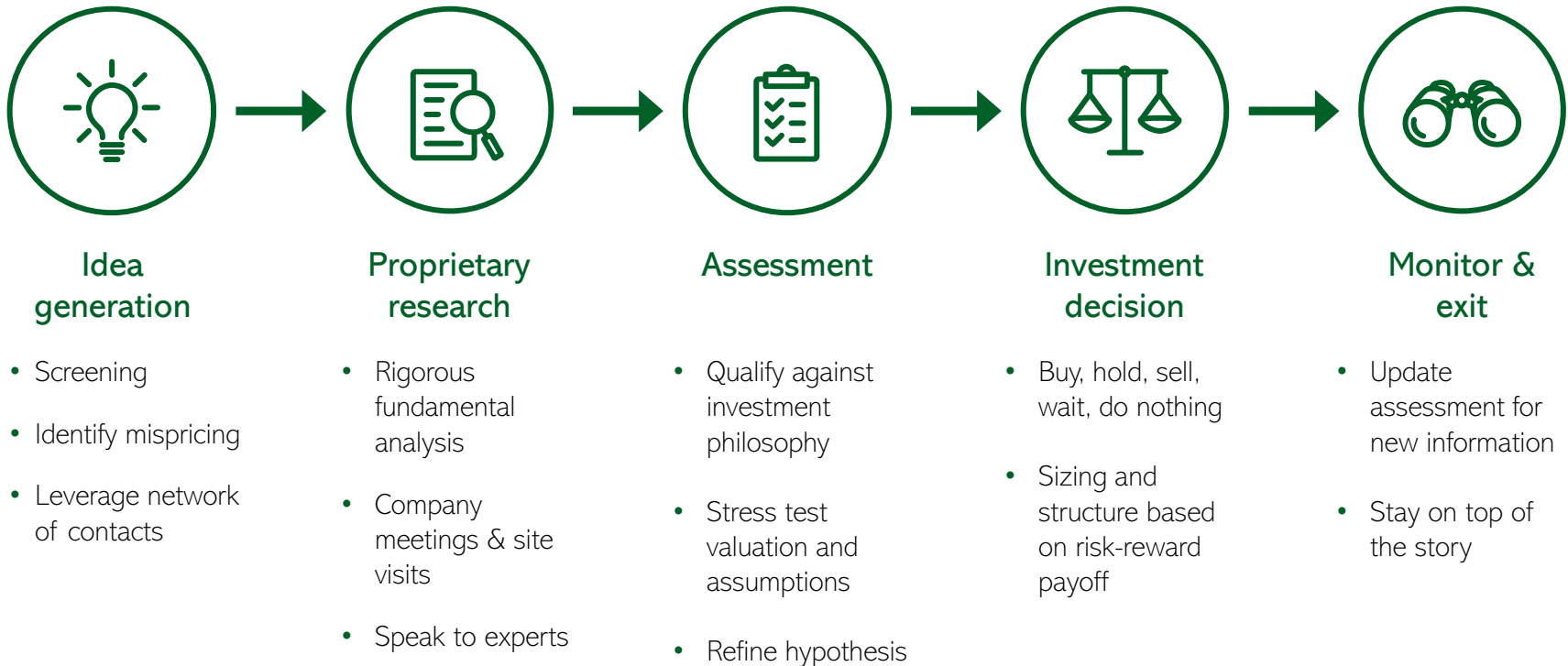
Significant management shareholding in the Company: backing our investment decisions, and aligned with shareholders.

Investment philosophy



- ① **Target investments that can generate strong returns with an adequate margin of safety**
 - Individual securities can and do significantly deviate away from their fair value.
 - Potential to generate strong risk-adjusted returns by investing in select securities at opportune times.
 - Event-driven special situations can provide strong risk-reward opportunities (e.g. M&A, asset sales, strategic reviews, corporate actions such as spinoffs/demergers, changes in leadership, changes in strategy, and capital management announcements such as buybacks/return of capital/increased dividends/special dividends).
- ② **Aim to hold a high conviction, concentrated portfolio**
 - Only invest in a compelling opportunity, otherwise hold cash.
 - Prefer to invest heavily in a small number of high conviction opportunities, than invest small amounts in a large number of less compelling investments.
- ③ **Invest based on fundamental analysis**
 - Bottom up stock selection, focusing on the fundamentals of individual companies whilst keeping abreast of macroeconomic indicators and conditions that may directly impact those fundamentals.
 - Conduct extensive proprietary research with a focus on:
 - **Board and management** – track record, skin in the game.
 - **Credit risk** – gearing, debt profile, interest coverage.
 - **Earnings** – free cash flows including timing and likelihood, margins, payout ratio, growth potential.
 - **Valuation** – multiples, discounted cash flow analysis, break-up value.
 - **Competition** – market share, industry position, market dynamics.

Investment process



A top performing LIC



Growth in NTA per share

2017	2018	2019	2020	2021	2022	2023	2024	2025 YTD ¹	Since inception ² (p.a.)	(cum.)
26.8%	21.4%	11.2%	-8.0%	25.1%	-5.2%	25.0%	11.0%	0.1%	11.6%	152.7%

Note: Returns are pre-tax and after all fees and expenses. FYE 31 December.

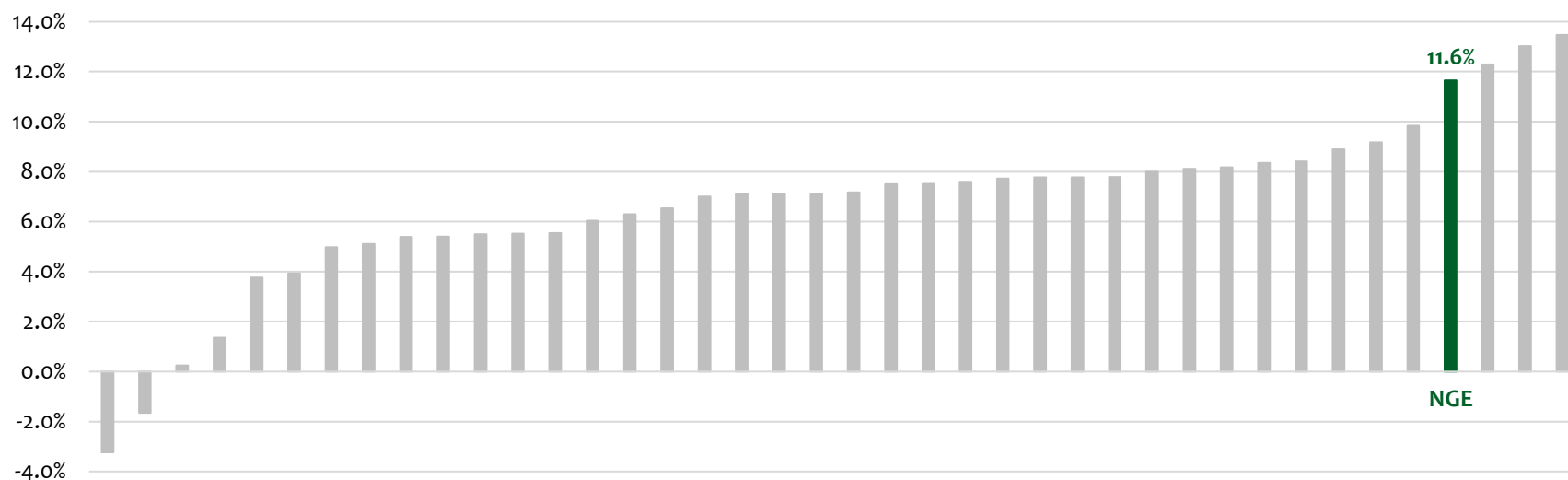
1 YTD to 30 April 2025.

2 From 30 November 2016, the date on which NGE became a LIC, to 30 April 2025.

Tax efficient investment vehicle

- NGE has recognised a ~\$3.3m (~\$0.096 per share) deferred tax asset as at 30 April 2025.
- However, in the aggregate NGE's potential future tax benefit equates to ~\$7m or ~\$0.21 per share.

Annualised portfolio return since NGE inception – all ASX LICs¹



Note: Each bar represents the annualised return of an ASX-listed LIC between 30 November 2016, the date on which NGE became a LIC, and 30 April 2025.

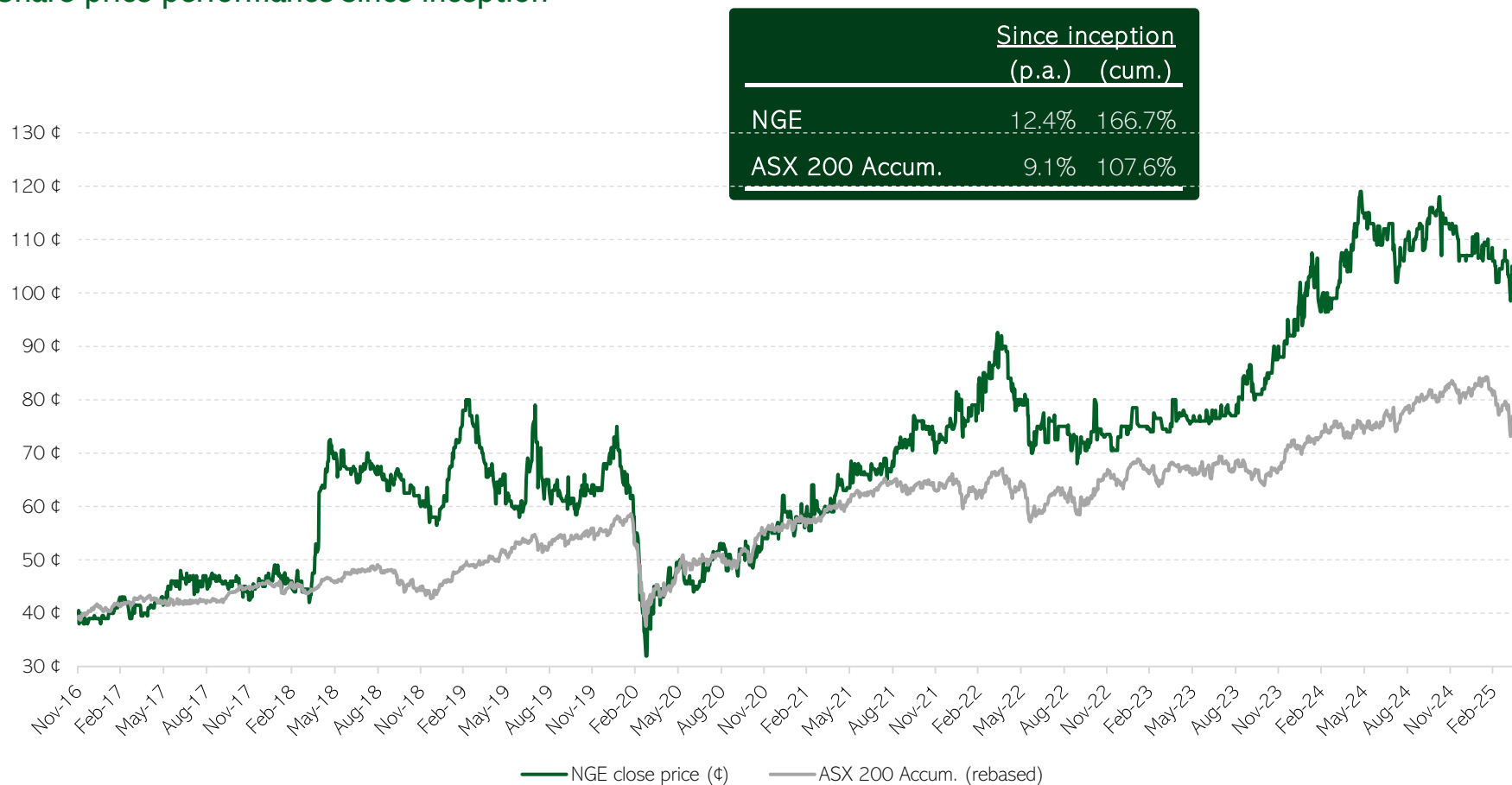
Returns comprise growth in NTA per share (pre-tax, after fees and expenses) and dividends grossed up for franking credits at the applicable corporate tax rate.

1 Peer comparison data comprises all ASX-listed equities-focused LICs with FUM of at least A\$10m that were listed as at 30 November 2016.

Performance



Share price performance since inception¹



¹ From 30 November 2016, the date on which NGE became a LIC, to 30 April 2025.

Capital management considerations



Historical tax losses

- As at 30 April NGE has ~\$29 million of Australian unused and unrealised losses (both income and capital).
- Losses were generated under a previous board and management team from the Company's prior activities as an oil and gas explorer in Papua New Guinea when the Company was called "New Guinea Energy Limited".
- NGE has received tax advice that these losses are available to be offset against future tax liabilities so long as NGE continues to satisfy the continuity of ownership test as set out in Divisions 165 and 166 of the *Income Tax Assessment Act 1997* (Cth).
- To date we have applied ~\$27 million of income and capital losses to offset taxable profits.

Implications: buybacks vs dividends

- NGE is a tax efficient investment vehicle.
- Low franking credits balance (~\$350k as at 30 April 2025) due to low corporate tax paid.
- Limited ability to pay fully franked dividends.
- We believe share buybacks via the on-market buyback facility make more sense than paying unfranked dividends at the present time, particularly given NGE's shares trade at a discount to NTA: more tax efficient, accretive to NTA per share, 8½ year track record of generating strong risk-adjusted returns.
- As at 30 April we have returned ~\$4.58 million to shareholders via on-market share buybacks.

Share buybacks



- NGE has bought back and cancelled ~8.02m shares at an average price per share of ~\$0.571 since 2015.
- This equates to ~19.0% of the shares outstanding since the start of our buyback initiative.
- We estimate that the average buyback discount would be ~25% of the prevailing NTA per share at the time of purchase.
- The average buyback price represents a ~56% discount to the NTA per share of \$1.289 as at 30 April 2025.
- NGE will continue to opportunistically buy back shares in the future.

NGE buybacks since 2015

~\$0.571

Average price
per share

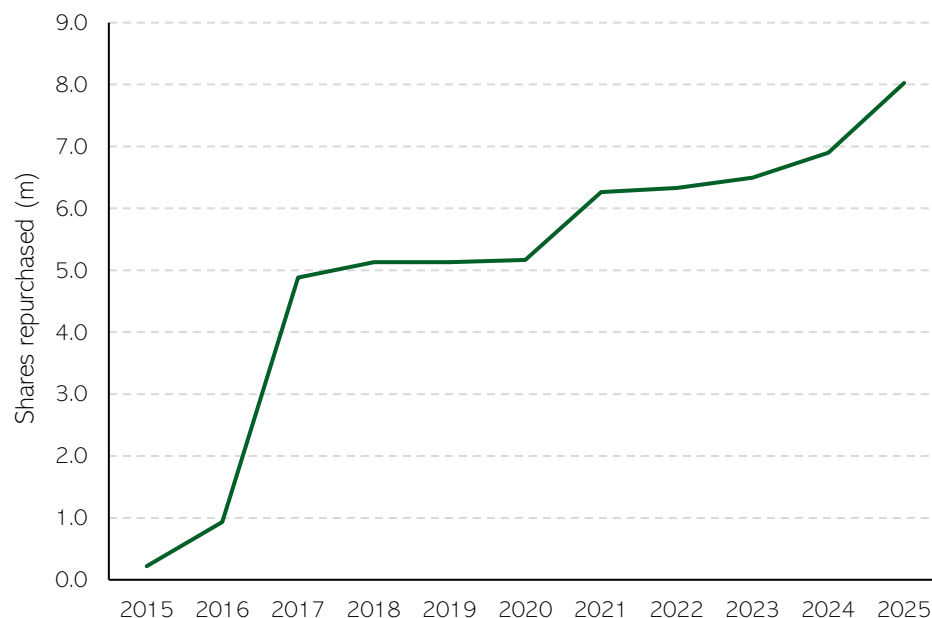
~8.02m

Number of
shares

~19.0%

of shares outstanding at
commencement in Jul-15

Cumulative buyback



Note: Numbers presented as at 30 April 2025 and take into account of the 20:1 share consolidation in November 2016.

Portfolio summary



Portfolio composition as at 30 April 2025

Company	Ticker	% NTA
Yellow Cake plc	LSE : YCA	13.6%
Pioneer Credit Limited	ASX : PNC	7.7%
Cash Converters International Limited	ASX : CCV	7.6%
MLG Oz Limited	ASX : MLG	7.4%
Metals X Limited	ASX : MLX	6.4%
K92 Mining Inc.	TSX : KNT	6.2%
Indiana Resources Limited	ASX : IDA	5.8%
Sprott Physical Uranium Trust	TSX : U.UN	5.3%
Capricorn Energy PLC	LSE : CNE	5.3%
Embark Early Education Limited	ASX : EVO	5.2%
Jupiter Mines Limited	ASX : JMS	4.9%
Northern Ocean Ltd.	OSL : NOL	4.0%
Industrial Logistics Properties Trust	NAS : ILPT	3.5%
Danakali Limited	NSX : DNK	3.2%
Achieve Life Sciences, Inc.	NAS : ACHV	1.5%
Net cash & other		12%

Portfolio holding – Uranium



Description

- Yellow Cake plc (LSE:YCA) and Sprott Physical Uranium Trust (TSX:U.UN) are listed investment entities whose strategy is to buy physical uranium in the form of U_3O_8 and hold long-term.
- YCA and SPUT offer direct exposure to the uranium spot price without exploration, mining and processing risks.

Situation

- Trump nuclear-related executive orders seek to revitalise US nuclear industry and quadruple nuclear capacity to 400GW by 2050 (implies extra ~150mm lbs p.a. U_3O_8 demand) via initiatives including: target first new advanced reactor build by Nov-27, facilitate 5GW of uprates to existing fleet, have 10 new large reactors under construction by 2030, and cut red tape and time taken to approve new reactor licenses to 18 months.
- Term price has held steady at ~US\$80/lb despite the fall in spot price and has been far less volatile.
- Primary supply continues to look challenged.

Assessment

- Western utilities have significant future uncovered uranium requirements at a time when the primary supply deficit is forecast to grow, with no apparent secondary supply cushion.
- Mid-tier miners have struggled to achieve production targets; prices have not yet incentivised greenfield developments.
- Structural deficit likely to be solved via higher prices as utilities compete to secure material, though timing uncertain.

Valuation

		At spot price		At term price	
		Yellow Cake	SPUT	Yellow Cake	SPUT
Ticker		YCA.LSE	U.UN.TSX	YCA.LSE	U.UN.TSX
Local FX		GBP	CAD	GBP	CAD
FX rate	1 USD:	0.7502	1.3799	0.7502	1.3799
U_3O_8 holding	lb	21,682,318	66,220,326	21,682,318	66,220,326
U_3O_8 price ¹	US\$/lb	\$68.00	\$68.00	\$80.00	\$80.00
U_3O_8 holding	US\$m	1,474.4	4,503.0	1,734.6	5,297.6
Cash & other ²	US\$m	17.0	31.9	17.0	31.9
NAV	US\$m	1,491.4	4,534.8	1,751.6	5,329.5
NAV	local FX	1,118.8	6,257.6	1,314.0	7,354.2
Shares out. ²	m	216.86	271.39	216.86	271.39
NAV per share	local FX/sh	5.16	23.06	6.06	27.10
Share price	local FX	4.29	20.58	4.29	20.58
Discount to NAV	%	-16.9%	-10.7%	-29.2%	-24.1%
NGE position size	%	13.6%	5.3%		

Source: Company filings, IRESS, Cameco, NGE analysis.

Note: Valuation as at 30 April 2025.

- Uranium price average of UxC and TradeTech rounded to nearest dollar, as cited by Cameco.
- SPUT NAV pro forma for US\$25.5m placement announced 12 May 2025 that was executed at (or very close to) NAV.

"Looking ahead, we believe a move upstream to focus on security of uranium supply is inevitable and unavoidable."

Cameco, 1Q 2025 earnings call

Portfolio holding – Pioneer Credit



Description

- Debt recovery specialist; purchases and then manages unsecured retail debt portfolios (“Purchased Debt Portfolios”) that are typically 180+ days past due.
- Vendors include the big Australian banks and non-bank lenders.
- PNC purchases the PDPs at a discount, restoring value to the creditor, and then works with the customer to recover the debts.
- Bulk of purchases comprise credit card and personal loan debts.

Situation

- PDP volumes expected to grow from depressed levels caused by Covid-19, as a dormant Big 4 bank returns to the market and delinquency rates across debt products tick up.
- Competition across debt buyers has materially reduced, leaving Credit Corp (ASX:CCP) and PNC as the two main purchasers of bank vendor debts.
- Jul-24 refinance results in significantly reduced interest cost.

Assessment

- 1H25 results were “noisy” but should improve this half, as should leverage.
- PNC aggressively targeting FY26 NPAT of \$18m+; success would enable resumption of fully franked dividends and likely lead to a meaningful stock rerate.
- Employment remains key to collectability.
- PwC claim represents potential additional upside.

Snapshot

Ticker	ASX : PNC	
Share price (30 Apr 25)	\$/sh	0.455
Market cap	\$m	73
Syndicate Senior Facilities (Jul-28, BBSW +5.5%)	\$m	227
Nomura Senior SPV Facility (Dec-25, BBSW + 6.5%)	\$m	12
Medium Term Notes (Dec-28, BBSW + 10.5%)	\$m	56
Gross debt	\$m	294
ERC ¹	\$m	673
PA portfolio ²	\$m	431
PDP asset	\$m	329
P/E (FY26E) ³	x	4.1
NGE position size	%	7.7%

Source: Company filings, IRESS, NGE analysis.

- 1 Estimated remaining collections (ERC) refers to the sum of all future projected cash collections .
- 2 PA portfolio refers to face value of debts under agreed payment arrangements.
- 3 Calculated off PNC's FY26 NPAT target of \$18m.

Portfolio holding – Cash Converters



Description

- Consumer lender and second-hand goods retailer via a large network of owner operated (“corporate”) and franchise operated stores across Australia and overseas.
- Key corporate markets are Australia, New Zealand and the UK.
- Store network provides strong brand awareness and allows CCV to offer several loan products and services in-store.
- Roughly half of the company's profits are derived from online lending to mainly subprime and near-prime credits.

Situation

- Loan book mix is transitioning to highly regulated, less risky, longer duration products; CCV to cease offering Small Amount Credit Contracts after Sep-25, auto loan book is in runoff.
- Management focusing on profitability over loan book growth: significant increase in 1H25 earnings due to lower loss rates.
- Ability to grow via franchise store acquisition program in Australia and offshore (particularly UK); low risk approach.

Assessment

- Trades at FY26E P/E of ~6.0x, ~0.8x P/NTA and a dividend yield of ~8.3% (~11.9% grossed up for franking credits). Adjusted for excess cash, forward P/E is closer to ~4.8x, very cheap considering CCV's history of consistent profitability.
- For reference, UK-based pawnbroker H&T Group plc (LSE:HAT) is being acquired at an implied CY25E P/E of ~12.2x.
- ~44% shareholder EZCORP, Inc. (NAS:EZPW) a logical buyer.

Snapshot

Ticker	ASX : CCV	
Share price (30 Apr 25)	\$/sh	0.24
Market cap	\$m	151
Cash ¹	\$m	57
Gross debt	\$m	134
Net debt ²	\$m	92
Gross loan book	\$m	274
FY26E P/E	x	6.0
FY26E P/E (adj for excess cash) ³	x	4.8
P/NTA	x	0.8
Dividend yield	%	8.3%
NGE position size	%	7.6%

Source: Company filings, IRESS, NGE analysis.

1 Includes ~\$15m of restricted cash.

2 Adjusted for restricted cash.

3 NGE estimate.

Cash Converters offers both capital growth (via loan book and/or store acquisitions) and dividend income

Portfolio holding – MLG Oz



Description

- Kalgoorlie-based integrated mining services company founded by Managing Director Murray Leahy in 2002.
- Main earnings driver is the provision of on- and off-road ore haulage via a fleet of road-trains, whilst expanding service capabilities over time.
- Extensive fleet of prime movers, trailers, crushers and earthmoving equipment.

Situation

- Has benefited from “hub and spoke” model employed by gold miners in the Goldfields region, where ore from multiple satellite mines is transported to large, centralised processing facilities.
- Record gold price driving clients to expand processing capacity, mining operations, and consolidate resources via acquisition.
- Reduced competition following exit of Bis Industries and Rivet.

Assessment

- Trades very cheaply given its strong record of organic growth and opportunities for future growth.
- EBITDA margins to improve as contracts renewed with more timely “rise and fall” provisions for pass-through of costs.
- Resumption of dividends should see investor interest improve.
- Maiden 1-year contract award with Rio Tinto (ASX:RIO) is a significant win and may lead to significantly larger contracts as Rio and other Pilbara-based iron ore miners begin to adopt the hub-and-spoke model to arrest decline in ore grades.

Snapshot

Ticker	ASX : MLG	
Share price (30 Apr 25)	\$/sh	0.65
Market cap	\$m	96
EV	\$m	176
EV/EBITDA (FY26E)	x	2.5
P/E (FY26E)	x	6.9
EV/FCF (FY26E)	x	10.6
P/NTA	x	0.6
NGE position size	%	7.4%

Source: Company filings, IRESS, NGE analysis.

Valuation

		Low	High
Revenue ¹	\$m	600	700
EBITDA margin (target)	%	15%	15%
EBITDA	\$m	90	105
EV/EBITDA ²	x	3.0	4.0
EV	\$m	270	420
Less: net debt ³	\$m	-81	-81
Implied equity value	\$m	189	339
Implied equity value	\$/sh	\$1.28	\$2.30
Upside	%	97%	254%

Source: Company filings, IRESS, NGE analysis.

1 For reference, 1H25 revenue run-rate ~\$550m.

2 MLG listed on FY21E pro forma EV/EBITDA multiple of ~4.1x.

3 Assumes no change from current net debt level.

Portfolio holding – Metals X



Description

- Tin producer with a 50% interest in the Renison Tin Operation, Tasmania.

Situation

- Tin price remains elevated on challenged supply (DRC, Indonesia, Myanmar).
- Increased production due to higher ore grades mined from Area 5 and Leatherwood, as well as improved mill recovery.
- Strong balance sheet.
- Recent strategic investments in First Tin plc (LSE:1SN) and Elementos Limited (ASX:ELT); unsolicited approach to acquire Greentech Technology International Limited (HKE:0195).
- FID on Rentals Project expected 4Q CY2026.

Assessment

- High operational leverage to tin price.
- Potential for further mine-life extensions via additional conversion of existing resources to reserves, exploration upside, or by tying-in other nearby tin deposits
- Supply deficit forecast to increase as tin demand grows, supporting long term price uplift.
- Improved transparency on capital allocation and further capital returns to shareholders would alleviate investor concerns about risk of mal-investment, as would increased direct share ownership by board.

Snapshot

Ticker	ASX : MLX	
Price (30 Apr 25)	\$/sh	0.565
Market cap	\$m	501
EV ¹	\$m	239
EV/EBITDA (FY25E) ²	x	1.8
EV/FCF (FY25E) ²	x	2.7
NGE position size	%	6.4%

Source: Company filings, IRESS, NGE analysis.

Note: FYE 31 December.

- 1 Adjusted for shareholdings in First Tin (1SN), Elementos (ELT), Nico Resources (NC1) and Tanami Gold (TAM). No value attributed to Cyprum Metals (CYM) convertible due to uncertainty around Cyprum's ability to repay.
- 2 Assumes average tin price of US\$32,000/t, 90% payable, AUD:USD FX rate of 0.65, Sn production ~10.5kt (noting 1Q25 impacted by operational issues and bushfires, and FY24 production significantly exceeded Dec-23 life of mine plan), capex ~A\$80m.

Valuation

	Long-Term Tin Price (US\$/t)			
	\$25,000	\$30,000	\$35,000	\$40,000
DCF per share (A\$)	\$0.63	\$0.78	\$0.92	\$1.07

Source: Company filings, IRESS, NGE analysis.

Note: DCF based on updated Life-of-Mine Plan published in December 2023. Assumes WACC of 12%, LT AUD:USD FX rate of 0.65.

Portfolio holding – K92 Mining



Description

- Owns Kainantu Gold Mine, a high-grade, low-cost underground mine located in the Eastern Highlands province of PNG close to the port of Lae.
- FY25E production guidance of 160-185koz AuEq.
- Kora and Judd deposits contain 2P Reserves of 1.69moz AuEq at 8.5g/t, total M&I Resource of 2.6moz AuEq at 10.0g/t.

Situation

- Completing Stage 3 Expansion to increase throughput to 1.2mtpa and run-rate of 300kozpa AuEq; commissioning planned this quarter.
- After Stage 3 Kainantu will operate at industry lowest quartile AISC (life of mine average of ~US\$920/oz AuEq).
- Stage 4 Expansion will further increase run-rate production to 400kozpa AuEq at throughput of 1.8mtpa in 2H 2027.
- US government policy, a weaker US dollar and heightened structural risks likely to continue driving gold investment.

Assessment

- On cusp of becoming a low-cost, Tier 1 mid-tier producer generating very significant cash flows.
- Long mine life, with existing resource likely able to sustain production for decades to come.
- Very strong resource growth achieved to date, likely to grow with maiden resource at Arakompa expected 2H 2025 and an aggressive exploration program underway.

Snapshot

		CAD	USD
Ticker	TSX : KNT		
FX rate	USD:CAD	1.3799	
Price (30 Apr 25)	\$/sh	12.68	
Market cap ¹	\$m	3,127	2,266
EV ²	\$m		2,155
EV/EBITDA (FY26E) ³	x	4.7	
EV/FCF (FY26E) ³	x	7.4	
NGE position size	%	6.2%	

Source: Company filings, IRESS, NGE analysis.

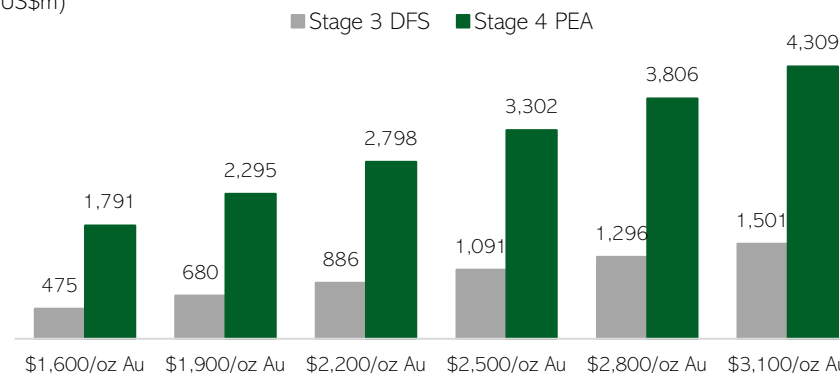
1 Adjusted for dilutive securities.

2 Adj. for cash on exercise of dilutive securities, and post 31-Mar-25 payments of ~US\$22m in instalment taxes and US\$4m for gold put option contracts.

3 Assumes metal prices: US\$3,000/oz Au, US\$4.50/lb Cu, US\$25/oz Ag.

After Tax NPV_{5%} Gold Price Sensitivity Analysis

(US\$m)



Source: Company presentation March 2025.

Note: Assumes metal prices: US\$4.50/lb Cu and US\$25/oz Ag.

Portfolio holding – Indiana Resources



Description

- Exploration company focused on gold, rare earths and base metals within the Central Gawler Craton Province in SA.
- Cash balance of ~\$71.6m (~11.1cps) as at 11 April following the US\$90m settlement of a long-running arbitration case with the government of Tanzania.

Situation

- Indiana paid a 5cps dividend to shareholders in December.
- Further distributions expected; currently awaiting ATO ruling to confirm basis for distribution of a proposed capital return.
- Company to retain ~\$10m to pursue exploration, with a near-term focus on the Minos prospect which has shown some promising gold drill results to date.
- Indiana has been seeking to settle by negotiation the distribution of funds between the Claimants and their shareholders.

Assessment

- We estimate a further ~7-9cps can be distributed to shareholders, including the forthcoming expected return of capital of ~5cps.
- Will retain a cash balance of ~1.6cps, and potentially valuable exploration assets if drilling success results in a maiden gold resource at Minos.
- May end up with a greater share of USD balance held by NNHL under an arbitrated dispute with Loricatus (vs settlement).

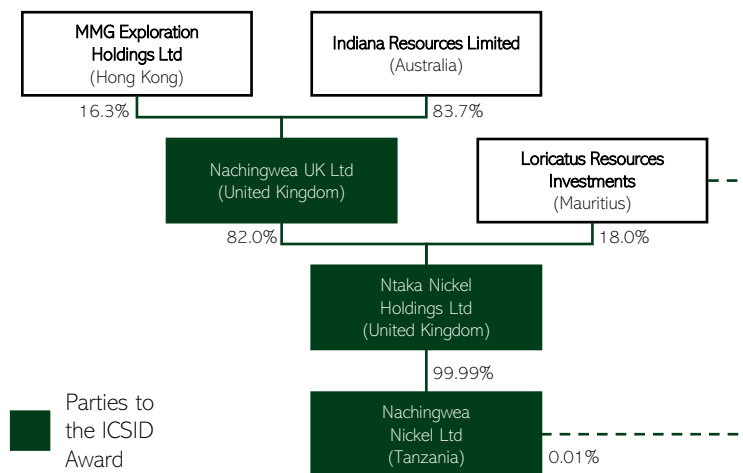
Snapshot

Ticker		ASX : IDA
Share price (30 Apr 2025)	\$/sh	\$0.078
Market cap	\$m	50.1
Cash balance (11-Apr-25) ¹	\$m	71.6
NGE position size	%	5.8%

Source: Company filings, IRESS, NGE analysis.

¹ Comprises ~A\$52.0m held by Indiana and ~US\$12.3m held by Ntaka Nickel Holdings Ltd. (NNHL). Part of the cash held by NNHL is expected to be paid out to the Claimants' shareholders (see ownership structure below) either via a negotiated settlement or further arbitration.

Claimants Ownership Structure



Source: Company presentation August 2024.

Portfolio holding – Capricorn Energy



Description

- Oil & gas producer with onshore operations in western Egypt.

Situation

- Announced consolidation of the 8 existing PSCs where Capricorn has an equal share with Cheiron into a single, integrated agreement on significantly improved fiscal terms; subject to Egyptian Parliamentary ratification.
- \$50m Senegal contingent payment received in January 2025.
- Pursuing recovery of Waldorf's missed payment of \$22.5m and further \$7m given Columbus acquisition not completed.
- Looking at M&A in the UK North Sea and MENA region to diversify and expand Capricorn's operations; large UK tax loss balance from legacy activities.
- No further deferred consideration payments due to Shell.

Assessment

- Refreshed management team has done an impressive job of turning around the business and delivering on its promises.
- New PSC agreement increases long-term value of Egyptian assets: provides uplift to proved reserves, makes gas production more attractive, and provides additional downside protection through an improved cost recovery mechanism (a natural hedge against lower Brent oil pricing).
- EGPC intends to make ~\$130m of payments through remainder of 2025 to decrease receivables balance; further progress required.

Snapshot

		GBP	USD
Ticker	LSE : CNE		
FX rate	USD:GBP	0.7502	
Share price (30 Apr 25)	GBP/sh	2.50	
Market cap	\$m	176	235
EV ¹	\$m		204
NGE position size	%	5.3%	

Source: Company filings, IRESS, NGE analysis.

¹ EV adjusted for restricted cash of US\$3.1m.

Valuation

		GBP	USD
Non-Egypt			
Cash (unrestricted)	\$m		88
India tax receivable	\$m		4
Waldorf earn-out settlement final payment	\$m		2
Exploration commitments	\$m		-9
Total Non-Egypt assets	\$m	63	84
Total Non-Egypt assets	\$/sh	0.90	
Egypt			
Egypt working capital	\$m		117
Egypt net debt	\$m		-57
Egypt NPV15	\$m		169
Total Egypt assets	\$m	172	229
Total Egypt assets	\$/sh	2.44	
Egypt PSC value creation ¹	\$m	150	200
Egypt PSC value creation ¹	\$/sh	2.13	
Total value	\$/sh	5.46	
Upside	%	118%	

Source: Company filings, IRESS, NGE analysis.

¹ Egypt PSC value creation not yet quantified; sourced from FY24 results pres.

Portfolio holding – Embark Education



Description

- Provider of Early Childhood Education, operating 38 childcare centres in Australia.¹

Situation

- Acquired 14 centres in 2024 for a total purchase cost of ~\$40m at an average centre EV/EBITDA multiple of ~4.1x.
- ~\$10m cash and ~\$21m capacity under bank debt facility for further acquisitions, including 2 centres due to close shortly.
- US PE firm Seidler Equity Partners recently acquired an interest in Young Academics for a reported ~\$200m EV, an implied ~10-12x EBITDA multiple.
- Strong government support for broader childcare access with higher childcare subsidies and educator wage subsidies.
- Ongoing scrutiny of industry following negative press.

Assessment

- Solid cost control achieved by operating centres at a local level and avoiding unnecessary cost overlays.
- Highly cash-generative business, minimal ongoing capex.
- Continues to trade very cheaply on an absolute basis and compared to listed peers with poorer operational performance.
- Current dividend yield of ~8.5% (~12.2% grossed up for franking); earnings growth to drive higher dividends.

¹ Will increase to 40 centres upon settlement of 2 acquisitions announced on 15 May.

Snapshot

Ticker		ASX : EVO
Share price (30 Apr 25)	A\$	0.7025
Market cap	A\$m	129
EV ¹	A\$m	124
EV/EBITDA (FY25E) ²	x	5.2
P/E (FY25E)	x	7.8
NGE position size	%	5.2%

Source: Company filings, IRESS, NGE analysis.

1 Adjusted for 1.5c dividend paid in March and excludes ~\$1.0m of restricted cash held as security for bank guarantees.

2 Calculated using EBITDA on a pre-AASB 16 basis.

Valuation implied by Young Academics transaction

		Low	High
EV / EBITDA	x	10.0	12.0
FY25E Centre-based EBITDA	\$m	27.3	28.3
Less: Corp. & support costs	\$m	-4.1	-4.1
FY25E Group EBITDA	\$m	23.2	24.2
EV	\$m	232	290
Add: pro forma net cash	\$m	5	5
Implied equity value	\$m	237	296
Shares outstanding	m	183.5	183.5
Value per share	\$/sh	1.29	1.61
Upside	%	84%	129%

Source: Company filings, IRESS, NGE analysis.

Portfolio holding – Jupiter Mines



Description

- Manganese ore producer which holds a 49.9% interest in the open pit Tshipi Borwa mine in South Africa.
- Manganese is a critical element in carbon steel production.

Situation

- Exxaro Resources (JSE:EXX) has acquired a portfolio of Mn assets held by Ntsimbintle Holdings and OM Holdings (ASX:OMH). Assets include a 50.1% stake in Tshipi and 19.99% of JMS. Transactions expected to close early 2026.
- JMS shares are being acquired at ZAR 3.69 per share (~A\$0.317), a ~119% premium to the undisturbed price of \$0.145.
- GEMCO has resumed exports following prolonged outage; expected to displace higher cost supply.
- Chinese port stocks are at multi-year lows.

Assessment

- Due to the terms of the Tshipi é Ntle Shareholders Agreement Exxaro will employ equity accounting for its 50.1% direct holding. Investors unlikely to give Exxaro “full credit” until mine is 100% owned and fully consolidated.
- A takeover offer for JMS would be a logical next step; Exxaro M&A call comments hinted at this, though timing is uncertain.
- Long term Mn price expected to be set by marginal South African supply transitioning underground over time (Exxaro assume a LT price of US\$4.20/dmtu).

Snapshot

Ticker	ASX : JMS	
Price (30 Apr 25)	\$	0.15
Market cap	\$m	294
EV ¹	\$m	215
EV/EBITDA (FY26E) ²	x	2.0
EV/FCF (FY26E) ²	x	3.0
NGE position size	%	4.9%

Source: Company filings, IRESS, NGE analysis.

1 Includes Jupiter's 49.9% attributable share of Tshipi cash balance.

2 Based on Jupiter's share of Tshipi earnings less JMS' corporate overhead. Assumes Mn production of 3.4Mt (of which 0.4Mt High Grade Fines), 37% Mn FOB Port Elizabeth benchmark price US\$3.50/dmtu, ore moisture content 1.8%, FOB cost of production US\$2.10/dmtu, AUD:USD FX rate of 0.65. FCF net of 5% WHT.

Valuation

		LT Mn Benchmark Price (US\$/dmtu)				
		\$3.00	\$3.50	\$4.00	\$4.50	\$5.00
DCF per share (A\$)	3.4Mtpa	0.18	0.28	0.38	0.48	0.58

Source: Company filings, IRESS, NGE analysis.

Note: Valuation of 2P reserves only.

Assumes average annual production of 3.0Mt HGL, 0.4Mt HGF, ore moisture content 1.8%, HGF average discount to benchmark price of 8%.

Assumes LT FOB cost of production of US\$2.00/dmtu.

Assumes WACC of 15%, LT AUD:USD FX rate of 0.65.

Portfolio holding – Northern Ocean



Description

- Oslo-listed oil & gas drilling contractor.
- Owns two 6th generation ultra deepwater harsh environment semi-submersible drill rigs: Deepsea Mira and Deepsea Bollsta.
- Marketing, management and day-to-day operations have been outsourced to a subsidiary of Odfjell Drilling Ltd. (OSL:ODL).

Situation

- Controlled entity of Norwegian billionaire John Fredriksen.
- Signed 2-year firm contract (plus five one-year options) with Equinor (OSL:EQNR; NYS:EQNR) for the Deepsea Bollsta to operate in Norway; due to commence in 2H25.
- Deepsea Mira facing some “white space” following recent drilling work offshore Namibia.
- Medium term outlook in Norway looks favourable, as does West Africa though timing less certain.

Assessment

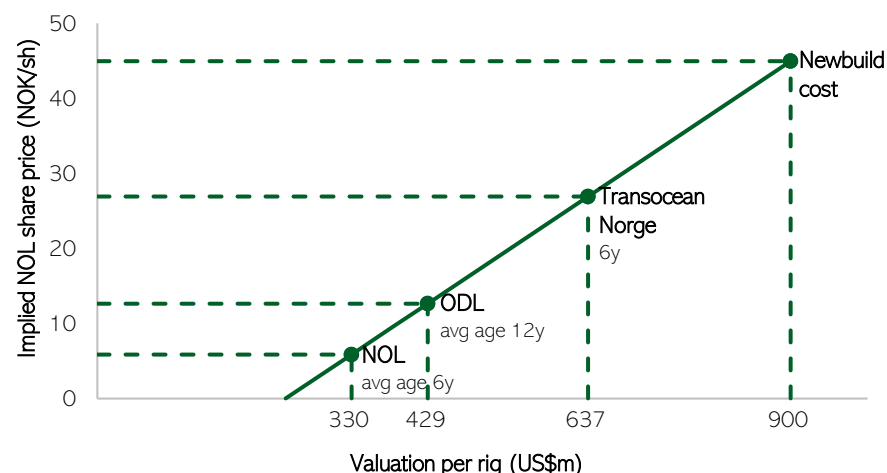
- Trades at a significant discount to closest listed peer Odfjell, replacement cost, and a recent comparable acquisition.
- Refreshed management team are incentivised to create value.
- A levered bet with very high upside, though reliant on contracting success for Deepsea Mira.
- Odfjell is a logical acquirer, though Fredriksen likely to prefer to play the consolidator of the industry.
- O&G companies favour modern assets to conduct drilling campaigns; large part of global fleet is outdated.

Snapshot

		NOK	USD
Ticker	OSL : NOL		
FX rate	USD:NOK	10.4006	
Share price (30 Apr 25)	\$/sh	5.85	
Market cap	\$m	1,774	171
EV	\$m		660
EV/rig	\$m		330
NGE position size	%	4.0%	

Source: Company filings, IRESS, NGE analysis.

Market valuation implied price



Source: Company filings, IRESS, NGE analysis.

Portfolio holding – ILPT



Description

- Industrial Logistics Properties Trust ("ILPT") is a REIT that owns over 400 warehouse and logistics properties in the US.
- Externally managed by The RMR Group Inc. (NAS:RMR).
- Top tenants are FedEx Corporation (NYS:FDX), Amazon.com, Inc. (NAS:AMZN) and The Home Depot, Inc. (NYS:HD).

Situation

- Poorly timed acquisition of Monmouth Real Estate Investment Corp. (NYSE: MNR) that closed in 2022 has left ILPT with excessive floating rate debt and burdensome interest expense.
- Cash NOI has been growing incrementally and covers debt service requirements.
- Impact of tariffs on tenant demand and leasing environment is uncertain.

Assessment

- Modestly geared Hawaii portfolio is the "jewel in the crown" and could be worth ~US\$16+ per share: ground leases, low capex requirement, land constraints stunt new supply.
- Non-recourse nature of debt means the odds of bankruptcy are far more remote than the depressed share price suggests.
- 1Q25 earnings call commentary revealed management is evaluating opportunities to improve the balance sheet and reduce leverage, potentially by refinancing the existing debt and divesting properties. May act as a catalyst to an upward re-rating of the equity.

Snapshot

Ticker	NAS : ILPT	
Share price (30 Apr 2025)	US\$/sh	\$2.62
Market cap	US\$m	173
Total debt ¹	US\$m	4,303
Total capitalisation	US\$m	4,476
P/B	x	0.32
P/NAVPS	x	0.12
NGE position size	%	3.5%

Source: Company filings, IRESS, NGE analysis.

¹ ILPT fully consolidates Mountain Industrial REIT JV debt (ILPT share 61%).

Valuation

(FYE 31 December)		JV		Group Total
		100% basis	ILPT 61% share	
Cash NOI (1Q25 run-rate)	US\$m	87	131	283
Cap rate ¹	%	4.5%	6.0%	
EV	US\$m	1,935	2,184	5,201
Debt	US\$m	863	1,718	3,633
Equity	US\$m	1,072	466	1,568
Shares out.	m			66.1
NAV per share	\$/sh	\$16.2	\$3.2	\$23.7
Add: Cash (incl restricted)	\$/sh			\$3.6
Less: RMR contract value ²	\$/sh			-\$4.5
NAV per share	\$/sh			\$22.7

Source: Company filings, NGE analysis.

¹ Hawaii cap rate referenced to cash cap rates of two sales by LXP Industrial (NYS:LXP) as announced in its 1Q25 presentation (one property at 3.8%, another at 4.3%).

² Estimate on PV basis.

Portfolio holding – Danakali



Description

- Main asset is retained cash balance, following sale of its 50% interest in the Colluli Potash Project located in Eritrea.

Situation

- Shifted listing from ASX to NSX after extended period of suspension of company's shares on ASX.
- Has applied for an exploration license in Eritrea and signed a JV agreement to pursue exploration opportunities in Saudi Arabia. Danakali to contribute US\$4m to the JV initially.
- In 2024 DNK increased senior management salaries, moved into a new office on a 3-year lease at increased rent, and paid a \$150k "exclusivity fee" to Buxton Resources (ASX:BUX), a related party of the Executive Chairman at the time.
- Proposing to issue 10m options to the Executive Chairman at upcoming AGM; in Nov-23 Danakali paid out \$300k to the Executive Chairman to cancel 4.0m options that would have expired worthless in Dec-24.

Assessment

- Overseas JV structures can be opaque and difficult to audit.
- Despite its limited operations we estimate Danakali has 5 executives (Exec Chair, CFO, 2 Technical Directors, Head of Exploration), 4 NEDs, 2 employees (including a Senior Accountant), and 2 Co-Company Secretaries.
- The most value-maximising, minimal-risk action the Board can take is to return all of the remaining cash to shareholders.

Snapshot

Ticker		NSX : DNK
Share price (30 Apr 2025)	\$/sh	0.070
Market cap	\$m	25.44
Pro forma cash ¹	\$m	30.73
Pro forma cash per share ¹	\$/sh	0.085
NGE position size	%	3.2%

Source: Company filings, IRESS, NGE analysis.

¹ As at 31 March 2025, pro forma for cash paid out to shareholders pursuant to unmarketable parcel share buyback completed in April.

Portfolio holding – ACHV



Description

- Exclusive license to develop and commercialise cytisinicline in the US and western Europe.
- Cytisinicline has been used for decades in Eastern Europe as a drug therapy to treat nicotine addiction and help smokers quit: an estimated 20 million people have used the treatment.
- ACHV has completed two Phase III trials and is due to lodge its New Drug Application with the FDA in June.

Situation

- Cytisinicline is more effective and has less adverse side effects than the current standard treatment varenicline. Varenicline was developed and marketed by Pfizer, Inc. (NAS:PFE) and reached ~US\$1.1bn sales in 2019 before being withdrawn from market.
- No new nicotine dependence treatment drugs in ~20 years.
- FDA has granted Breakthrough Therapy designation for cytisinicline for vaping cessation.

Assessment

- Binary bet with high upside potential: success with its NDA would likely lead to a corporate action (such as a sale, partnership, licensing or funding agreement), and a material upward rerating of the company's equity.
- If NDA is accepted for filing ACHV will receive a "FDA Day 74 letter" which contains a review timeline (expected to take up to a year from the original filing submission). The Day 74 letter can often be the catalyst to corporate actions even prior to completion of FDA's review.

Snapshot

Ticker	NAS : ACHV	
Share price (30 Apr 2025)	\$/sh	2.60
Market cap	\$m	90
Cash & marketable securities	\$m	23
Convertible debt	\$m	10
EV	\$m	77
NGE position size	%	1.5%

Source: Company filings, IRESS, NGE analysis.

Note: Snapshot does not take into account of ~22m dilutive securities with various exercise prices up to ~US\$13/sh that could realistically be exercised under a positive corporate action scenario. If all such dilutive securities were exercised, then ACHV would receive ~US\$108m in cash proceeds, and the convertible debt would likely be converted into equity. The bulk of the proceeds would come from ~4.1m warrants exercisable at US\$4.50/sh and ~13.1m warrants exercisable at ~US\$4.91/sh. It is possible the terms of these warrants could be amended to adjust the exercise prices lower to incentivise their exercise and solve the company's near-term funding needs.

"[A]s we expand our key opinion leader group, it's increasingly apparent that obviously, this is the first new nicotine dependence treatment in over 20 years, but an increasing recognition of the importance of both the efficacy and the tolerability of the drug. I think the view of the key opinion leaders is that this is clearly going to be a drug that's going to make an immense impact on the nicotine dependence area."

Achieve Life Sciences, 1Q 2025 earnings call

Board & management



David Lamm

**Executive Chairman &
Chief Investment Officer**

- Responsible for the origination of investment ideas, management of NGE's portfolio and overall performance of the LIC.
- Over 20 years' experience in business and financial markets including roles at Credit Suisse, Bain, the Alter Family Office, Kentgrove Capital and L1 Property.
- Qualified as a Fellow of the Institute of Actuaries of Australia.
- Bachelor in Commerce from the University of Melbourne with First Class Honours.



Adam Saunders

**Executive Director &
Portfolio Manager**

- Responsible for the origination, analysis and execution of investment ideas and management of NGE's portfolio.
- Portfolio Manager at Kentgrove Capital, and previously held corporate advisory roles at GBS Finanzas in Madrid and Credit Suisse in Melbourne.
- Bachelor in Commerce from the University of Melbourne with Honours in Finance.
- Graduate of the Australian Institute of Company Directors.



Ilan Rimer

Non-Executive Director

- Extensive experience in management consulting, corporate strategy and new business development.
- Founder of two Australian technology businesses.
- Previously held roles at Bain, PwC, Australia Post, Visy and Stellar Asia-Pacific.
- MBA from Oxford University and a Bachelor in Commerce (Hons) from Monash University.
- Graduate of the Australian Institute of Company Directors.



Leslie Smith

**Chief Financial Officer &
Company Secretary**

- Senior financial and company secretarial experience in various private, public and listed entities in the resources, manufacturing, IT and not-for-profit sectors in a career spanning 30+ years.
- Bachelor of Business from Massey University and an MBA at the University of Melbourne.
- Graduate Diploma in Applied Corporate Governance.
- Chartered Accountant and Member of the CPA and Governance Institute of Australia.

Investment proposals

Submit an investment opportunity for us to consider to:
investments@ngecapital.com.au



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Presentation released to the market with the
authorisation of:

David Lamm
Chief Investment Officer

Adam Saunders
Portfolio Manager