

CHAIRMAN'S LETTER

Dear Shareholder,

NGE Capital Limited (**NGE** or **Company**) recorded a net profit after tax of \$12.0 million for the financial year ended 31 December 2025. The portfolio returned 25.7% pre-tax and after all expenses during the year. NGE has returned, net of all expenses, 13.6% p.a. or 217.3% in aggregate since 30 November 2016, when the Company began operating as a Listed Investment Company (LIC).

We have now built a 9-year track record of performance since inception as a LIC, and over that period we have delivered strong returns both on an absolute basis and relative to the market. We have had seven years in which our returns were both positive and in the double digits, and two down years (both in the single digits). Our future return profile will likely be bumpy, as has been the case at times historically, due to a deliberate approach of constructing a concentrated portfolio of what one shareholder recently described as “hard money overlooked value propositions”. (We think that is a fair précis of many of our current and historical investments). However, we are confident that over the long-term we will meet our goal of generating strong risk-adjusted returns over the medium to long term by adhering to our investment strategy, which can be summarised as follows:

- target investments that can generate strong returns with an adequate margin of safety;
- aim to hold a high conviction, concentrated portfolio; and
- invest based on fundamental analysis.

Our investment strategy has produced the following returns since inception:

INVESTMENT PERFORMANCE SUMMARY (AS AT 31 DEC 2025)

	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	Since inception ¹ (% p.a.)	
NGE Capital Limited	25.7%	20.4%	15.6%	13.6%	217.3%
ASX 200 Accumulation Index	10.3%	11.4%	9.9%	9.5%	127.4%
Outperformance	15.4%	9.0%	5.7%	4.1%	89.9%

Source: IRESS (for XJOAI data).

Note: NGE returns presented on a pre-tax basis and are calculated after all fees and expenses.

1 Inception date 30 November 2016, the date on which NGE became a LIC.

We believe our track record compares very favourably to the returns generated by the ASX 200 Accumulation Index. Pleasingly, our returns have also been improving over time.

The key positive contributors to portfolio performance in FY2025 were unrealised gains in **Yellow Cake plc (LSE:YCA)**, **K92 Mining Inc. (TSX:KNT)**, **MLG Oz Limited (ASX:MLG)**, **Achieve Life Sciences, Inc. (NAS:ACHV)** and **Northern Ocean Ltd. (OSL:NOL)**, and unrealised and realised gains from the partial sell-down of holdings in **Metals X Limited (ASX:MLX)**, **Cash Converters International Limited (ASX:CCV)**, **Industrial Logistics Properties Trust (NAS:ILPT)**, **Indiana Resources Limited (ASX:IDA)** and **Pioneer Credit Limited (ASX:PNC)**. We realised additional gains from fully exiting our holding in **Jupiter Mines Limited (ASX:JMS)**. The key detractors were mark-to-market declines in **Alliance Aviation Services Limited (ASX:AQZ)**, **Capricorn Energy PLC (LSE:CNE)**, **Carnarvon Energy Limited (ASX:CVN)** and **Embark Early Education Limited (ASX:EVO)**, and a realised loss after exiting our position in **John Wood Group plc (LSE:WG.)**.

We expect 2026 to be a continuation of the “macro dominant” investing environment that has persisted for several years now, where investors need to be alert to the dramatic changes and developments that are reshaping geopolitics, Western domestic politics, global trade, supply chains,

CHAIRMAN'S LETTER

regulations, defence spending, energy markets, critical mineral supply, and Artificial Intelligence. Amidst all the change and almost day-to-day gyrations across equity markets, we think the key themes of loose government fiscal policy and structurally higher inflation will continue to dominate Western economies in the coming years.

Western governments – led by the US – continue to run ever-larger deficits. To keep debt loads serviceable, there is a strong incentive to actively try to suppress interest rates. We find appealing the argument that we are in the late stage of a long credit cycle, where inflation and financial repression – using a mix of holding rates below inflation, encouraging financial institutions to buy Treasuries through favourable capital requirement exemptions, and imposing capital controls – will be the preferred solution to excessive debt, rather than austerity or default.

In the US, the Trump administration has embarked on an aggressive mix of fiscal expansion, deregulation and quasi-monetary stimulus, all aimed at running the US economy “hot” into the mid-term elections. The One Big Beautiful Bill, a sharp rise in defence spending, large-scale purchases of mortgage bonds via Fannie Mae and Freddie Mac, regulatory loosening to stimulate credit, a focus on reshoring and reindustrialisation, and potential rate cuts overseen by a new Fed Chair, all point to a supportive backdrop for US economic growth in 2026. This may provide a tailwind for global growth and equity markets.

However, the US' approach comes at the cost of a steeper yield curve, declining confidence in the US dollar and more persistent inflation. We think this environment underpins a strong investment case for holding real assets, commodities, and continued exposure to gold despite its strong run in the past 12 months. Accordingly, we believe our portfolio is well positioned.

However, should the prevailing conditions change, NGE's flexible investment mandate – which is as broad as the ASX Listing Rules allow – is particularly useful in times such as these. Our investment mandate allows us to be nimble and take advantage of opportunities where we find them: we are able to invest across geographies, asset classes, industries and market caps, with few constraints.

Below we provide an update on our five largest positions as at 31 December.

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Our uranium basket contributed positively to portfolio performance during 2025, with **Yellow Cake plc (LSE:YCA) (Yellow Cake)** up ~18% and **Sprott Physical Uranium Trust (TSX:U.UN)** up ~8%. During the year the spot U3O8 price rose ~18% to ~US\$82/lb at year end. In the same period the base-escalated term price, which acts as a reference price for a portion of long-term contracting activity between utilities and producers and is a fairer representation of the “true” supply-demand dynamics of the uranium market, was up ~7% to ~US\$86.5/lb.

We think the stars may finally be aligning for our uranium bet, as policy, sentiment, capital, nuclear demand, uranium supply and utility contracting all look to be converging and building upside pressure on uranium prices.

In 2025 the US administration took the initiative to “[r]e-establish the United States as the global leader in nuclear energy” and revitalise the US nuclear industry. As part of its policy goals, the Trump administration wants to quadruple US nuclear capacity from ~100GW in 2024 to 400GW by 2050. Achievement of this implies additional U3O8 demand of ~150mmlbs p.a. for the US alone, a considerable increase on the current global demand level of ~200mmlbs.

The US government backed up their ambition with the announcement of a US\$80bn strategic partnership between Westinghouse, Brookfield and Cameco and to accelerate the deployment of

CHAIRMAN'S LETTER

nuclear power. President Trump has set an ambitious target of having 10 new large reactors under construction by 2030; this partnership will stimulate the nuclear supply chain with the US government taking on the financial risk of contractors (re-)learning how to construct nuclear reactors. In other positive actions, the US signed a US\$550bn infrastructure deal with Japan, with funds earmarked for nuclear buildouts, and in January 2026 the DoE awarded US\$2.7bn in grants for enrichment companies to strengthen domestic enrichment services.

Additionally, China and India have set very ambitious nuclear energy targets by 2050, which if achieved would add a combined incremental ~367GWe to the global nuclear power base (and ~185mmlbs of annual U3O8 demand).

Demand for nuclear is being driven by energy security concerns, growing electrification of grids, recognition that nuclear provides reliable, affordable, low carbon baseload power at scale, and increasing electricity needs from AI and hyperscale data centres. As Yellow Cake pointed out in its 11 February 2026 filing, "big tech companies Microsoft, Amazon, Meta, Google and Equinix (among others) have collectively committed to more than 13GWe of new nuclear capacity, restarts and uprates via long-term agreements over the past 18 months".

Whilst demand continues to surprise to the upside, supply looks particularly challenged. 2025 saw little supply growth, and production downgrades from Cameco, Kazatomprom (from initial 2025 expectations announced in 2024), Boss Energy, Paladin Energy, Peninsula Energy and SOMAÏR (Niger). There are still no big, new, greenfield mines under construction, and there is a long lead time to bring new production online.

As a result, the forward supply/demand outlook looks very promising for uranium prices. As Grant Isaac, President and COO of Cameco, noted at a 7 January 2026 conference, there no longer appears to be an overhang of inventory to cushion future supply shortfalls:

"It could be when greenfield projects don't go as well as people think they're going to go. Could be a demand shock. I talked about the leaking of the Indian contract that we were negotiating. That's a lot of demand that people didn't realise was in the market. I'm not exactly sure what the next shock is going to be. But because this market doesn't have the inventory position it used to have, this market has never been more vulnerable to a shock than it is today. That historic shock absorber, government inventories like DOE inventories or the megatons to megawatts project for those old enough to remember that in the industry, 400 million pounds of uranium material flowing into the commercial market under the HEU agreement, gone. None of that exists today.

So this market will hit a shock. And when it hits a shock, it has no shock absorbers anymore. And that sounds like a pretty constructive thing for an incumbent producer."

...

K92 Mining Inc. (TSX:KNT) (K92 or Company) shares rose ~161% in 2025 on the back of the strong gold price and solid operational performance of its Kainantu gold mine in Papua New Guinea. K92 is in the midst of a transformational growth phase, where production is expected to ramp up from 174 koz AuEq achieved in 2025 to a run-rate of 400+ koz of AuEq in 2028.

Production growth is initially being driven by the Stage 3 Expansion, which is designed to double current throughput capacity to 1.2mtpa and increase production to 300+ koz AuEq in 2027. The Stage 3 Expansion project is progressing well, with the newly constructed process plant commissioned in 4Q25 and various Stage 3 enabling projects continuing to progress. In addition to production, ramp-up is expected to drive a step change in cost reduction: K92 is forecasting an average AISC of ~US\$920/oz AuEq.

CHAIRMAN'S LETTER

K92 has designed the supporting infrastructure that is currently being installed as part of the Stage 3 project to accommodate a further growth project, the Stage 4 Expansion. Stage 4 is expected to further increase throughput to 1.8mtpa and increase production to 400+ koz AuEq from 2028, with a LOM AISC of ~US\$822/oz AuEq.

Whilst the existing resource alone is likely able to sustain production for decades to come, K92 offers plenty of exploration upside. The Company has been undertaking significant drilling activity, and a maiden resource estimate for Arakompa – now expected in mid-2026 – could add further value.

We estimate that the Company is trading at ~0.6x NAV (based on spot pricing). We think K92 could generate close to ~US\$400m of free cash flow in 2026 if commodity prices hold around the current level, despite another relatively high growth capex year (as the Stage 4 Expansion project gets underway) and a large budgeted exploration program. This compares favourably to the year-end EV of ~US\$3.9bn. By 2028, FCF is set to double as production ramps further and capex requirements moderate.



MLG Oz Limited (ASX:MLG) (MLG) was a strong performer for the portfolio, with the share price up ~58% in 2025. MLG provides integrated mining services including ore haulage, crushing, mining and civil works across 35 projects in WA and NT. Most of its work is conducted in the Goldfields region around Kalgoorlie. MLG charges clients based on tonnes hauled and crushed, plus haulage distances under a schedule of rates.

MLG continues to benefit from the “hub and spoke” model employed by Goldfields gold miners, where ore from multiple satellite mines is transported to large, centralised processing facilities. A lack of rail infrastructure means that the most economic method of ore transportation is via trucking. The strength in the gold price has meant MLG's clients have grown considerably in profitability, size and ambition, with producers committing large amounts of capex to processing facility expansions. This should provide meaningful growth opportunities for MLG's future business.

A further potential tailwind is likely to come from iron ore miners in the Pilbara adopting a similar satellite mining approach to combat declining ore grades. To that end, we see the contract award by Rio Tinto during the year as a pivotal moment for MLG, and the first step towards what may amount to materially larger contracts for haulage and crushing in the future.

Additionally, MLG's EBITDA margins have been steadily improving, driven by improved pricing of its schedule of rates, timelier pass-through of certain costs, and a stronger focus on asset utilisation rates of its plant and equipment. Following some very lean and difficult years for haulage companies across Australia, there are now few competitors remaining of MLG's size, scale and operational sophistication in WA. That leaves MLG in a strong position to continue to improve pricing and profitability through contract renewals and the signing of new contracts.

MLG is looking at potentially moving up the value chain by moving into gold mine profit sharing arrangements with owners of satellite ore bodies. These owners would otherwise have limited means of extracting value from their resource. MLG has the experience, operational knowhow, equipment, and relationships with gold processors to make a tolling arrangement stack up financially. Alternatively MLG is considering purchasing an existing brownfield mill. MLG would do the mining services work at standard commercial rates, and then share any profit with the resource owner on the gold sold. Whilst nothing has been announced to date, MLG could see a material uplift in margins and returns on capital from a successful profit sharing arrangement.

CHAIRMAN'S LETTER

Despite the increase in share price during 2025, MLG continues to trade very cheaply in our view at a FY26E EV/EBITDA of ~3.0x and a P/E of ~9.5x. This is particularly so given the significant growth opportunities in front of MLG. We think MLG's share price could potentially double from here in the next few years if it is able to continue to execute. The resumption of dividend payments, announced at the 1H26 interim results, will likely see more investor interest in the stock.



Carnarvon Energy Limited (ASX:CVN) (CVN) detracted from performance in 2025, with the share price down ~17% from our purchase price to close at 8.6c at year end. Carnarvon's assets comprise cash (~5.5cps), a 19.9% shareholding in **Strike Energy Limited (ASX:STX) (Strike)** (~4.2cps), a 10% stake in the world-class Dorado oil and gas development project offshore WA, Dorado development free carry, a 20% stake in the Pavo oil find, and interests in highly prospective exploration assets. We think these assets could be worth ~25-40cps in aggregate on a present value basis and net of corporate costs and interest income.

Our valuation range is driven by uncertainty around the development timeline for Dorado as operator Santos, which holds an 80% stake in the project, has dragged its feet on advancing the project through FEED to FID. Santos was unable to sell down a portion of its interest in Dorado during 2024 in an effort to reduce its share of the upfront capex cost – a hefty ~US\$2bn on a 100% basis (Santos share ~US\$1.6bn), though there is potential for a lower cost depending on project design. In the meantime, Santos has been focused on other development projects in its portfolio and maintaining balance sheet discipline.

CVN's share price slide can be attributed to a decline in the share price of Strike, after CVN made its strategic investment at 12cps, as well as a delay to exploration drilling. We think Strike's various assets could be worth 20cps+ in certain circumstances, though we remain somewhat cautious given the technical, geological, and commercial challenges some gas producers – including Strike – have encountered in extracting gas from the Perth Basin where Strike holds significant onshore gas reserves and resources.

Two wells were initially expected to be drilled on CVN's permits in mid-2026, though this has since been scaled back to one well in 1H 2027. The drilling will likely target either the Ara or Wallace prospects in the northern play fairway. In December Santos submitted its Environment Plan for a multi-well exploration and/or appraisal drilling campaign in the Bedout Basin. Santos is also targeting drilling on a permit jointly held with BP that is adjacent to Dorado. Buried deep in the EP, from a presentation dated July 2025, Santos states that it "will soon be working on a second drilling EP with additional [Operational Areas] in the Bedout Basin". We see Santos' EP and stated intention as positive for CVN, as it shows Santos is still interested in these assets at a time when it has been shedding non-core assets.

A lot is riding on the success of this upcoming drilling campaign in our view: successful gas (and liquids) shows would likely reignite the bullishness towards the Dorado Project that Santos' CEO displayed at the December 2020 Investor Day presentation. If drilling is able to prove up further resources, then it will likely improve Santos' ability to sell-down some of its oversized stake given the likely improvement in economics. Conversely, a lack of success likely means development of Dorado is put on further hold.

In summary, we think CVN provides a nice asymmetric bet where we likely win big if the Dorado project gets moving again. And in the event it is put into eternal limbo, we probably do not lose much given CVN's cash backing and stake in Strike.



CHAIRMAN'S LETTER

Metals X Limited's (ASX:MLX) (MLX) shares rocketed ~169% in 2025, buoyed by tin prices increasing ~40% to ~US\$41,000/t at year end. The tin price has continued to strengthen, peaking at over US\$56,000/t in late January 2026, as supply has struggled to keep pace with rising demand. We reiterate our view that the outlook for tin looks strong due to a lack of significant supply growth, ongoing risks to supply from large producer countries such as Myanmar and DRC, and increasing demand from technology, defence and energy transition applications.

MLX has built up a large cash balance over the past few years from cash flows generated through its 50% stake in the Bluestone Mines Tasmania Joint Venture (BMTJV), which runs the Renison tin mine. Production has been relatively consistent in recent years despite operational challenges, which combined with a buoyant tin price has made Renison a very profitable operation. MLX has invested part of its windfall by building up a decent-sized share portfolio via the purchase of strategic stakes in various listed tin companies, which have risen handsomely in line with the tin price. In the background, all evidence at the regulatory level suggests the BMTJV is pressing full-steam ahead on its Rentals development project.

We think the most attractive opportunity out of MLX's investees is the potential for further investment in Greentech Technology International Limited (HKE:0195). Greentech holds an effective 41% interest in the BMTJV. MLX made an offer to acquire Greentech during the year, but was only able to garner a ~3.1% stake. Greentech shareholders' appetite for a deal may change if Greentech is delisted from the HKSE on 1 March 2026, as looks likely to happen following corporate governance issues that have led to the shares being suspended for an extended period.

Following the strong run in share price we have materially lowered our exposure, locking in tidy profits through share sales at materially higher prices than our initial entry point of ~20cps when MLX's Nifty copper assets were sold to Cyprium Metals.

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During the year we bought back ~1.13m shares at an average price per share of ~\$1.024 per share, a ~37% discount to the year-end NTA per share of \$1.618. We were particularly aggressive buyers of NGE shares on 7 April, when markets sold off heavily in response to Trump's "Liberation Day" tariffs. We will continue to buy back shares opportunistically when it makes sense to do so.

NGE remains a simple, clean and tax efficient investment vehicle, with ~\$18.5 million of Australian unused and unrealised losses available at year end. In the aggregate these losses equate to a potential future tax benefit of ~\$4.6m or ~\$0.13 per share (of which ~\$4.3m or ~\$0.124 per share is recognised in our after tax NTA as at 31 December 2025). The losses – which include both income and capital losses – were generated 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". The Company 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).

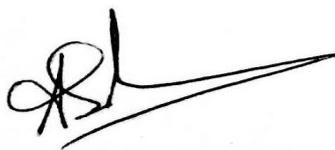
As we enter our 10th year as a LIC, we hold high conviction in our current portfolio, which we believe holds an attractive risk/reward outlook with lots of potential and unrealised value. We feel confident about our investment approach in the current environment, which should throw up plenty of opportunities for stockpickers like us.

CHAIRMAN'S LETTER

Yours sincerely,



David Lamm
Executive Chairman
& Chief Investment Officer



Adam Saunders
Executive Director
& Portfolio Manager

19 February 2026

IMPORTANT INFORMATION:

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