

Investment & NTA Update

31 March 2024



NGE Capital Summary

ASX ticker	NGE
Share price (31 Mar 24)	\$0.990
Shares outstanding	35,786,653
Market cap	\$35.4m
NTA per share before tax	\$1.238
NTA per share after tax	\$1.319
NTA before tax	\$44.3m
NTA after tax	\$47.2m

Overview

NGE Capital Limited is an internally managed Listed Investment Company which allows investors to gain exposure to a concentrated, high conviction, actively managed portfolio of financial assets. NGE primarily focuses on listed ASX and international equities, with the aim of generating strong risk-adjusted returns over the medium to long term.

Board & Management

David Lamm Executive Chairman & Chief Investment Officer	Adam Saunders Executive Director & Portfolio Manager
Ilan Rimer Non-Executive Director	Les Smith Company Secretary & Chief Financial Officer

Contact Details

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Net Tangible Assets Per Share

	31 Mar 2024	29 Feb 2024
NTA per share before tax	\$1.238	\$1.200
NTA per share after tax	\$1.319	\$1.281

NTA Per Share Performance Summary

1 month	Year-to-date	Last 12 months	Since inception ¹ (p.a.)	(cum.)
3.2%	6.7%	24.2%	12.9%	142.7%

Note: Returns are net of all expenses.

1 From 30 Nov 2016, the date on which NGE became a LIC.

Portfolio Composition

Company	Ticker	% of NTA
Yellow Cake plc	LSE:YCA	17.7%
Metals X	ASX:MLX	7.3%
Sprott Physical Uranium Trust	TSX:U.UN	7.3%
John Wood Group plc	LSE:WG.	5.8%
Industrial Logistics Properties	NAS:ILPT	5.5%
Jupiter Mines	ASX:JMS	5.1%
OCI N.V.	AMS:OCI	5.0%
Embark Early Education	ASX:EVO	4.9%
Capricorn Energy PLC	LSE:CNE	4.4%
Greek NPE basket	Various	4.4%
Danakali	ASX:DNK	3.1%
Net cash and other		30%
Total		100%

Unrecognised Tax Losses

The Company has ~\$30 million of Australian unused and unrealised losses available as at 31 March 2024. In the aggregate these losses equate to a potential future tax benefit of ~\$8m or ~\$0.21 per share (of which only ~\$2.9m or ~\$0.082 per share is recognised in our after tax NTA). 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).



Commentary

31 March 2024



During the month we made the following notable portfolio changes:

- We increased our holding in **Capricorn Energy PLC (LSE:CNE)** to ~575k shares after the shares had sold off precipitously. Randy Neely, CEO since June 2023, has done a commendable job of cleaning up the business, reducing costs, improving relations with the Egyptian government and JV partner Cheiron, engaging with Egyptian General Petroleum Corporation (EGPC) about a potential amendment to the terms of the Production Sharing Contracts, and instilling a cost-focused corporate culture that was sorely lacking under the previous board and management. Capricorn received a \$30m part paydown of Egypt receivables in March, which is a promising sign. This, along with the recent monetisation of the remaining North Sea earn-out, has prompted the board to propose a \$50m (~43p per share) special dividend to be paid this quarter. Management helpfully laid out the investment thesis and highlighted the undervaluation of the company's shares in the FY23 results presentation.
- We increased our holding in **Jupiter Mines Limited (ASX:JMS)** to ~10.05m shares after it was announced that operations had been suspended at Australian manganese mine Groote Eylandt Mining Company (GEMCO) following severe weather caused by Tropical Cyclone Megan. GEMCO is 60% owned by **South32 Limited (ASX:S32)** and 40% by **Anglo American plc (LSE:AAL; JSE:AGL)**. GEMCO is the second largest manganese mine in the world, with an annual ore production run-rate of ~5.7Mt at a high grade of ~43% Mn. GEMCO's suspension removes ~10% of global Mn ore supply. The cyclone caused flooding in the mining pits, damage to haulage roads, and "significant structural damage to the wharf and port infrastructure". It is unclear how long it will take to repair the damage – estimates range from 3-12 months. Chinese port stocks were already drawing down in 4Q 2023 after marginal South African producers ceased exports due to the depressed Mn price. So whilst Jupiter's 37% Mn price benchmark has yet to react, we think the development at GEMCO presents an asymmetric bet on higher Mn prices in the near-term with limited downside given Mn prices are already close to the bottom.

In addition, we bought back 47,023 shares via NGE's on-market buyback facility.



Announcement released to the market with the authorisation of:

David Lamm
Chief Investment Officer

Adam Saunders
Portfolio Manager