Investment & NTA Update

31 October 2025

NGE Capital Summary

ASX ticker	NGE
Share price (31 Oct 25)	$1.345
Shares outstanding	34,303,223
Market cap	$46.1m
NTA per share before tax	$1.633
NTA per share after tax	$1.740
NTA before tax	$56.0m
NTA after tax	$59.7m

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

Leslie Smith
Company Secretary & Chief Financial Officer

Contact Details

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Net Tangible Assets Per Share

	31 Oct 2025	30 Sep 2025
NTA per share before tax	$1.633	$1.583
NTA per share after tax	$1.740	$1.689

NTA Per Share Performance Summary

			Since inception[1]	
1 month	Year-to-date	Last 12 months	(p.a.)	(cum.)
3.2%	26.8%	22.4%	13.9%	220.2%

Note: Returns are net of all expenses. FYE 31 December.
1 From 30 Nov 2016, the date on which NGE became a LIC.

Portfolio Composition

Company	Ticker	% of NTA
Yellow Cake plc	LSE:YCA	14.2%
MLG Oz	ASX:MLG	8.0%
K92 Mining Inc.	TSX:KNT	6.9%
Carnarvon Energy	ASX:CVN	6.7%
Pioneer Credit	ASX:PNC	5.7%
Alliance Aviation Services	ASX:AQZ	5.6%
Sprott Physical Uranium Trust	TSX:U.UN	5.5%
Industrial Logistics Properties	NAS:ILPT	4.8%
Metals X	ASX:MLX	4.5%
Achieve Life Sciences	NAS:ACHV	4.2%
CLS Holdings PLC	LSE:CLI	4.1%
Embark Early Education	ASX:EVO	3.9%
Cash Converters International	ASX:CCV	3.7%
Northern Ocean Ltd.	OSL:NOL	3.3%
Capricorn Energy PLC	LSE:CNE	3.1%
Indiana Resources	ASX:IDA	1.9%
Danakali	NSX:DNK	1.9%
Net cash and other		12%
Total		100%

Unrecognised Tax Losses

The Company has ~$18 million of Australian unused and unrealised losses available as at 31 October 2025. In the aggregate these losses equate to a potential future tax benefit of ~4m or ~$0.13 per share (of which ~$3.7m or ~$0.107 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

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During October and subsequent to month end we made the following notable portfolio changes:

- we took profits by further trimming holdings in **Cash Converters International Limited (ASX:CCV)** (~6.56m shares at month end, after taking up our rights in the ANREO), **Indiana Resources Limited (ASX:IDA)** (~25.0m shares at month end), **Metals X Limited (ASX:MLX)** (3.0m shares at month end and **Pioneer Credit Limited (ASX:PNC)** (~4.83m shares at month end, 4.75m shares currently);

- we exited our holding in **Jupiter Mines Limited (ASX:JMS)**, netting a ~$1m net profit (including dividends received);

- we added to our holding in **Alliance Aviation Services Limited (ASX:AQZ) (Alliance or AQZ)**, a position we had initiated at the beginning of the month and reveal now for the first time. Shortly after we had bought a small position it was reported in *The Australian* that PE firm Pacific Equity Partners was circling the company as a potential takeover target. We increased our holding on the news, and held 1.246m shares at month end.

  Alliance is a quiet achiever of the Australian aviation industry, having grown since its founding in 2002 to be the number two FIFO charter services provider in Australia, after **Qantas Airways Limited's (ASX:QAN)** Network Aviation. AQZ also provides wet leasing and dry leasing services, ad hoc charter, and has a profitable division called "aviation services" which is essentially where it buys and sells planes and parts, both for its own use and to external parties. AQZ is virtually unknown to the general public as it provides Regular Passenger Transport (RPT) services on only one route.

  Alliance has historically had very stable earnings and solid 10%+ returns on equity due to an attractive business model that assumes no load factor, fuel or FX risk, as the cost of operating the aircraft is passed through to customers via long-term contracts. By focusing on a select few aircraft types (Fokker 70, Fokker 100 and Embraer E190) that are most suitable for flying to the mine sites of its resources customers, Alliance can maximise efficiency and keep operating costs down.

  It owns its aircraft, and has acted counter-cyclically in expanding its fleet when demand is subdued (as was the case during Covid-19). AQZ has more than doubled the size of its fleet since 2019 to 79 aircraft as at 30 June.

  Alliance's strong historical operating and financial performance attracted a takeover offer from Qantas in May 2022 at $4.75 per share. Qantas is both Alliance's largest customer, with 30 E190s on long-term wet lease contracts, and largest shareholder with a 19.7% stake. Unfortunately for AQZ shareholders the ACCC opposed the acquisition, assessing that "the transaction is likely to substantially lessen competition in markets for the supply of air transport services to resource industry customers in Western Australia and Queensland".

  Alliance's heavy capex cycle will come to an end following the delivery of a final 10 Embraer E190 aircraft this financial year, which was expected to see earnings and free cash flow improve and leverage decrease from FY27 onwards.

  However, a surprise earnings downgrade and management changes announced on 7 November has led to a heavy selloff in the shares, PEP walking away from a potential takeover offer, and doubts arising about the future earnings potential of the business. The main causes for the downgrade appear to be an unbudgeted increase in the purchase price of the remaining E190s, higher repairs and maintenance costs, higher depreciation charges, some one-off expenses, and a potential issue with the wet lease contracts.

  The shares are now trading at an FY26E EV/EBITDA of ~3.1-3.4x, EV/EBIT of ~7.6-8.6x, P/E of ~6.1-6.7x and P/TBV of ~0.45x. Of course, there is the risk of further bad news, and the high debt level will need to be addressed – ideally by the sale of non-core assets. The net tangible asset value of ~$2.90/sh provides some measure of downside protection, and prior to the downgrade it was thought that the NTA was likely understated given PP&E is recorded at historical cost less depreciation, whilst increased demand and inflation has led to higher market values of aircraft in general.

  Whilst a sale of the business – which insiders who were approaching retirement appear to have been angling for – now seems a remote possibility, if Alliance can address the issues it currently faces we see significant upside potential to the share price. At the risk of throwing good money after bad, we have since increased our holding to 2.0m shares;

- we initiated a position in **CLS Holdings plc (LSE:CLI)** in September, and reveal now for the first time. We held 1.90m shares at month end. CLS is an office landlord with properties in the UK, Germany and France. We think CLS' very depressed

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shares provide an attractive risk-reward setup, offering perhaps 2-3x upside potential if things improve and 20-30% downside in a bear case scenario. At the month end share price of ~60p CLS trades at a whopping ~70% discount to EPRA NTA per share of ~210p, a ~6.5% dividend yield following the recent cut, a P/E of ~7.5x (EPRA earnings basis) and an implied cap rate of ~8.60% on depressed earnings.

What makes CLS particularly interesting to us is early evidence that office property values may finally be at or near the bottom, as leasing momentum appears to be improving, helped in part by employers' return-to-office mandates.

The family of the late founder, Sten Mortstedt, holds a controlling stake in the company and is likely highly motivated to see CLS' value restored. Catalysts for a positive rerating include continued evidence that property values have stabilised, an improvement in the vacancy rate and earnings, an increase in the dividend on the back of increased earnings, and further sales at or near book value. And if the disconnect between CLS' share price and NTA per share persists, we would not be surprised to see a takeover offer for the company (either by the Mortstedt family or an outsider); and

- subsequent to month end we initiated a small position in a listed company, which we may disclose once we have settled on a final portfolio weighting.

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Based on ASX and international close prices as at 11 November NGE's pre-tax NTA per share is ~$1.562.

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Announcement released to the market with the authorisation of:

David Lamm	**Adam Saunders**
Chief Investment Officer	Portfolio Manager