

# NGE CAPITAL LIMITED

## APPENDIX 4E

### Results for announcement to the market For the year ended 31 December 2024

All comparisons to year ended 31 December 2023.

<b>Result Information</b>	<b>\$'000</b>	<b>Up/Down</b>	<b>% change</b>
Revenue from ordinary activities	5,522	Down	44.12%
Profit/(loss) after tax for the year – ordinary activities	4,845	Down	45.49%
Total comprehensive income for the year after tax attributable to members of the parent entity	4,845	Down	45.49%

#### **Dividend information**

No dividends or distributions have been paid or provided during the year.  
There are no dividend or distribution reinvestment plans in operation.

<b>Net Tangible Asset Information</b>	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>	<b>% change</b>
Net tangible asset backing per ordinary share before tax	\$1.288	\$1.160	11.0%

Additional Appendix 4E disclosure requirements can be found in the notes to the Annual Report attached hereto.

This report is based on the financial statements which have been audited by Grant Thornton.

This announcement is approved and authorised for release by the NGE Capital Limited Board.

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# NGE Capital Limited

ABN 31 112 618 238

Annual Report  
for the year ended  
31 December 2024

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## OVERVIEW

NGE Capital Limited (ASX:NGE) is a Listed Investment Company which allows investors to gain exposure to a concentrated, high conviction, actively managed portfolio of financial assets.

We primarily focus on listed ASX and international equities, with the aim of generating strong risk-adjusted returns over the medium to long term.

**11.0%**

2024 NTA PER SHARE  
INCREASE

**16.3%**

2024 SHARE PRICE  
INCREASE

**12.1%** p.a.

NTA PER SHARE  
INCREASE SINCE  
INCEPTION (p.a.) <sup>(1)</sup>

**152.5%**

AGGREGATE NTA PER  
SHARE INCREASE  
SINCE INCEPTION <sup>(1)</sup>

### KEY METRICS AS AT 31 DEC 2024

Share Price	\$1.070
Shares Outstanding	35.4m
Market Cap	\$37.9m
NTA per share before tax	\$1.288
NTA per share after tax	\$1.381
Net Tangible Asset Value	\$45.6m
Directors' Shareholding	16.2%

Note: Investment returns are net of all expenses.

<sup>1</sup> From 30 November 2016, the date on which NGE became a Listed Investment Company.



### 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).



### 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.



### 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, and growth potential.
  - **Valuation** – multiples, discounted cash flow analysis, break-up value.
  - **Competition** – market share, industry position, market dynamics.

## CORPORATE DIRECTORY

### DIRECTORS

David Lamm

Ilan Rimer

Adam Saunders

Executive Chairman and Chief Investment Officer

Non-Executive Director

Executive Director and Portfolio Manager

### COMPANY SECRETARY

Leslie Smith

### REGISTERED OFFICE

Level 4

100 Albert Road

South Melbourne VIC 3205

Telephone:

03 9648 2290

Facsimile:

03 7000 5077

Email:

[office@ngecapital.com.au](mailto:office@ngecapital.com.au)

### WEBSITE

[www.ngecapital.com.au](http://www.ngecapital.com.au)

### STOCK EXCHANGE LISTINGS

ASX Limited

20 Bridge Street

Sydney NSW 2000

OTC Markets

300 Vesey Street, 12th Floor

New York, NY 10282

USA

**ASX CODE:** NGE

**OTC CODE:** NGELF

### SHARE REGISTRY

Boardroom Pty Limited

Level 8, 210 George Street

Sydney NSW 2000

Telephone:

1300 737 760

02 9290 9600

Facsimile:

1300 653 459

02 9290 0644

Website:

[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

### AUDITORS

Grant Thornton Audit Pty Ltd

Collins Square, Tower 5

727 Collins Street

Docklands VIC 3008

### SOLICITORS

Clayton Utz

Level 18

333 Collins Street

Melbourne VIC 3000

## CHAIRMAN'S LETTER

Dear Shareholder,

NGE Capital Limited (NGE or Company) recorded a net profit after tax of \$4.8 million for the financial year ended 31 December 2024. The portfolio returned 11.0% pre-tax and after all expenses during the year. NGE has returned, net of all expenses, 12.1% p.a. or 152.5% in aggregate since 30 November 2016, when the Company began operating as a Listed Investment Company (LIC).

The key positive contributors to portfolio performance in FY2024 were unrealised gains from **Capricorn Energy PLC (LSE:CNE)**, **Cash Converters International Limited (ASX:CCV)**, **Embark Early Education Limited (ASX:EVO)**, **Indiana Resources Limited (ASX:IDA)**, **Metals X Limited (ASX:MLX)** and **Pioneer Credit Limited (ASX:PNC)**. Additionally, we realised solid gains from fully exiting holdings in **Galaxy Cosmos Mezz Plc (ATH:GCMEZZ)**, **OCI N.V. (AMS:OCI)**, **Phoenix Vega Mezz Plc (ATH:PVMEZZ)** and **SunriseMezz Plc (ATH:SUNMEZZ)**. The key detractors were mark-to-market declines in **Industrial Logistics Properties Trust (NAS:ILPT)**, **Jupiter Mines Limited (ASX:JMS)**, **John Wood Group plc (LSE:WG)** and our uranium basket (expressed via holdings in **Yellow Cake plc (LSE:YCA)** and **Sprott Physical Uranium Trust (TSX:U.UN)**).

With global equity markets at or near all-time highs following two years of strong performance, we are staying mindful of the potential for a retrace. Government demand and high levels of immigration have been key drivers of GDP in Australia, the UK and US. High government spending has cushioned GDP and employment numbers, but also masked weakness in the private sector. It has also resulted in large and persistent fiscal deficits, and high government debt levels. The new Trump administration has shown a strong resolve to cut wasteful US government spending in an effort to reduce the deficit and has made substantial headway in a short period of time. However, it is difficult to see a path to balancing budgets across the West without enduring an economic downturn in the short-term. Argentina provides a case study in what is possible if there is resolve: President Milei forced short-term pain on the economy following sharp cuts to government spending, but has likely set the country up for sustainable, long-term prosperity.

As things currently stand, we suspect there will be continued fiat currency printing and structurally higher inflation for the foreseeable future across the West, though the inflation trajectory may be a bumpy "up-and-down" one. Trade wars, reshoring of international operations to domestic markets, persistently high energy prices due to the energy transition, and a shift in the balance of power towards labour and away from capital, are also likely to add to higher structural inflation.

Given its ability to act as an inflation hedge, we think it makes sense to have some exposure to gold. We initiated two new positions with exposure to gold in 2024: a holding in Papua New Guinea-based gold miner **K92 Mining Inc. (TSX:KNT)**; and integrated mining services provider **MLG Oz Limited (ASX:MLG)**, which derives ~87% of its revenues from gold producers in Western Australia and the Northern Territory. We think both companies have a very strong period of earnings growth ahead of them, in an earnings cycle that is likely just ramping up and could last several years. The gold price is currently trading near all-time highs, driven by central bank purchases, safe haven demand in an uncertain macro- and geopolitical-environment, and expectations of higher-for-longer inflation.

We believe the current uncertain environment should continue to present attractive investment opportunities for stock pickers like ourselves. We expect to be able to continue our track record of solid returns over the medium to long term by sticking to our investment philosophy, 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.

## CHAIRMAN'S LETTER

We also think that patience, though more of a “soft element”, is a significant pillar of our investment approach and is a trait that has been a strong contributor to our performance. Patience in investing is easier said than done sometimes but can be learned and improved on with experience. These days we are arguably more patient investors at monitoring ideas (prior to acting), building new positions over time (as opposed to simply buying a full position upfront), and not immediately rushing to add to positions when they move against us.

Our patience was on display through the first half of 2024, where we held an average cash balance of ~30% of NTA following the receipt of an \$8.4 million capital return and dividend distribution from **Danakali Limited (NSX:DNK)**. We were then particularly active in the second half of the year as we added seven new positions: **Achieve Life Sciences, Inc. (NAS:ACHV)**, **Cash Converters International Limited (ASX:CCV)**, **Indiana Resources Limited (ASX:IDA)**, **K92 Mining Inc. (TSX:KNT)**, **MLG Oz Limited (ASX:MLG)**, **Northern Ocean Ltd. (OSL:NOL)** and **Pioneer Credit Limited (ASX:PNC)**. Two of these investments – Pioneer and Indiana – were made after having followed each company for some time and seeing that separate positive announcements were either missed or misread by the market. Pleasingly as at year end these seven new positions had collectively added a net ~\$2.1 million to NTA, or ~14.2% of the invested capital, via capital growth and shareholder distributions. We expect these investments to do well for us as a whole over the coming years.

Our uranium holding was a drag on portfolio performance during 2024, with **Yellow Cake plc (LSE:YCA)** down ~19% and **Sprott Physical Uranium Trust (TSX:U.UN)** down ~12% as the spot U<sub>3</sub>O<sub>8</sub> price declined ~27% from ~US\$100/lb to ~US\$73/lb at year end. Conversely the term price, which acts as a reference price for 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 ~12% to ~US\$81/lb. Some bearishness has crept into the uranium thesis over the past 12 months. This is likely a combination of:

- a belief that there is sufficient material available – either via excess inventories or the ability for incumbent producers to grow production – such that the forecast supply-demand imbalance may not come to fruition;
- a low level of term contracting activity in 2024 at ~120mmlbs versus ~160mmlbs in 2023;
- investors' focus on the decreasing spot price;
- improved 2024 production from key producers JSC National Atomic Company Kazatomprom (LSI:KAP) and Cameco Corporation (TSX:CCO; NYS:CCJ);
- Kazatomprom's 2025 production guidance is ~11% higher (at the mid-point of the guidance range) at ~65-69mmlbs (100% basis) than 2024 production;
- the fact that higher prices for conversion and enrichment fuel services have yet to translate into higher “upstream” prices for natural uranium;
- concern that a Russia-Ukraine peace deal will see uranium material welcomed back by Western utilities;
- the realisation that China's DeepSeek-R1 AI model appears to be more energy efficient than other large language models and therefore challenges the most bullish power consumption cases for AI data centres from technology companies; and
- uncertainty around potential forthcoming US energy tariffs.

We acknowledge the above concerns, and they may well prove out to be true. Since we initiated our position in mid-2018 when the spot U<sub>3</sub>O<sub>8</sub> price was ~US\$25/lb and the term price ~US\$31/lb, we have always cautioned that the biggest uncertainty to our investment thesis was the level of excess inventories given the market is so opaque. However, we continue to hold a conviction that the demand for nuclear power is becoming increasingly durable and growing, whilst the risk to uranium supply remains high.

The World Nuclear Association expects global uranium demand to double by 2040. Over 30 countries have pledged to triple their nuclear energy capacity by 2050, including France, Japan, South Korea,

## CHAIRMAN'S LETTER

the UK and the US. Amazon, Alphabet and Microsoft have each recently signed large, long-term nuclear power deals that represents incremental nuclear power demand that was never in our base case demand thinking to begin with.

On the supply side, Kazatomprom's incremental production is being mostly sold to Russia and China, while less is going to the US and Europe. Kazakhstan recently introduced mineral extraction taxes for uranium that increase the cost of production in the world's largest primary supplier country. Cameco had a strong year of production in 2024 due to the performance of the Key Lake mill but is being more reserved in its forward production outlook. Cameco noted on its 4Q2024 earnings call that it has stepped back from term contracting as utilities try to pull down the floor prices in contracts from US\$70/lb escalated "into the US\$60s escalated".

Orano was stripped of its mining rights by Niger's government last year, whilst its JV mines in Kazakhstan are running out of resources. Orano is now looking to develop a project in Mongolia to shore up its supply. Rio Tinto Limited (ASX:RIO; LSE:RIO), one of the world's best and most experienced miners, has struggled with its Mongolian operations suggesting the path to production for Orano's uranium deposits there will not be an easy one.

Junior producers including Paladin Energy Ltd (ASX:PDN) have struggled to ramp up previously mothballed mines, highlighting that primary production is never a given. And BHP Group Limited's (ASX:BHP) expansion plans for its Olympic Dam mine, which together with its other copper-focused South Australian mines is a large producer of uranium as a byproduct, show that it can double copper production without increasing the volume of uranium production. This alleviates concerns that BHP will flood the market with unwanted supply.

Overall we think there remains scope for a future supply shock that could materially tighten uranium markets, and continue to hold our conviction long for the time being.

**Metals X Limited (ASX:MLX)** was a strong performer for us in 2024, benefitting from a strengthening tin price, a weakening AUD against the USD, and improved production rates by the Bluestone Mines Tasmania JV from development of the high-grade Area 5 deposit and enhancement programs within the plant. Solid supply-demand fundamentals have underpinned tin's performance, whilst other base metals have fared worse in the face of weak Chinese demand. We think the outlook for tin remains strong due to a lack of significant supply growth, ongoing risks to supply from large producer countries such as Myanmar and Indonesia, and increasing demand from energy transition applications and semiconductors.

NGE remains a simple, clean and tax efficient investment vehicle, with ~\$29 million of Australian unused and unrealised losses available at year end. In the aggregate these losses equate to a potential future tax benefit of ~\$7m or ~\$0.20 per share (of which only ~\$3.3m or ~\$0.093 per share is recognised in our after tax NTA). 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 progress through 2025, our 9th year as a LIC, we will continue to make a concerted effort in NGE's monthly NTA statements to provide a transparent overview of the portfolio composition, detailed analyses of our investee companies, and our achieved returns after all fees and expenses. We believe this very high level of transparency sets us apart from most funds. We are working hard to find attractive investments to add to the portfolio whilst maintaining our disciplined approach. We remain enthusiastic about the prospects for the existing portfolio and are excited at the opportunity set in

## CHAIRMAN'S LETTER

front of us.

Yours sincerely,



**David Lamm**  
Executive Chairman  
& Chief Investment Officer



**Adam Saunders**  
Executive Director  
& Portfolio Manager

27 February 2025

### **IMPORTANT INFORMATION:**

While management of NGE have taken every effort to ensure the accuracy of the material covering the Company's portfolio investments in the Chairman's Letter, the material is provided for information purposes only. No representation or warranty, express or implied, is or will be made by NGE or its officers, directors, employees or advisers as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in the Chairman's Letter, or as to the reasonableness of any assumption, forecasts, prospects or returns contained in, or implied by, the Chairman's Letter. The Chairman's Letter does not constitute investment, legal, taxation or other advice and does not take into account your investment objectives, financial situation nor particular needs. You are responsible for forming your own opinions and conclusions on such matters and should make your own independent assessment of the information contained in, or implied by, the Chairman's Letter and seek independent professional advice in relation to such information and any action taken on the basis of the information. The Chairman's Letter is not, and does not constitute advice or an offer to sell or the solicitation, invitation or recommendation to purchase any securities that are referred to in the Chairman's Letter.

## DIRECTORS' REPORT

The Directors of NGE Capital Limited (**NGE** or **Company**) present their Report together with the financial statements for the year ended 31 December 2024.

### DIRECTORS

#### **Current Directors**

The following persons were directors of NGE during or since the end of the financial year:

#### **Mr David Lamm**

<b>Executive Chairman and Chief Investment Officer</b>	<b>15 September 2017 – present</b>
Executive Chairman	29 February 2016 – 14 September 2017
Chair of Investment Committee	

Mr Lamm is responsible for the origination of investment ideas, management of NGE's portfolio and overall performance of the LIC. He has over 26 years of experience in business and financial markets including roles at Credit Suisse, Bain & Company and the Alter Family Office. He is the founder and Managing Director of Kentgrove Capital, an investment management firm focused on listed Australian and international equities.

Mr Lamm qualified as an actuary, specialising in Investments and Finance, with the Institute of Actuaries of Australia, and also holds a Bachelor in Commerce from the University of Melbourne, with First Class Honours.

**Other current directorships of listed companies:** Nil

**NGE Shareholding as at report date:** 4,005,000 shares (held directly and indirectly)

#### **Mr Ilan Rimer**

<b>Non-Executive Director</b>	<b>17 August 2017 – present</b>
Chair of Audit Committee	
Member of Investment Committee	

Mr Rimer has extensive experience in management consulting, corporate strategy and new business development. He is the founder of two Australian technology businesses and was most recently a Non-Executive Director for Australian Business Volunteers. Previously he held roles at Bain and Company, PwC, Australia Post, Visy Industries, and Stellar Asia-Pacific.

Mr Rimer holds a Master of Business Administration from Oxford University and a Bachelor of Commerce (Hons) from Monash University. He is a graduate of the Australian Institute of Company Directors.

**Other current directorships of listed companies:** Nil

**NGE Shareholding as at report date:** Nil

## DIRECTORS' REPORT

Continued

### DIRECTORS (CONTINUED)

#### **Mr Adam Caspar Saunders**

***Executive Director and Portfolio Manager***

***15 September 2017 – present***

*Non-Executive Director*

*15 July 2015 – 14 September 2017*

*Member of Audit Committee*

*Member of Investment Committee*

Mr Saunders is responsible for the origination, analysis and execution of investment ideas and management of NGE's portfolio. He is a Portfolio Manager at Kentgrove Capital, and previously held corporate advisory roles at GBS Finanzas in Madrid, and Credit Suisse in Melbourne.

Mr Saunders holds a Bachelor in Commerce from the University of Melbourne with Honours in Finance, and is a Graduate of the Australian Institute of Company Directors.

***Other current directorships of listed companies:*** Nil

***NGE Shareholding as at report date:*** 1,750,000 shares (held indirectly)

### COMPANY SECRETARY

#### **Mr Leslie Smith**

***Chief Financial Officer and Company Secretary***

***13 July 2016 – present***

Over a career spanning 30+ years, Mr Smith has held senior financial and company secretarial positions in various private, public and listed entities in the resources, manufacturing, IT and not-for-profit sectors. Mr Smith graduated with a Bachelor of Business from Massey University (1982), a Masters of Business Administration at the University of Melbourne (2003), and a Graduate Diploma in Applied Corporate Governance. Mr Smith is a Chartered Accountant, a CPA and a Fellow of the Governance Institute of Australia.

### PRINCIPAL ACTIVITIES

NGE Capital Limited is an internally managed Listed Investment Company whose principal activities are to make investments in listed and unlisted securities.

### INVESTMENT STRATEGY

The Company's investment strategy is to invest in a concentrated, high conviction portfolio of financial assets with the aim of generating strong risk-adjusted returns over the medium to long term. NGE has a flexible investment mandate and invests according to a defined set of investment principles that are summarised as follows:

- Only invest in a compelling opportunity, otherwise hold cash;
- Invest based on fundamental analysis;
- Target investments that can generate strong returns with an adequate margin of safety; and
- Aim to hold a concentrated portfolio of high conviction investments.

## DIRECTORS' REPORT

Continued

### OPERATING AND FINANCIAL REVIEW

#### a) Financial Result

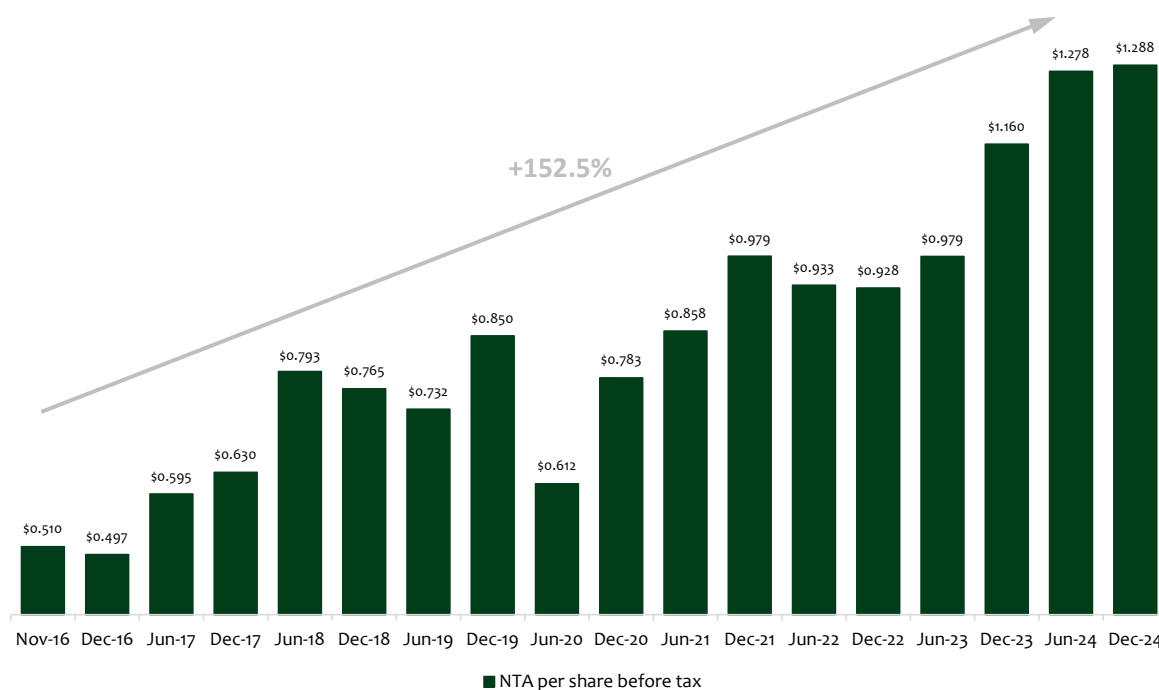
The profit of the Company after income tax for the year was \$4.845 million (2023: profit \$8.889 million), comprising a profit before income tax of \$4.455 million (2023: profit \$8.259 million) and an increase in the value of a deferred tax asset of \$0.390 million (2023: increase \$0.630 million).

#### b) Investment Performance

At year end NGE's principal assets comprised financial assets, mainly investments in listed equities at a market value of \$40.366 million (2023: \$30.011 million), and cash of \$5.928 million (2023: \$4.053 million).

Net assets increased by \$4.433 million to \$48.989 million (2023: \$44.556 million). Net tangible assets (NTA) increased by \$4.045 million to \$45.619 million (2023: \$41.574 million). On a per share basis, NTA (before tax and net of all expenses) increased 11.0% to \$1.288 (2023: \$1.160). NTA per share after tax increased by 11.2% to \$1.381 (2023: \$1.242).

*NGE half-yearly NTA per share (before tax and net of all expenses) since inception<sup>1</sup>*



<sup>1</sup> From 30 November 2016, the date on which NGE became a Listed Investment Company.

Since inception to 31 December 2024, NGE has returned a cumulative 152.5% or 12.1% annualised on a pre-tax, net of expenses basis.

#### Total portfolio return

	31 December 2024	31 December 2023	Change
NTA	\$45.619 million	\$41.574 million	\$4.045 million
NTA per share before tax	\$1.288	\$1.160	11.0%

## DIRECTORS' REPORT

Continued

### OPERATING AND FINANCIAL REVIEW (CONTINUED)

#### c) Portfolio

The Company's investment portfolio as at 31 December 2024 is presented below.

Listed Equities	Ticker	\$'000	%
Yellow Cake plc	LSE:YCA	6,786	14.9%
Pioneer Credit Limited	ASX:PNC	4,161	9.1%
Pioneer Credit Limited Option 31-Mar-2025	ASX:PNCO	37	0.1%
Metals X Limited	ASX:MLX	3,800	8.3%
Cash Converters International Limited	ASX:CCV	3,430	7.5%
Sprott Physical Uranium Trust	TSX:U.UN	2,824	6.2%
Capricorn Energy PLC	LSE:CNE	2,671	5.8%
Embark Early Education Limited	ASX:EVO	2,525	5.5%
Industrial Logistics Properties Trust	NAS:ILPT	2,194	4.8%
Northern Ocean Ltd.	OSL:NOL	2,190	4.8%
Jupiter Mines Limited	ASX:JMS	2,074	4.5%
Indiana Resources Limited	ASX:IDA	2,019	4.4%
K92 Mining Inc.	TSX:KNT	1,845	4.0%
John Wood Group plc	LSE:WG.	1,325	2.9%
MLG Oz Limited	ASX:MLG	1,100	2.4%
Danakali Limited	NSX:DNK	800	1.8%
Achieve Life Sciences, Inc.	NAS:ACHV	567	1.2%
Health and Plant Protein Group Limited	ASX:HPP	18	0.0%
<b>Total</b>		<b>40,366</b>	<b>88.4%</b>
<b>Cash and Other</b>			
Cash		5,928	13.0%
Other tangible liabilities net of assets		(675)	(1.4%)
<b>Total</b>		<b>5,253</b>	<b>11.6%</b>
<b>Total Net Tangible Asset Value</b>		<b>45,619</b>	<b>100.0%</b>

Note: Percentage totals may not sum exactly due to rounding.

#### Investment transactions

The total number of contract notes that were issued for transactions in securities during the financial year was 203 (2023: 133). Total brokerage fees incurred net of GST were \$89,650 (2023: \$66,476).

#### Exits

The Company exited portfolio positions which included the Greek Non-Performing Exposures basket comprising Galaxy Cosmos Mezz Plc (ATH:GCMEZZ), Phoenix Vega Mezz Plc (ATH:PVMEZZ) and SunriseMezz Plc (ATH:SUNMEZZ) (\$2,101,000 profit in aggregate, including distributions received), and OCI N.V. (AMS:OCI) (\$692,000 profit including distributions received).

#### Investment Income and Capital Return Distributions

The Company earned \$3,134,000 (2023: \$4,178,000) of investment income through the year, comprising interest income of \$368,000 (2023: \$222,000) and dividend income of \$2,766,000 (2023: \$3,956,000). In addition, the Company received \$215,000 (2023: \$6,597,000) of capital return distributions. These have been disclosed within "Change in fair value of financial instruments" in the Statement of Profit or Loss.

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## DIRECTORS' REPORT

Continued

### OPERATING AND FINANCIAL REVIEW (CONTINUED)

#### Selected investment summaries

Refer to the Chairman's Letter for management commentary on the Company's key portfolio investments.

#### **d) Cash Flows**

Operating activities resulted in a net inflow of \$2,040,000 (2023: outflow \$7,957,000).

The Company's net outflow from financing activities was \$417,000 (2023: outflow \$155,000), predominantly comprising share buy-back payments of \$412,000 (including transaction costs) (2023: \$127,000).

#### **e) Capital Management**

##### On-market buy-backs

A 10/12 buy-back facility remained on foot during the year and the Company purchased 401,958 of its own shares costing \$411,122 before transaction costs. In the previous year 166,324 shares were bought back costing \$126,588 before transaction costs.

#### **f) Board and Management**

There were no changes to the Board or management during the year.

#### **g) Dividends**

No dividends have been paid or declared by the Company since the beginning of the year.

### SIGNIFICANT CHANGES STATE OF AFFAIRS

There have been no significant changes, other than those noted above, in the state of affairs of the Company during the financial year.

### LIKELY DEVELOPMENTS

During the subsequent financial years, the likely developments of the Company will be to identify and invest in suitable investments using cash reserves on hand.

### BUSINESS RISKS

The main areas of risk that have been identified for the Company are investment risk and operational risk. As a listed investment company, the Company bears investment risk as it invests its capital in assets that are not risk-free. Investment risk covers:

- exogenous risks including global market, economic or geopolitical conditions, interest rates, regulatory environment;
- endogenous risks including investment strategy, investment management team, portfolio concentration, portfolio turnover, use of leverage, short-selling;
- execution risks including counterparty risks, trade failure risks, technology risk, fraud; and
- asset-derived risks including business, credit and operational risks of underlying entity, liquidity, market price, foreign exchange, leverage.

Operational risks of the Company include key person risk, regulatory risk, compliance risk, fraud, reputational risk, cyber security risk and workplace health and safety risks.

The Company's risk management framework, which is overseen by the Board, has been designed to monitor, review and continually improve risk management.

## DIRECTORS' REPORT

Continued

### ENVIRONMENTAL ISSUES

The Company's current operations as a Listed Investment Company are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory of Australia.

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## DIRECTORS' REPORT

Continued

### REMUNERATION REPORT (AUDITED)

The Directors present the Remuneration Report for Non-Executive Directors, Executive Directors and other key management personnel (**KMP**), prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*.

The Remuneration Report is set out under the following main headings:

- (a) Remuneration policy and practices;
- (b) Service agreements;
- (c) Details of remuneration;
- (d) Share-based remuneration; and
- (e) Other information.

#### a) Remuneration policy and practices

The Board has assumed the duties and responsibilities of the Remuneration Committee until such time that the Company's size and operation warrant a Board composition with additional independent non-executive directors. Mr Rimer chairs the Board when it addresses remuneration matters. The Board ensures that conflicted members are not involved in remuneration determination and review discussions. Mr Rimer may engage independent external consultants and advisors to provide any necessary information to assist in the discharge of his responsibilities.

When determining and reviewing compensation arrangements for the directors and KMP, the Board operates in accordance with its established Remuneration Committee charter. The Board seeks to design and develop executive remuneration policy in such a way that it:

- i) Attracts and retains talented senior executives and directors and motivates them to enhance the performance and growth of the Company; and
- ii) Ensures that the level and composition of remuneration packages are fair, reasonable and adequate and, in the case of executive directors and senior managers, displays a clear relationship between the performance of the individual and the performance of the Company.

The Company's policy for determining the nature and amount of remuneration of directors and KMP is as follows:

#### i) Company performance

The Board considers historical company performance when determining the nature and amount of remuneration of directors and KMPs. The following table sets out the Company's historical performance over the past 5 years, as measured by NTA per share:

	2024	2023	2022	2021	2020
NTA per share before tax	\$1.288	\$1.160	\$0.928	\$0.979	\$0.783
NTA per share after tax	\$1.381	\$1.242	\$0.992	\$1.043	\$0.835

## DIRECTORS' REPORT

Continued

### REMUNERATION REPORT (AUDITED) (CONTINUED)

#### ii) Non-Executive Directors

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for their time, commitment and responsibilities. The Board determines the remuneration of the Company's non-executive directors and reviews their remuneration annually. The annual remuneration for non-executive directors during the year was \$30,000 (inclusive of superannuation). In January 2025 the Board approved an increase in annual remuneration for non-executive directors to \$31,000 (inclusive of superannuation), effective as at 1 January 2025. The Board determined the amount of the increase with reference to the increase in the Australian Consumer Price Index in the year ended 31 December 2024.

The maximum aggregate annual remuneration for non-executive directors is subject to approval by the shareholders at a general meeting. The shareholders have approved a maximum aggregate annual remuneration of \$500,000 per annum.

#### iii) Key Management Personnel

The remuneration structure for senior executives, including executive directors, is based on a number of factors, including qualifications, particular experience, general past performance of the individual concerned, overall performance of the Company and benchmarked against industry remuneration levels generally. KMP remuneration comprises fixed compensation and, where appropriate, performance-based short-term incentives. Remuneration levels are reviewed annually by the board through a process that considers individual performance and overall performance of the Company.

##### Fixed compensation

Fixed compensation consists of base salary (which is calculated on a total cost basis and includes any fringe benefits tax charges related to employee benefits) and employer contributions to superannuation funds, as required by law.

##### Performance-based short-term incentive

Performance linked compensation comprises a short-term incentive (**STI**) and is designed to reward KMP for meeting or exceeding the Company's financial objectives and to keep the Company competitive in the marketplace.

The STI is an at-risk bonus provided in the form of cash and based on the key performance indicator (**KPI**) of maximising the NTA per share before tax of the Company. This KPI is reviewed annually by the Board.

Under the STI structure, a pool of funds is established for payment to members of the investment team (which currently comprises the Chief Investment Officer and Portfolio Manager) and is calculated by reference to the increase in NTA before tax over the year (**Performance Fee**). The total value of the pool for distribution is equal to a 10.0% share of the growth in NTA before tax (adjusted for capital raisings and share buy-backs), subject to a high water mark. Subject to exceeding the high water mark, the Performance Fee will be paid annually in arrears.

## DIRECTORS' REPORT

Continued

### REMUNERATION REPORT (AUDITED) (CONTINUED)

#### b) Service Agreements

The following table provides employment details of persons who were Directors or Key Management Personnel of the Company during the financial year:

<b>Name</b>	<b>Position held</b>	<b>Employment arrangement</b>	<b>Notice period</b>
<b>Mr David Lamm<sup>1</sup></b>	Executive Chairman and Chief Investment Officer	Executive Services Agreement	6 months
<b>Mr Ilan Rimer</b>	Non-Executive Director	Appointment Letter	None
<b>Mr Adam Saunders<sup>2</sup></b>	Executive Director and Portfolio Manager	Executive Services Agreement	2 months
<b>Mr Leslie Smith</b>	Company Secretary and Chief Financial Officer	Services Agreement	2 months

<sup>1</sup> Mr Lamm is employed under an Executive Services Agreement (ESA) executed between the Company and Mr Lamm. The ESA is for an indefinite period and is terminable on 6 months' notice, with fixed annual remuneration of \$240,000 per annum including superannuation and a short-term incentive paid based on a share of the Performance Fee (if any). In January 2025 the Board chaired by Mr Rimer, as part of an annual performance and remuneration review, approved an increase in Mr Lamm's fixed annual remuneration to \$246,000 effective as at 1 January 2025. The Board determined the amount of the increase with reference to the increase in the Australian Consumer Price Index in the year to 31 December 2024.

<sup>2</sup> Mr Saunders is employed under an ESA executed between the Company and Mr Saunders. The ESA is for an indefinite period and is terminable on 2 months' notice, with annual remuneration of \$200,000 per annum including superannuation and a short-term incentive paid based on a share of the Performance Fee (if any). In January 2025 the Board chaired by Mr Rimer, as part of an annual performance and remuneration review, approved an increase in Mr Saunders' fixed annual remuneration to \$205,000 effective as at 1 January 2025. The Board determined the amount of the increase with reference to the increase in the Australian Consumer Price Index in the year to 31 December 2024.

## DIRECTORS' REPORT

Continued

### REMUNERATION REPORT (AUDITED) (CONTINUED)

#### c) Details of remuneration

Remuneration received by Directors and KMP for the years ended 31 December 2024 and 31 December 2023 is disclosed below:

Name	Position	Short-term employee benefits		Post-employment benefit	Other long term benefit	Termination benefits	Total	Performance linked compensation %
		Cash salary and fees \$	Cash bonus \$	Superannuation \$	Long service leave \$	Termination payments \$		
<b>31 December 2024</b>								
<b>Directors</b>								
D Lamm	Executive Chairman and CIO	249,540	321,306	-	5,500	-	576,346	55.75
I Rimer	Non-Executive Director	26,966	-	3,034	-	-	30,000	-
A Saunders	Executive Director and Portfolio Manager	157,389	174,041	45,175	5,468	-	382,073	45.55
<b>Other KMP</b>								
L Smith	Company Secretary and CFO	117,398	-	14,395	344	-	132,137	-
<b>TOTAL</b>		<b>551,293</b>	<b>495,347</b>	<b>62,604</b>	<b>11,312</b>	<b>-</b>	<b>1,120,556</b>	<b>44.21</b>
<b>31 December 2023</b>								
<b>Directors</b>								
D Lamm	Executive Chairman and CIO	239,077	459,458	-	7,857	-	706,392	65.04
I Rimer	Non-Executive Director	22,574	-	2,426	-	-	25,000	-
A Saunders	Executive Director and Portfolio Manager	164,855	248,873	17,741	5,859	-	437,328	56.91
<b>Other KMP</b>								
L Smith	Company Secretary and CFO	109,524	-	25,174	4,388	-	139,086	-
<b>TOTAL</b>		<b>536,030</b>	<b>708,331</b>	<b>45,341</b>	<b>18,104</b>	<b>-</b>	<b>1,307,806</b>	<b>54.16</b>

## DIRECTORS' REPORT

Continued

### REMUNERATION REPORT (AUDITED) (CONTINUED)

*Performance based short-term incentive included in remuneration*

Review of performance against KPIs

	31 December 2024 \$'000	Agreed adjustments <sup>1</sup> \$'000	\$'000
<b>NTA</b>	45,619	908	46,527
NTA – high-watermark (set in December 2023)			41,574
<b>Increase in NTA before STI</b>			4,953
<b>STI Pool at 10%</b>			495

<sup>1</sup> Material adjustments include the add-back of the STI Pool accrued in the closing NTA as at 31 December 2024 (\$495,000) and the value of the reduction in share capital via share buy-backs since the high-watermark set as at 31 December 2023 (\$412,000).

#### Use of remuneration consultants

No remuneration consultants were engaged during the year.

#### Voting and comments made at the Company's 2024 Annual General Meeting

At the Company's 2024 AGM a resolution to adopt the prior year remuneration report was put to the vote and at least 75% of the votes cast were in favour of the adoption of that report. No comments were made on the remuneration report that were considered at the AGM.

#### **d) Share-based remuneration**

No ordinary shares or options over ordinary shares in the Company were granted as remuneration to KMP during the year.

#### **e) Other information**

##### Shares held by Directors and Key Management Personnel

The relevant interests of Directors and KMP and their related parties in the shares of the Company during the financial year ended 31 December 2024 is set out below:

	Opening balance No. of shares	Acquired No. of shares	Disposed No. of shares	Closing balance No. of shares
D Lamm	4,000,000	5,000	-	4,005,000
I Rimer	-	-	-	-
A Saunders	1,750,000	-	-	1,750,000
L Smith	-	-	-	-

##### Transactions with Key Management Personnel

Apart from remuneration transactions there were no other transactions with key management personnel in the year.

End of audited Remuneration Report.

## DIRECTORS' REPORT

Continued

### MEETINGS OF DIRECTORS

The following table shows the number of Board and Committee meetings held during the financial year ended 31 December 2024:

	<u>Directors' Meetings</u>		<u>Audit Committee</u>		<u>Remuneration Committee<sup>1</sup></u>	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended
D Lamm	4	4	-	-	-	-
I Rimer	4	4	2	2	-	-
A Saunders	4	4	2	2	-	-

<sup>1</sup> The Board has assumed the duties of the Remuneration Committee and deals with remuneration issues during the year as they arise. Mr Rimer chairs the Board when it addresses remuneration matters.

### UNISSUED SHARES UNDER OPTION

There are no options over ordinary shares of the Company as at the date of this report.

### INDEMNIFICATION OF DIRECTORS, OFFICERS AND AUDITORS

During the financial year, the Company paid premiums in respect of contracts insuring the Directors and officers of the Company against a liability incurred by such Directors and officers to the extent permitted by the *Corporations Act 2001*. The nature of the liability and the amount of premium has not been disclosed due to confidentiality of the insurance contract.

The Company has not otherwise, during or since the end of the year, indemnified or agreed to indemnify an officer or an auditor of the Company, or of any related body corporate, against a liability incurred by such an officer or auditor.

### PROCEEDINGS

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

Except as noted below, there are no matters or circumstances that have arisen since the end of the year that have significantly affected or may significantly affect either:

- the Company's operations in future financial years;
- the results of those operations in future financial years; or
- the Company's state of affairs in future financial years.

Subsequent to year end NGE sold its entire shareholding in John Wood Group plc (LSE:WG.) at an average price per share of ~41p, which represents a value ~\$522,000 less than the value of our holding as at 31 December 2024.

### NON-AUDIT SERVICES

No non-audit services were provided during the year. Refer to Note 21 of the financial statements for details of auditor remuneration.

## DIRECTORS' REPORT

Continued

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is included on page 23 of this financial report and forms part of the Directors' Report.

### ROUNDING OF AMOUNTS

NGE is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest \$1,000, or in certain cases, to the nearest dollar.

Signed in accordance with a resolution of the Directors.



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**David Lamm**

Executive Chairman and  
Chief Investment Officer

27 February 2025

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**Grant Thornton Audit Pty Ltd**

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Melbourne VIC 3001  
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## Auditor's Independence Declaration

### To the Directors of NGE Capital Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of NGE Capital Limited for the year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



D G Ng  
Partner – Audit & Assurance

Melbourne, 27 February 2025

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## CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, NGE Capital Limited has adopted the 4<sup>th</sup> edition of the *Corporate Governance Principles and Recommendations* which was released by the ASX Corporate Governance Council in February 2019 and became effective for the financial years beginning on or after 1 January 2020.

The Company's Corporate Governance Statement for the financial year ending 31 December 2024 is dated as 27 February 2025 and was approved by the Board on 27 February 2025. The Corporate Governance Statement is available on NGE Capital Limited's website at:

<http://ngecapital.com.au/investor-information/corporate-governance/>

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 \$'000	2023 \$'000
Investment income	5	3,134	4,178
Change in fair value of financial instruments held at fair value through profit or loss		2,388	5,704
Other income		160	-
Employee benefits expense	6	(1,103)	(1,293)
Other expenses	7	(119)	(327)
Interest expense	8	(5)	(3)
Profit before income tax		4,455	8,259
Income tax benefit	11	390	630
<b>Profit from continuing operations after income tax</b>		<b>4,845</b>	<b>8,889</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of tax		-	-
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year attributable to members of the Company</b>			
		<b>4,845</b>	<b>8,889</b>
		<b>Cents</b>	<b>Cents</b>
<b>Basic and diluted earnings/(loss) per share</b>			
From continuing operations	9	13.60	24.75
<b>Total</b>		<b>13.60</b>	<b>24.75</b>

Note: This statement should be read in conjunction with the notes to the financial statements.

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 \$'000	2023 \$'000
<b>Assets</b>			
Cash	16	5,928	4,053
Trade and other receivables	17	3	8,400
Financial assets held at fair value through profit or loss	13	40,366	30,011
Other assets		59	60
Property, plant, equipment		1	2
Deferred tax assets	18	3,310	2,920
<b>Total Assets</b>		<b>49,667</b>	<b>45,446</b>
<b>Liabilities</b>			
Trade and other payables	19	543	790
Provisions	20	135	100
<b>Total Liabilities</b>		<b>678</b>	<b>890</b>
<b>Net Assets</b>		<b>48,989</b>	<b>44,556</b>
<b>Equity</b>			
Issued capital	14	76,864	77,276
Accumulated losses		(27,875)	(32,720)
<b>Total Equity</b>		<b>48,989</b>	<b>44,556</b>

Note: This statement should be read in conjunction with the notes to the financial statements.

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
<b>Balance at 31 December 2022</b>	<b>77,403</b>	<b>(41,609)</b>	<b>35,794</b>
Total comprehensive income for the year	-	8,889	8,889
Share buy-back	(127)	-	(127)
<b>Balance at 31 December 2023</b>	<b>77,276</b>	<b>(32,720)</b>	<b>44,556</b>
Total comprehensive income for the year	-	4,845	4,845
Share buy-back	(412)	-	(412)
<b>Balance at 31 December 2024</b>	<b>76,864</b>	<b>(27,875)</b>	<b>48,989</b>

Note: This statement should be read in conjunction with the notes to the financial statements.

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 \$'000	2023 \$'000
<b>Cash Flow from Operating Activities</b>			
Receipts from customers		160	-
Payments to suppliers and employees		(1,684)	(795)
Payments for equity investments		(27,789)	(21,139)
Proceeds from sale of equity investments		25,277	12,757
Interest received		368	222
Dividends received		5,708	998
<b>Net cash (used in) operating activities</b>	15	<b>2,040</b>	<b>(7,957)</b>
<b>Cash Flow from Financing Activities</b>			
Payments for share buy-back		(412)	(127)
Interest paid		(5)	(3)
Payments of lease liabilities		-	(25)
<b>Net cash (used in) financing activities</b>		<b>(417)</b>	<b>(155)</b>
<b>Net increase/(decrease) in cash held</b>		<b>1,623</b>	<b>(8,112)</b>
Cash at beginning of period		4,053	12,184
Effect of exchange rates on cash holding in foreign currencies		252	(19)
<b>Cash at end of period</b>	16	<b>5,928</b>	<b>4,053</b>

Note: This statement should be read in conjunction with the notes to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. NATURE OF OPERATIONS

The Company's principal activities are to make investments in listed and unlisted securities. The Company is an internally managed Listed Investment Company.

### 2. GENERAL INFORMATION, STATEMENT OF COMPLIANCE AND GOING CONCERN ASSUMPTION

NGE Capital Limited (**NGE** or **Company**) is a public company incorporated and domiciled in Australia. The address of its registered office and principal place of business is Level 4 100 Albert Road, South Melbourne Vic 3205.

The general purpose financial statements of the Company have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**). NGE is a for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The financial statements for the year ended 31 December 2024 (including comparatives) were approved and authorised for issue by the board of directors on 27 February 2025.

### 3. NEW OR REVISED STANDARDS AND INTERPRETATIONS

#### a) New and revised standards that are effective for these financial statements

Some new standards, amendments to standards and interpretations became effective for the first time to annual reporting periods beginning on or after 1 January 2024. These have been adopted but do not have a significant impact on the Company's financial results or position. The only standard with applicability to the Company is the following:

<b>Standard/Interpretation</b>	<b>Application date of standard</b>	<b>Application date for the Company</b>
AASB 2020-1 Amendments to AAS – Classification of Liabilities as Current or Non-Current	1 January 2024	1 January 2024

#### b) Standards and interpretations on issue but not yet adopted

As at the report date the following standard is on issue but not yet effective and is available for early adoption. The Company has not undertaken an assessment as to the impact of these changes at this stage.

<b>Standard/Interpretation</b>	<b>Application date of standard</b>	<b>Application date for the Company</b>
AASB 18 Presentation and Disclosure in Financial Statements	1 January 2027	1 January 2027

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### 4. MATERIAL ACCOUNTING POLICIES

#### a) Overall considerations

The financial statements have been prepared using the material accounting policies and measurement bases summarised below.

#### b) Foreign currency translation

##### Functional and presentation currency

The financial statements are presented in Australian dollars (**AUD**), which is the functional currency of the Company.

##### Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

#### c) Revenue and income recognition

##### Fair value gains and losses

Net gains/(losses) on financial assets held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at the period end and the fair value at the previous valuation point. Net gains/(losses) do not include interest or dividend income.

##### Dividends

Dividend income is recognised on the ex-dividend date with any corresponding foreign withholding tax recorded as an expense.

##### Interest income

Interest income is recognised on a time proportionate basis taking into account the effective interest rates applicable to the financial assets.

#### d) Operating expenses

Operating expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accruals basis.

#### e) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing net profit for the year attributable to shareholders of the Company, as adjusted for the effect of dilutive potential ordinary shares where applicable, by the weighted average number of ordinary shares outstanding during the year plus the weighted average of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### f) Income tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same tax authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expenses in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity respectively.

#### g) Investments in financial assets

##### Classification

The Company's investments are classified as at fair value through profit or loss. They comprise:

##### *Financial assets designated at fair value through profit or loss*

All financial assets are held at fair value through profit or loss. These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded or unlisted securities.

##### Recognition and derecognition

Purchases and sales of financial assets at fair value through profit or loss are recognised on the trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### g) Investments in financial assets (continued)

##### Measurement

*Financial assets held at fair value through profit or loss*

Changes in fair value and transaction costs are recognised in profit or loss.

##### *Fair value in an active market*

The fair value of listed investments is based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Company is the current close price.

Net gains/(losses) on financial assets held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at period end and the fair value at the previous valuation point. Net gains/(losses) do not include interest or dividend income.

The Company's Investment Valuation Policy is discussed in Note 13.

#### h) Equity, reserves and accumulated losses

Share capital represents the value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Accumulated losses include all current and prior accumulated losses.

#### i) Cash

Cash includes cash on hand and deposits held at call with financial institutions.

#### j) Receivables

Receivables may include amounts for dividends, interest and securities sold. Dividends are receivable when they have been declared and are legally payable. Interest is accrued at the balance date from the time of the last payment. Amounts receivable for securities sold are recorded when a sale has occurred. Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

#### k) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be readily measured.

Provision is made for the Company's liability for employee benefits arising from the services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

#### l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### m) Rounding of amounts

NGE Capital Limited is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest \$1,000, or in certain cases, to the nearest dollar.

#### n) Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

#### Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Judgement is required in determining whether it is probable that the tax losses will be utilised against future taxable income and the quantum of the amount which is considered probable. Deferred tax assets are valued using the tax rate applicable to a base rate entity. The actual tax rate applicable to the Company will not be known until the year in which the Company is first assessed to pay income tax. The Company expects to be a base rate entity when the deferred tax assets are realised. Details of deferred tax assets are included in Note 11 and Note 18.

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### 5. INVESTMENT INCOME FROM CONTINUING OPERATIONS

	2024	2023
	\$'000	\$'000
Interest income	368	222
Dividend income	2,766	3,956
<b>Total</b>	<b>3,134</b>	<b>4,178</b>

### 6. EMPLOYEE BENEFITS EXPENSE

	2024	2023
	\$'000	\$'000
Employee base remuneration	546	540
Post-employment benefits	62	45
Provision for performance-based short-term incentive	495	708
<b>Total</b>	<b>1,103</b>	<b>1,293</b>

### 7. OTHER EXPENSES INCURRED IN CONTINUING OPERATIONS

	2024	2023
	\$'000	\$'000
Other expenses		
Directors' fees	30	25
Audit, professional and legal fees	99	82
Listing costs	58	54
Insurance	53	54
Data subscription services	36	45
Operating leases	3	4
Loss/(gain) from foreign exchange movements	(233)	14
Depreciation – including right-of-use asset	1	26
Withholding tax on overseas dividends	2	13
Other	70	10
<b>Total</b>	<b>119</b>	<b>327</b>

### 8. INTEREST EXPENSE

	2024	2023
	\$'000	\$'000
Interest expense – short term loan	5	3
<b>Total</b>	<b>5</b>	<b>3</b>

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### 9. EARNINGS PER SHARE

	2024	2023
	\$'000	\$'000
Profit from continuing operations attributable to the ordinary equity holders used in the calculation of basic and dilutive earnings per share	4,845	8,889

	Number	Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share.	35,631,227	35,915,028

#### Basic and diluted earnings per share

	2024	2023
	Cents	Cents
Earnings from continuing operations	13.60	24.75

### 10. SEGMENT REPORTING

The Company has only one reportable segment. The Company is engaged solely in investment activities conducted from Australia, deriving revenue from dividend income, interest income and from the sale of investments.

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### 11. INCOME TAX EXPENSE

The reconciliation of prima facie tax payable to reported income tax expense/(benefit) is as follows:

	2024	2023
	\$'000	\$'000
Profit before tax	4,455	8,259
Domestic tax rate	25.0%	25.0%
Prima facie tax expense	1,114	2,065
Adjustments for tax effect of:		
Temporary differences and tax losses (recouped)/derecognised	(1,504)	(2,695)
<b>Income tax (benefit)</b>	<b>(390)</b>	<b>(630)</b>
<b>Tax (benefit) comprises:</b>		
Current tax	-	-
Deferred tax	<b>(390)</b>	<b>(630)</b>
<b>Tax losses</b>		
Unused Australian losses which have been recognised as a deferred tax asset <sup>1</sup>	13,240	11,680
Unused Australian losses for which no tax loss has been recognised as a deferred tax asset <sup>2</sup>	19,921	30,111
Unrealised Australian (gains) (net)	(4,375)	(8,550)
<b>Total Australian unused and unrealised losses</b>	<b>28,786</b>	<b>33,241</b>
<b>Potential tax benefit of unused and unrealised losses at 25.0% (2022: 25.0%)<sup>3</sup></b>	<b>7,196</b>	<b>8,310</b>
<b>Potential tax benefit of unused and unrealised losses – \$ per share</b>	<b>\$0.20</b>	<b>\$0.23</b>

<sup>1</sup> A deferred tax asset of \$3.310 million (potential tax benefit at 25.0% of \$13.24 million) has been recognised on unused Australian tax losses of the Company. The deferred tax asset was recognised based on the following management judgements:

- i) The Company has produced a cumulative profit before income tax of \$28.856 million since becoming a LIC on 30 November 2016; and
- ii) By applying the average Australian and International share returns since 1970 of 9.75% p.a. over a four-year investment time horizon, the Board considered it is probable that sufficient future taxable profits will be available to offset the amount of the deferred tax asset.

<sup>2</sup> This represents total realised tax losses and capital losses which are unused and have not been recognised as a deferred tax asset.

<sup>3</sup> The taxation benefits will only be obtained if:

- i) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;
- ii) The Company continues to comply with the conditions for deductibility imposed by law and, in particular, as 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); and
- iii) No changes in tax legislation adversely affect the Company in realising the benefits from the deductions for the loss.

Not included in the above table:

- The impaired value of certain investments in Australia which may in future give rise to further Australian tax losses.

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## NOTES TO THE FINANCIAL STATEMENTS

Continued

### 12. FINANCIAL RISK MANAGEMENT

#### a) Risk management objectives and policies

The Company's financial instruments consist mainly of cash and deposits with banks, accounts receivable and payable, and borrowings. The Company's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Company and may use a range of derivative financial instruments to manage risk exposures.

The main risks arising from the Company's financial instruments are foreign currency risk, interest rate risk, credit risk, liquidity risk and price risk. Senior management, in conjunction with the Board, reviews and agrees policies for managing each of these risks.

#### b) Foreign currency risk

The Company is exposed to foreign currency risk on holding assets and liabilities denominated in currencies other than Australian dollars. The currencies giving rise to this are CAD, GBP, NOK and USD. The Company does not currently enter into derivative financial instruments to hedge such transactions denominated in a foreign currency.

At 31 December 2024, the Company had the following exposure to various foreign currencies:

	2024	2023
	\$'000	\$'000
<b>Financial assets</b>		
Cash	2,621	311
Trade and other receivables	-	-
Financial assets held at fair value through profit or loss	20,403	23,197
Other assets	-	-
Other long-term assets	-	-
	<b>23,024</b>	<b>23,508</b>
<b>Financial liabilities</b>		
Trade and other payables - Current	-	-
<b>Net exposure</b>	<b>23,024</b>	<b>23,508</b>

The Company has performed sensitivity analysis relating to its exposure to foreign currency risk at reporting date. This sensitivity analysis demonstrates the effect on the net exposure which could result from a change in this risk.

<b>Sensitivity Analysis – increase/(decrease) in net exposure</b>	<b>\$'000</b>	<b>\$'000</b>
Australian dollar depreciates by 5% against CAD	246	167
Australian dollar depreciates by 5% against EUR	-	280
Australian dollar depreciates by 5% against GBP	568	639
Australian dollar depreciates by 5% against USD	283	151
Australian dollar depreciates by 5% against NOK	115	-
Australian dollar appreciates by 5% against CAD	(222)	(151)
Australian dollar appreciates by 5% against EUR	-	(254)
Australian dollar appreciates by 5% against GBP	(513)	(578)
Australian dollar appreciates by 5% against USD	(256)	(136)
Australian dollar appreciates by 5% against NOK	(104)	-

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### 12. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### c) Interest rate risk

At 31 December 2024, the Company had no fixed rate debt.

The Company had the following mix of financial assets and liabilities exposed to variable interest rate risk:

	2024	2023
Financial assets	\$'000	\$'000
Cash	5,657	3,215
<b>Total</b>	<b>5,657</b>	<b>3,215</b>

The Company has performed sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results which could result from a change in these risks.

Interest rate sensitivity analysis	2024	2023
	\$'000	\$'000
Increase/(decrease) in profit/(loss)		
- increase in interest rate by 2%	148	128
- decrease in interest rate by 2%	(154)	(110)

#### d) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date, to recognised financial assets, is the carrying amount, net of any provision for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company.

#### e) Liquidity risk

Liquidity risk is the risk that the Company might be unable to meet its obligations. The Company manages its liquidity needs by continuously monitoring forecast and actual cash flows and ensuring there are appropriate plans in place to finance these future cash flows.

As at 31 December, the Company holds \$5.928 million in cash and has no fixed rate debt.

As at 31 December, the Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### 12. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### e) Liquidity risk (continued)

	Recovered/ settled within 12 months \$'000	Recovered/ settled after 12 months \$'000
<b>2024</b>		
Trade and other payables	543	-
<b>Total</b>	<b>543</b>	<b>-</b>
<b>2023</b>		
Trade and other payables	790	-
<b>Total</b>	<b>790</b>	<b>-</b>

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at reporting date.

#### f) Price risk

The Company is exposed to movement in market prices of its equity investments. Equity investment in listed shares is subject to movement in the market prices of the shares.

The Company had the following mix of financial assets and liabilities exposed to variable price risk:

	2024 \$'000	2023 \$'000
<b>Financial assets</b>		
Financial assets held at fair value through profit or loss	40,366	30,011
<b>Total</b>	<b>40,366</b>	<b>30,011</b>

The Company has performed a sensitivity analysis relating to its exposure to price risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results which could result from a change in these risks.

	2024 \$'000	2023 \$'000
<b>Price sensitivity analysis</b>		
Increase/(decrease) in profit/(loss)		
- increase in price by 10%	4,037	3,001
- decrease in price by 10%	(4,037)	(3,001)

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### 13. FAIR VALUE MEASUREMENT

The Company measures and recognises the following assets at fair value on a recurring basis:

- Financial assets held at fair value through profit or loss

There are no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

#### Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). These include quoted prices for similar assets or liabilities in active markets.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below presents the financial assets (by class) measured and recognised at fair value at 31 December.

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>2024</b>				
<b>Financial Assets at fair value through profit or loss</b>				
Listed equity securities	40,366	-	-	40,366
Listed equity securities	-	-	-	-
<b>Total Financial Assets at fair value through profit or loss</b>	<b>40,366</b>	-	-	<b>40,366</b>
<b>2023</b>				
<b>Financial Assets at fair value through profit or loss</b>				
Listed equity securities	28,651	-	-	28,651
Listed equity securities	-	-	1,360	1,360
<b>Total Financial Assets at fair value through profit or loss</b>	<b>28,651</b>	-	<b>1,360</b>	<b>30,011</b>

#### Valuation techniques used to determine fair values

Assets in the Company's investment portfolio are valued in accordance with the Company's published Investment Valuation policy, a summary of which is provided below. This summary does not purport to be complete, and readers should refer to the full Investment Valuation Policy which is available on the Company's website.

#### LEVEL 1

The fair value of investments that are traded in an active market (for example, listed equities) is determined using the last traded quoted price in an active market. As at 31 December 2024, the Company had \$40,366,000 (2023: \$28,651,000) financial assets held at fair value through profit or loss included in Level 1. As at 31 December 2024 the Company had \$ Nil (2023: \$ Nil) financial liabilities held at fair value through profit or loss included in Level 1.

#### LEVEL 2

The fair value of investments that are not traded in an active market (for example, unlisted securities) is determined by reference to quoted prices for similar assets or liabilities in active markets. As at 31 December 2024, the Company had \$ Nil (2023: \$ Nil) investments in Level 2.

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### 13. FAIR VALUE MEASUREMENT (CONTINUED)

*Fair value hierarchy (continued)*

*Valuation techniques used to determine fair values (continued)*

#### LEVEL 3

If one or more of the significant inputs is not based on observable market data, the investment is included in Level 3. The fair value of unlisted securities for the first 12 months of ownership is usually valued at the cost of the investment, unless there is an apparent change in circumstances which would indicate the need for a new valuation. Such a circumstance may include observing the price from a recent transaction of an investment, provided the relevant transaction occurred sufficiently close to the measurement date (usually within 12 months).

In the absence of a recent transaction providing a reliable estimate, the fair value of unlisted direct securities will be calculated with reference to appropriate valuation methods including, but not limited to, an assessment of the investment's cash flows.

As at 31 December 2024, the Company had \$ Nil (2023: \$1,360,000) of investments held at fair value through profit or loss included in Level 3.

#### Valuation of Danakali Limited as at 31 December 2024

At 31 December 2023 the Company valued its Level 3 holding in Danakali Limited (ASX:DNK) (Danakali) at \$0.068 per share (a total value of \$1,360,000).

The Company used a Level 3 valuation methodology to determine a value for Danakali. The valuation techniques involved in this methodology included:

- Valuation of the dividend and shareholder approved capital return, to be received on or about 8 January 2024 at nominal value (A).
- Valuation of the estimated cash balance as at 31 December 2023 (B) as follows:
  - Estimating cash balance by summing expected inflows and outflows since the last reported cash balance at 30 September 2023;
  - Discounting the estimated cash balance to account for normal business risks;
  - The discount rate was determined by analysing the average share price discount to net tangible assets of companies with similar profiles to Danakali traded on the ASX.
- Calculation of total valuation as A + B.

As at 30 June 2024 the Company, using the existing methodology updated for then known data, determined that the value of \$0.068 per share remained an appropriate fair value for Danakali. After adjusting for \$0.020 per share of distributions that were to be received on or about 8 July 2024, Danakali was valued at 30 June 2024 as follows: A Level 3 fair value of \$0.048 per share (a total value of \$960,000) and a transfer to Trade and other receivables of \$0.020 per share (a value of \$400,000).

Danakali transferred its listing from the Australian Securities Exchange, where its shares had been suspended since 3 April 2023, to the National Stock Exchange on 19 December 2024. As Danakali's shares have since traded in an active market, the investment in Danakali was transferred from Level 3 to Level 1. As at 31 December 2024 Danakali was valued as a Level 1 asset based on the last traded quoted price of \$0.040 per share (a total value of \$800,000). The difference of \$160,000 between this value and the final Level 3 value of \$960,000 was recognised through profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### 13. FAIR VALUE MEASUREMENT (CONTINUED)

*Fair value hierarchy (continued)*

*Valuation techniques used to determine fair values (continued)*

**Valuation of Danakali Limited as at 31 December 2024 (continued)**

*Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy.*

The carrying amounts of investments measured using significant unobservable inputs (Level 3) are shown below:

	Listed Equities	Total
	\$'000	\$'000
<b>For the year ended 31 December 2024</b>		
Beginning balance	1,360	1,360
Receipt of dividend and capital return	(400)	(400)
Revaluation losses recognised in profit or loss	(160)	(160)
Transfer to Level 1	(800)	(800)
<b>Ending balance</b>	<b>-</b>	<b>-</b>
<b>For the year ended 31 December 2023</b>		
Beginning balance	-	-
Transfer from Level 1	8,200	8,200
Revaluation gains recognised in profit or loss	1,560	1,560
Transfer to Trade and Other Receivables	(8,400)	(8,400)
<b>Ending balance</b>	<b>1,360</b>	<b>1,360</b>

### 14. EQUITY AND CAPITAL MANAGEMENT

#### a) Share Capital

	2024	2023	2024	2023
	Shares	Shares	\$'000	\$'000
At beginning of year	35,833,676	36,000,000	77,276	77,403
Share buy-back	(401,958)	(166,324)	(412)	(127)
<b>Total contributed equity at 31 December</b>	<b>35,431,718</b>	<b>35,833,676</b>	<b>76,864</b>	<b>77,276</b>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of shares held. Every ordinary shareholder present at a meeting of the Company, in person or by proxy, is entitled to one vote, and upon a poll each ordinary share is entitled to one vote. Ordinary shares have no par value.

#### b) On-market share buy-back

On 21 August 2017 the Company announced a 10/12 on-market buy-back to commence on or after 4 September 2017. This buy-back is of unlimited duration and was re-confirmed by the Board for the years commencing on 4 September 2018 through 2024, with the Company reserving the right to suspend or terminate the buy-back at any time. During the year 401,958 (2023: 166,324) shares were bought back and cancelled. The total cost, including transaction costs, of \$412,705 (2023: \$127,075) was deducted from Share Capital. All shares bought back have been settled and then cancelled by the Registry at balance date.

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### 14. EQUITY AND CAPITAL MANAGEMENT (CONTINUED)

#### c) Options over unissued shares

There were no options over unissued shares on issue in 2024 or 2023.

#### d) Capital risk management

The Company currently has no long-term debt or short-term debt and is not subject to any externally imposed capital requirements, nor does it focus on obtaining debt as a key capital management tool. The operating cash flows of the Company are financed by its cash holdings. Capital risk management is continually reviewed by the Board and Management.

#### e) Reserves

The Company currently has no reserve accounts.

### 15. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2024	2023
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit for the period	4,845	8,889
Adjustments for:		
Depreciation – fixed assets	1	1
Depreciation – right-of-use assets	-	25
Foreign exchange differences	(252)	19
Provision for employee entitlements	35	20
Changes in assets and liabilities relating to operations		
Increase/(decrease) in creditors and accruals	(242)	732
(Increase)/decrease in receivables	8,397	(8,393)
(Increase)/decrease in financial assets	(10,355)	(8,632)
Decrease/(increase) in prepayments	1	12
(Increase)/decrease in deferred tax asset	(390)	(630)
<b>Net cash used in operating activities</b>	<b>2,040</b>	<b>(7,957)</b>

### 16. CASH

	2024	2023
	\$'000	\$'000
Cash at bank and on hand	5,928	4,053

Cash at reporting date consisted of AUD 3,307,248, USD 1,626,152, NOK -7 (2023: AUD 3,742,070, USD 199,495, GBP 9,588 & EUR -2).

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### 17. TRADE AND OTHER RECEIVABLES

	2024	2023
Current	\$'000	\$'000
Receivables*	3	8,400
<b>Total</b>	<b>3</b>	<b>8,400</b>

\*In the prior year the Receivables balance of \$8,400,000 reflected the Company's entitlement to a dividend and capital return from Danakali Limited. These distributions were received on 8 January 2024.

#### a) Allowance for impairment loss

All amounts are short-term. The net carrying value of receivables is considered a reasonable approximation of fair value.

#### b) Foreign exchange and interest rate risk

Detail regarding foreign exchange and interest rate risk exposure is disclosed in Note 12.

### 18. DEFERRED TAX ASSETS

The balance comprises temporary differences attributable to:

	2024	2023
	\$'000	\$'000
Tax losses	3,310	2,920
<b>Total</b>	<b>3,310</b>	<b>2,920</b>

Movements	Tax losses	Other temporary differences	Total
	\$'000	\$'000	\$'000
<b>Balance at 31 December 2022</b>	<b>2,290</b>	<b>-</b>	<b>2,290</b>
(Charged)/credited:			
- to profit or loss	630	-	630
- directly to equity	-	-	-
<b>Balance at 31 December 2023</b>	<b>2,920</b>	<b>-</b>	<b>2,920</b>
(Charged)/credited:			
- to profit or loss	390	-	390
- directly to equity	-	-	-
<b>Balance at 31 December 2024</b>	<b>3,310</b>	<b>-</b>	<b>3,310</b>

Refer to Note 11 for details of the recognition of this deferred tax asset.

### 19. TRADE AND OTHER PAYABLES

	2024	2023
Current	\$'000	\$'000
Trade payables	1	9
Sundry payables and accrued expenses	542	781
<b>Total</b>	<b>543</b>	<b>790</b>

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### 20. PROVISIONS

	2024	2023
	\$'000	\$'000
<b>Current</b>		
Employee provisions	135	100
<b>Non-Current</b>		
Employee provisions	-	-
<b>Total</b>	<b>135</b>	<b>100</b>

Employee provisions relate to annual leave and long service leave entitlements.

### 21. AUDITOR'S REMUNERATION

	2024	2023
	\$	\$
<b>Audit and review of financial statements</b>		
Auditor of the Company - Grant Thornton	42,000	41,000
Other auditors for audit and review of subsidiaries' financial statements	-	-
<b>Total</b>	<b>42,000</b>	<b>41,000</b>
<b>Other non-audit services</b>		
Auditor of the Company - Grant Thornton	-	-
<b>Total</b>	<b>42,000</b>	<b>41,000</b>

### 22. DIVIDENDS

Dividends declared and paid during the year:

	2024	2023
	\$'000	\$'000
Fully franked dividends paid	-	-

Dividend franking account:

	2024	2023
	\$'000	\$'000
Opening balance of franking account	137	82
Franking credits on dividends received	131	55
Franking credits on dividends paid	-	-
Tax (refund) / payment made	-	-
<b>Closing balance of franking account</b>	<b>268</b>	<b>137</b>
Franking credits on tax payable in respect of the current period's profits	-	-
<b>Adjusted franking account balance</b>	<b>268</b>	<b>137</b>

The Company's ability to pay franked dividends is dependent upon the receipt of franked dividends from investments and the payment of tax.

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### 23. RELATED PARTY TRANSACTIONS

The Company's related parties include its key management.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

#### a) Transactions with key management personnel

Key Management Personnel remuneration includes the following expenses:

	2024	2023
	\$	\$
Short-term employee benefits	1,046,640	1,244,361
Post-employment benefits	62,604	45,341
Other long-term benefits	11,312	18,104
<b>Total</b>	<b>1,120,556</b>	<b>1,307,806</b>

#### b) Transactions with other related parties

There were no transactions with other related parties in the year.

### 24. EMPLOYEE BENEFITS

#### Superannuation

The Company makes contributions based on each employee's salary to superannuation plans that provide employees with benefits on retirement in accordance with the requirements of superannuation legislation.

#### Employee incentive plan

The Company does not offer an Employee Incentive Plan under which the Directors may offer options and ordinary shares in the Company to eligible persons.

### 25. COMMITMENTS

The Company has no capital commitments.

	2024	2023
	\$	\$
Within one year	-	-
Later than one year but not later than 5 years	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 26. CONTINGENT ASSETS AND LIABILITIES

At reporting date the Company has no contingent assets or contingent liabilities.

### 27. POST-REPORTING DATE EVENTS

Other than as disclosed below, there has been no other matter or circumstance occurring subsequent to the end of the period that, in the opinion of the Directors, has significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years except that:

- Subsequent to year end NGE sold its entire shareholding in John Wood Group plc (LSE:WG.) at an average price per share of ~41p, which represents a value ~\$522,000 less than the value of our holding as at 31 December 2024.

## CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year ended 31 December 2024

Disclosure of subsidiaries and their country of tax residency, as required by the Corporations Act 2001, does not apply to the Company as the Company is not required by accounting standards to prepare consolidated financial statements.

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## DIRECTORS' DECLARATION

1. In the opinion of the Directors of NGE Capital Limited:
  - a. the financial statements and notes of NGE Capital Limited are in accordance with the *Corporations Act 2001*, including:
    - i. Giving a true and fair view of its financial position as at 31 December 2024 and of its performance for the year ended on that date; and
    - ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
  - b. there are reasonable grounds to believe that NGE Capital Limited will be able to pay its debts as and when they become due and payable.
2. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 December 2024.
3. Note 2 confirms that the financial statements also comply with International Financial Reporting Standards.
4. The statement that a consolidated entity disclosure statement is not required is true and correct.

Signed in accordance with a resolution of the Directors:

Dated this 27 day of February 2025



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**David Lamm**  
Executive Chairman and  
Chief Investment Officer

## Independent Auditor's Report

### To the Members of NGE Capital Limited

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of NGE Capital Limited (the Company), which comprises the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Company's financial position as at 31 December 2024 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

##### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
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<b>Financial assets held at fair value through profit or loss – listed equity securities, Note 13</b>	
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The Company has a significant investment portfolio consisting of securities in listed equities.

As at 31 December 2024, the Company's financial assets held at fair value through profit or loss totalled \$40.366m, which equates to 81% of the total assets of the Company.

As disclosed in the Company's accounting policy in Note 4(g) of the financial report, these financial assets are measured at fair value through profit or loss in accordance with the requirements of Australian Accounting Standards.

Pricing, exchange rates and other market drivers can have a significant impact on the value of these financial assets and financial liabilities.

Accordingly, existence and valuation of the investment portfolio is considered a key audit matter.

Our procedures included, amongst others:

- Independently obtaining investment and cash confirmations from the Company's prime brokers and banks;
- Assessing whether the fair values of financial assets were determined in accordance with the relevant Australian Accounting Standards;
- Assessing the valuation of all listed investments held at year end to market data and publicly quoted prices for accuracy;
- Selecting a sample of purchases and sales of investments, and agreeing details to supporting documentation;
- Obtaining a roll forward of activity by investment and recalculating the realised gain or loss on disposals for accuracy; and
- Assessing the adequacy of the Company's disclosures included in the financial statements.

<b>Deferred tax asset, Note 11 &amp; 18</b>	
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As at 31 December 2024, the Company recognised a deferred tax asset ("DTA") of \$3.310m for unused tax losses.

The DTA is recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

The probability of recovery is impacted by the uncertainty of the timing and level of future taxable profits.

We consider the recognition and recoverability of the DTA to be a key audit matter, as the calculation is judgemental and based on assumptions regarding expected future market and economic conditions.

Our procedures included, amongst others:

- Obtaining historical tax returns lodged by the Company and checking the accuracy of the calculation of available losses;
- Evaluating the Company's ability to utilise, and availability of, historical tax losses in the current and future years, and assessing advice provided by management's expert under the 'continuity of ownership' test against the requirements of tax legislation;
- Evaluating the competency and objectivity of management's expert and the advice provided;
- Considering whether the amount recognised as a DTA as at 31 December 2024 is reasonable based on historical investment performance, projections, and other available information;
- Considering the applicability of the tax rate utilised in the calculation of the DTA recognised; and
- Assessing the adequacy of the Company's disclosures.

### Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of:

- a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* (other than the consolidated entity disclosure statement); and
- b the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf). This description forms part of our auditor's report.

### Report on the remuneration report

#### Opinion on the remuneration report

We have audited the Remuneration Report included in pages 16 to 20 of the Directors' report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of NGE Capital Limited, for the year ended 31 December 2024 complies with section 300A of the *Corporations Act 2001*.

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**Responsibilities**

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton Audit Pty Ltd  
Chartered Accountants

D G Ng  
Partner – Audit & Assurance  
Melbourne, 27 February 2025

## ADDITIONAL INFORMATION

Additional information included in accordance with the Listing Rules of ASX Limited.

### 1. SHAREHOLDINGS

#### a) Distribution of Shareholders as at 31 January 2025

Size of holding	Holders	Ordinary shares held	%
1-1,000	184	69,221	0.20
1,001-5,000	377	1,061,043	2.99
5,001-10,000	116	902,488	2.55
10,001-100,000	195	6,799,155	19.19
100,001 and over	47	26,599,811	75.07
<b>Total</b>	<b>919</b>	<b>35,431,718</b>	<b>100.00</b>

105 shareholders held less than a marketable parcel.

#### b) Top Twenty Shareholders as at 31 January 2025

Shareholder	Number of ordinary shares	% Held of issued ordinary capital
DAVID LAMM	3,665,000	10.34
SHOMRON PTY LTD <LAMM FM FAMILY A/C>	2,519,014	7.11
RUMINATOR PTY LTD	1,775,000	5.01
LUCERNE CAPITAL PTY LTD <LUCERNE CAPITAL A/C>	1,472,500	4.16
CITICORP NOMINEES PTY LIMITED	1,398,573	3.95
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,362,833	3.85
KURIDALE NOMINEES PTY LTD <LAMM P/L STAFF S/F A/C>	1,344,128	3.79
PERPETUAL CORPORATE TRUST LTD <AFFLUENCE LIC FUND>	879,407	2.48
CELLAR STOCKS PTY LTD <CELLAR INVESTMENT A/C>	792,093	2.24
WALLBAY PTY LTD <THE MICHAEL ABELL S/F A/C>	690,000	1.95
LAMM SUPER FUND PTY LTD <THE RAPHI SUPER FUND A/C>	651,393	1.84
BAAUER PTY LTD <THE BAAUER FAMILY A/C>	649,500	1.83
M & S BOWDEN SUPERANNUATION PTY LTD <M&S BOWDEN SUPER FUND A/C>	600,000	1.69
ABBAWOOD NOMINEES PTY LTD <ABBOT FAMILY S/F NO 1 A/C>	598,389	1.68
ALLAN DALE HOLDINGS PTY LTD	580,000	1.64
MR EDWARD JAMES STEPHEN DALLY & MRS SELINA DALLY <LEKDAL FAMILY A/C>	545,000	1.54
CARMANT PTY LTD <CARMANT SUPER FUND A/C>	534,000	1.51
MAST FINANCIAL PTY LTD <A TO Z INVESTMENT A/C>	485,598	1.37
BILLY RAY PTY LTD <KRAM SUPER FUND A/C>	430,874	1.21
MR DAVID MINGORANCE	378,000	1.07
<b>Twenty largest shareholders</b>	<b>21,351,302</b>	<b>60.26</b>
<b>Others</b>	<b>14,080,416</b>	<b>39.74</b>
<b>Total</b>	<b>35,431,718</b>	<b>100.00</b>

## ADDITIONAL INFORMATION

Continued

### 2. VOTING RIGHTS

- a) At meetings of members each member entitled to vote may vote in person or by proxy or attorney or, in the case of a member which is a body corporate, by representative duly authorized.
- b) On a show of hands every member entitled to vote and be present in person or by proxy or attorney or representative duly authorised shall have one (1) vote.
- c) On a poll every member entitled to vote and be present in person or by proxy or attorney or representative duly authorised shall have one (1) vote for each fully paid share of which he is a holder.

### 3. AUDIT COMMITTEE

As at the date of this report the Company has an Audit Committee subcommittee of the Board of Directors.

### 4. SUBSTANTIAL SHAREHOLDERS

As at the date of this report substantial shareholder notices had been lodged in relation to the Company's securities by the following shareholders:

<b>Name</b>	<b>Number of ordinary shares</b>	<b>% Held of issued ordinary capital</b>
David Lamm	4,005,000	11.30
Raphael Lamm	3,170,407	8.95
Kuridale Nominees Pty Ltd	1,873,372	5.29
Ruminator Pty Ltd	1,775,000	5.01