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NGE CAPITAL LIMITED

APPENDIX 4E

Results for announcement to the market
For the year ended 31 December 2023

All comparisons to year ended 31 December 2022.

Result Information	$'000	Up/Down	% change
Revenue from ordinary activities	9,882	Up	1,136.9%
Profit/(loss) after tax for the year – ordinary activities	8,889	Up	564.4%
Total comprehensive income for the year after tax attributable to members of the parent entity	8,889	Up	564.4%

Dividend information

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

Net Tangible Asset Information	31 Dec 2023	31 Dec 2022	Movement
Net tangible asset backing per ordinary share before tax	$1.160	$0.928	25.0%

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 2023

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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.

25.0%

2023 NTA PER SHARE INCREASE

22.7%

2023 SHARE PRICE INCREASE

12.3% p.a.

NTA PER SHARE INCREASE SINCE INCEPTION (p.a.) [1]

127.5%

AGGREGATE NTA PER SHARE INCREASE SINCE INCEPTION [1]

KEY METRICS AS AT 31 DEC 2023

Share Price	$0.920
Shares Outstanding	35.8m
Market Cap	$33.0m
NTA per share before tax	$1.160
NTA per share after tax	$1.242
Net Tangible Asset Value	$41.6m
Directors' Shareholding	16.0%

Note: Investment returns are net of all expenses.

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

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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 opportunities.

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.

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CORPORATE DIRECTORY

DIRECTORS

David Lamm	Executive Chairman and Chief Investment Officer
Ilan Rimer	Non-Executive Director
Adam Saunders	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
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WEBSITE
www.ngecapital.com.au

STOCK EXCHANGE LISTINGS

ASX Limited 20 Bridge Street Sydney NSW 2000	OTC Markets 304 Hudson Street, 3rd Floor New York, NY 10013 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

AUDITORS	**SOLICITORS**
Grant Thornton Audit Pty Ltd Collins Square, Tower 5 727 Collins Street Docklands VIC 3008	Clayton Utz Level 18 333 Collins Street Melbourne VIC 3000

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CHAIRMAN'S LETTER

Dear Shareholder,

NGE Capital Limited (**NGE** or **Company**) recorded a net profit after tax of $8.9 million for the financial year ended 31 December 2023. The portfolio returned 25.0% pre-tax and after all expenses during the year. NGE has returned, net of all expenses, 12.3% p.a. or 127.5% 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 FY2023 were unrealised gains from our uranium basket (expressed via holdings in **Yellow Cake plc (LSE:YCA)** and **Sprott Physical Uranium Trust (TSX:U.UN)**) and holdings in **Industrial Logistics Properties Trust (NAS:ILPT)**, **Danakali Limited (ASX:DNK)**, **John Wood Group plc (LSE:WG)** and **Embark Early Education Limited (ASX:EVO)**. Additionally, we realised solid gains from fully exiting holdings in **Golden Energy and Resources Ltd (SGX:AUE)** and **Franklin Street Properties Corp. (AME:FSP)**, partially selling down **John Wood Group plc (LSE:WG)**, and receiving shareholder distributions from **Danakali Limited (ASX:DNK)**. The key detractors were mark-to-market declines in **Metals X Limited (ASX:MLX)** and **Jupiter Mines Limited (ASX:JMS)**, and realised losses from exits in **Geo Energy Resources Limited (SGX:RE4)** and **Argo Group International Holdings, Ltd. (NYS:ARGO).** We provide a brief portfolio update on our top holdings below.

We continue to remain cautious on the macroeconomic outlook. Up until recently global equity markets appear to have largely shrugged off recession concerns, as the consensus narrative shifted to a belief that inflation has been defeated, employment and consumer spending remain strong, a "soft landing" has been achieved, central banks will cut interest rates, and asset prices should do well. The contraction of the UK and Japanese economies in the past two quarters and China's ailing property sector suggest that decelerating global growth may be behind the softening inflation figures, potentially setting up bullish investors for disappointment. Further adding to our caution is our expectation that it may take longer than anticipated for inflation to get sustainably below 2% long-term targets, as growth in wages, energy prices and rents may prove to be sticky even in a slowing economic environment.

Government stimulus such as the Biden administration's "Inflation Reduction Act", and ongoing geopolitical tensions including in the Middle East where shipping routes through the Red Sea continue to be impacted, are likely to be inflationary. Complicating the outlook is the recent sharp decline in US gas prices following President Biden's decision to pause pending LNG export approvals. Given natural gas is the bedrock of the US economy, the price plunge should provide a near-term boost to the US economy in an election year. However, as US gas producers inevitably curtail supply the risk of a future energy shortage, a violent rebound in gas prices and a potential economic crisis rises. Such a scenario would bring the record level of US federal debt and high fiscal deficit into sharper focus.

In the current "macro heavy" environment, we expect global markets to remain volatile. In response, we will continue to focus on what we can control:

- 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.

A broad investment mandate allows us to be flexible and respond quickly to a wide range of investment opportunities and allocate capital to the most attractive ones, across any sector or region. We are also able to be highly concentrated, where holdings can grow very large as a percentage of the portfolio. The flexibility and concentrated nature of our approach was on display on 3 April 2023 when we were able to purchase 11.0m shares of Danakali in a single trading session, taking advantage of heavy selling as the shares sold off just prior to being suspended from trading. We increased our holding from a ~11% to a ~22% portfolio position. Our decisive actions were subsequently rewarded

with shareholder distributions that exceeded our average entry price for the entire position.

Our cash balance increased to ~28% of NTA at year end (including the $8.4 million of Danakali distributions receivable that was paid on 8 January). We will be patient about making new investments and look to selectively deploy cash at opportune times when the risk-reward is attractive. In volatile markets event-driven special situations can provide strong risk-reward opportunities that are not correlated to the market. These "special sits", which we are constantly assessing, can include M&A, asset sales, strategic reviews, corporate actions such as spinoffs/demergers, changes in leadership, changes in strategy, index additions/deletions, and capital management announcements such as buybacks/return of capital/increased dividends/special dividends.

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Uranium holding

Our uranium basket – held via holdings in **Yellow Cake plc (LSE:YCA)** and **Sprott Physical Uranium Trust (TSX:U.UN) (SPUT)** – is our largest position at ~26% of the portfolio at year end. We added slightly to our YCA holding in March when the discount to NAV blew out to ~15%. The aggregated position grew significantly following an ~80% increase in the U_3O_8 spot price to US$91/lb over the year, leading the security prices of YCA and SPUT to follow.

We initiated our position in 2018 when the uranium price was ~US$25/lb, and our patience is finally being rewarded. Despite the huge run-up in spot price last year, we believe there are several catalysts in play that should result in higher prices in the near-term. The uranium price peaked at over US$140/lb in 2007 during the last bull market, which adjusted for inflation would equate to over US$200/lb in today's money. The price had risen from ~US$10/lb in 2003 due to a range of factors, which are the same factors driving today's bull market: dwindling supplies of inventory, low primary mined production relative to demand, and increasing net demand for nuclear energy. Arguably the forces in operation today are more durable than back then. The peak price surge occurred shortly after the October 2006 flooding of Cameco's Cigar Lake mine, a black swan event that sent the price into bubble territory.

Excess inventories no longer appear to be overhanging the market. Utilities have been particularly active recently in purchasing material in the spot market, which is unusual given the strong run-up in price. The underfeeding to overfeeding dynamic is playing out, which we flagged as a possibility in last year's letter. Several enrichers have been active in the spot market as buyers, as high conversion and enrichment prices no longer incentivise underfeeding.

Supply coming from Kazakhstan, Russia and Niger looks shaky, at a time when Western utilities have run down their inventories and are short material. There is no guarantee the large incumbent producers – **JSC NAC Kazatomprom (LSE:KAP), Cameco Corporation (TSX:CCO; NYS:CCJ)** and Orano SA – will be able to hit production targets. Indeed, in February Kazatomprom revised its 2024 production guidance down by ~5.2-6.5mmlbs following an expectation it will not have access to sufficient quantities of sulfuric acid to carry out its mining activities. There are no big, new, greenfield mines under construction, and there is a long lead time to bring new production online.

Our original investment thesis centred on growth in net demand coming from new nuclear builds in China, India and the Middle East. Our base case had U_3O_8 demand growing from ~175mmlbs to ~190mmlbs by 2030. The World Nuclear Association's *Nuclear Fuel Report: Global Scenarios 2023-2040* released in September 2023 has an implied base case demand of ~226mmlbs by 2030, well above our original estimates. We had not anticipated new nuclear build intentions from countries such as France, Japan, the Netherlands, Poland, Sweden, Turkey and the UK when we initiated the position.

Tim Gitzel, Cameco CEO, noted during Cameco's 3Q23 earnings call that "we've never started a cycle

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at this high of a uranium price before". We will be looking to trim our position at some point as it has become very large, but for the moment the fundamentals look better than ever.

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Greek Non-Performing Exposures (NPE) basket

In July 2023 we acquired an aggregate ~10% position across **Galaxy Cosmos Mezz Plc (ATH:GCMEZZ)**, **Phoenix Vega Mezz Plc (ATH:PVMEZZ)**, and **SunriseMezz Plc (ATH:SUNMEZZ)**. At the time, these three Cyprus-incorporated, Athens listed securities were trading at P/E multiples (adj for cash) in a range of ~2.0-3.6x, whilst yielding ~19-25% based on forthcoming capital returns. The earnings are underpinned by quarterly interest coupon payments that flow from long-dated bonds they hold, with longer-term multi-bagger upside potential (up to ~3.5-9x) if bond principal is paid down. Whilst the background story and waterfall payment structure of the bonds held by these entities is somewhat complex, the investment essentially hinges on the continued recovery of Greece's economy and real estate sector.

So far, the thesis has played out very well and investor interest in Greece is presently very strong: to wit, the recent IPO for **Athens International Airport (ATH:AIA)** was 12x oversubscribed. Since year end we have trimmed our basket position, following the recent strong performance of each security.

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John Wood Group plc (LSE:WG)

John Wood Group plc (LSE:WG) (Wood Group) is steadily progressing on its turnaround plan, with new management focusing on lower risk, modular, cost-reimbursable work. Previously the company had been badly burnt by cost overruns from large, fixed-price, "lump sum turnkey" projects. Restructuring and one-offs have obscured the quality of the underlying business, which has a high level of repeat business and cash conversion across its divisions. 2024 should see one-off cash outflows drop to ~US$65m (down from ~US$140m in 2023), and a further decline to ~US$30m is expected in 2025. That should help Wood Group start to generate sustainable, positive free cash flows.

A positive outcome from the revived sale process of Wood's 51% stake in the EthosEnergy JV, a turbine servicing business that generated ~US$30m (Wood share) of adjusted EBITDA in 2023, would allow the company to cut its high-cost debt further. Wood paid an average interest rate of ~11% in 1H23.

Wood Group looks cheap trading on a FY24E EV/EBITDA multiple of ~6.3x compared to closest peer **Worley Limited (ASX:WOR)** on ~11.1x. For Wood Group to regain interest from investors it will need to continue to execute, deliver revenue and EBITDA growth in the mid- to high-single digit range, and print several periods of "clean" financials that show the FCF generation ability of the business. As we have previously noted, Wood's large revenue base (FY23 of ~US$6bn) mean that small improvements in growth and margins can have a big impact on the bottom line.

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Industrial Logistics Properties Trust (NAS:ILPT)

Industrial Logistics Properties Trust (NAS:ILPT) is a REIT that owns over 400 warehouse and logistics properties in the US. ILPT is externally managed by **The RMR Group Inc. (NAS:RMR)** pursuant to business management and property management agreements. RMR handles leasing activities, supervises construction, and evaluates acquisition and disposition opportunities on behalf of the REIT. ILPT's top tenants are **FedEx Corporation (NYS:FDX)**, **Amazon.com, Inc. (NAS:AMZN)** and **Home Depot, Inc. (NYS:HD)**.

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ILPT's occupancy was 98.8% at year end, and the company enjoyed rental growth of ~13% in 2023. Whilst ILPT is overly levered, the non-recourse nature of its debt means the odds of bankruptcy are far more remote than the depressed share price suggests. Its modestly geared Hawaii portfolio alone could be worth ~US$18/sh, if applying the implied "going in" 4.0% cap rate from **Prologis, Inc.'s (NYSE: PLD)** acquisition of a large industrial property portfolio from Blackstone as announced in June 2023.

The property portfolio is carried at initial cost plus capex (if any) less any impairment and accumulated depreciation. The reason for the extreme undervaluation of Hawaii is because the bulk of the portfolio was acquired in two transactions in 2003 and 2005 at prices that are well below current levels. The Hawaii portfolio consists of ground leases, so capex is minimal. These warehouses are in a highly constrained area, with a history of strong rental growth and high occupancy. For these reasons, the Hawaii portfolio is of particular quality and so a 4.0% "going in" cap rate is likely a fair proposition when valuing these assets.

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NGE remains a simple, clean and tax efficient investment vehicle, with ~$33 million of Australian unused and unrealised losses available at year end. In the aggregate these losses equate to a potential future tax benefit of ~$8m or ~$0.23 per share (of which only ~$2.9m or ~$0.081 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).

Now in our 8th year as a LIC, we hope that we have demonstrated that our investment approach is sensible, durable and able to generate strong risk-adjusted returns over time. We are confident the portfolio will do well over time given the high discounts at which our investments trade relative to our assessment of intrinsic value. We are excited by the prospect of deploying our significant cash balance into new ideas throughout 2024, and as always we will do so in a patient, disciplined and opportunistic manner.

Yours sincerely,

David Lamm
Executive Chairman
& Chief Investment Officer

Adam Saunders
Executive Director
& Portfolio Manager

27 February 2024

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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.

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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 2023.

DIRECTORS

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

Mr David Lamm

Executive Chairman and Chief Investment Officer	***15 September 2017 – present***
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 25 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: 4,000,000 shares (held directly and indirectly)

Mr Ilan Rimer

Non-Executive Director	***17 August 2017 – present***
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

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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 Member 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.

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OPERATING AND FINANCIAL REVIEW

a) Financial Result

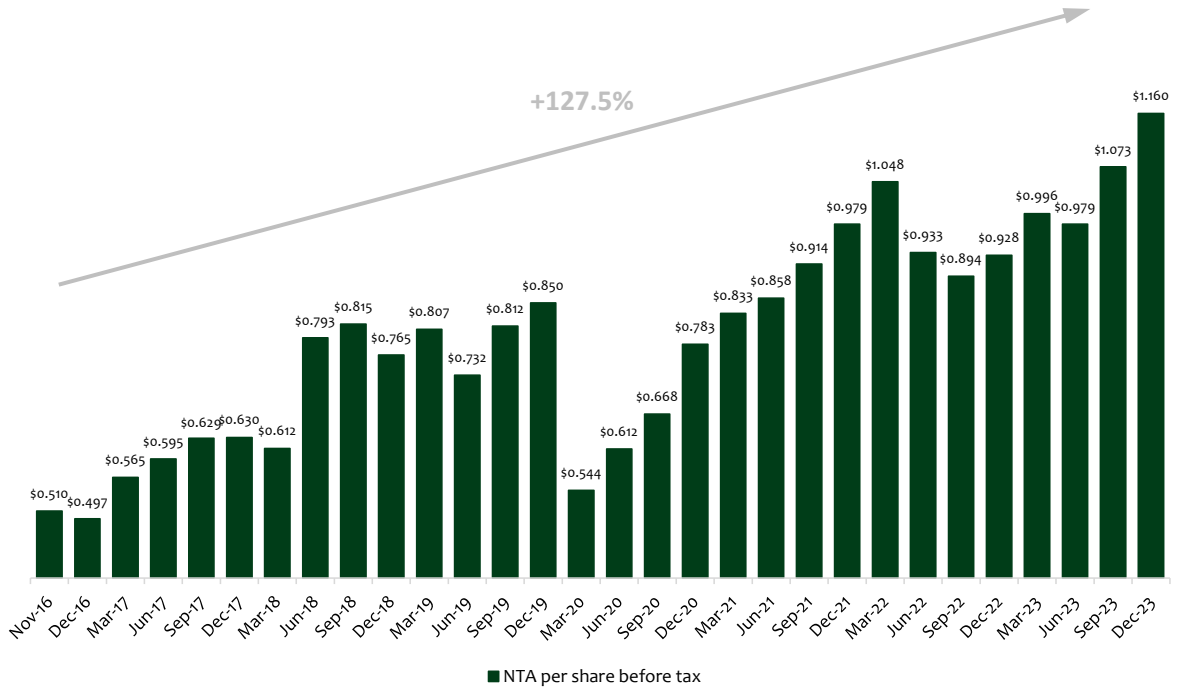
The profit of the Company after income tax for the year was $8.889 million (2022: loss $1.914 million), comprising a profit before income tax of $8.259 million (2022: loss $1.884 million) and an increase in the value of a deferred tax asset of $0.630 million (2022: decrease $0.030 million).

b) Investment Performance

At year end NGE's principal assets comprised financial assets, mainly investments in listed equities at a market value of $30.011 million (2022: $21.379 million), and cash and cash equivalents of $4.053 million (2022: $12.184 million).

Net assets increased by $8.762 million to $44.556 million (2022: $35.794 million). Net tangible assets (**NTA**) increased by $8.171 million to $41.574 million (2022: $33.403 million). On a per share basis, NTA (before tax and net of all expenses) increased 25.0% to $1.160 (2022: $0.928). NTA per share after tax increased by 25.2% to $1.242 (2022: $0.992).

NGE quarterly NTA per share (before tax and net of all expenses) since inception[1]



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

Since inception to 31 December 2023, NGE has returned a cumulative 127.5% or 12.3% annualised on a pre-tax, net of expenses basis.

Total portfolio return

	31 December 2023	31 December 2022	Change
NTA	$41.574 million	$33.403 million	$8.171 million
NTA per share before tax	$1.160	$0.928	25.0%

OPERATING AND FINANCIAL REVIEW (CONTINUED)

c) Portfolio

The Company's investment portfolio as at 31 December 2023 is presented below.

Listed Equities	Ticker	$'000	%
Yellow Cake plc	LSE:YCA	7,768	18.7%
John Wood Group plc	LSE:WG.	3,248	7.8%
Sprott Physical Uranium Trust	TSX:U.UN	3,171	7.6%
Industrial Logistics Properties Trust	NAS:ILPT	2,573	6.2%
OCI N.V.	AMS:OCI	2,232	5.4%
Metals X Limited	ASX:MLX	2,089	5.0%
Embark Early Education Limited	ASX:EVO	1,984	4.8%
Jupiter Mines Limited	ASX:JMS	1,363	3.3%
Danakali Limited	ASX:DNK	1,360	3.3%
Phoenix Vega Mezz PLC	ATH:PVMEZZ	1,145	2.8%
Capricorn Energy PLC	LSE:CNE	1,109	2.7%
Galaxy Cosmos Mezz PLC	ATH:GCMEZZ	1,017	2.4%
SunriseMezz PLC	ATH:SUNMEZZ	934	2.2%
Health and Plant Protein Group Limited	ASX:HPP	18	0.0%
Total		**30,011**	**72.2%**
Cash and Other			
Cash and cash equivalents		4,053	9.7%
Other tangible assets net of liabilities		7,510	18.1%
Total		**11,563**	**27.8%**
Total Net Tangible Asset Value		**41,574**	**100.0%**

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 133 (2022: 238). Total brokerage fees incurred net of GST were $66,476 (2022: $84,702).

Exits

The Company exited portfolio positions which included Golden Energy and Resources Ltd (SGX:AUE) ($659,000 profit), Franklin Street Properties Corp. (AME:FSP) ($350,000 profit), Geo Energy Resources Limited (SGX:RE4) ($291,000 loss net of dividends received), Argo Group International Holdings, Ltd. (NYS:ARGO) ($270,000 loss net of dividends received) and 189,588 shares of John Wood Group plc (LSE:WG.) ($244,000 profit based on average entry price).

Investment Income and Capital Return Distributions

The Company earned $4,178,000 (2022: $741,000) of investment income through the year, comprising interest income of $222,000 (2022: $182,000) and dividend income of $3,956,000 (2022: $559,000). In addition, the Company received $6,597,000 (2022: $Nil) of capital return distributions. These have been disclosed as "Change in fair value of financial instruments" within the Statement of Profit or Loss.

Selected investment summaries

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

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

d) Cash Flows

Operating activities resulted in a net outflow of $7,957,000 (2022: outflow $1,158,000).

The Company's net outflow from financing activities was $155,000 (2022: outflow $97,000), predominantly comprising share buy-back payments of $127,000 (including transaction costs) (2022: $54,000) and payments of lease liabilities $25,000 (2022: $42,000).

e) Capital Management

On-market buy-backs

A 10/12 buy-back facility remained on foot during the year and the Company purchased 166,324 of its own shares costing $126,588 before transaction costs. In the previous year 65,025 shares were bought back costing $52,995 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.

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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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:

	2023	2022	2021	2020	2019
NTA per share before tax	$1.160	$0.928	$0.979	$0.783	$0.850
NTA per share after tax	$1.242	$0.992	$1.043	$0.835	$0.905

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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 is $25,000 (inclusive of superannuation). In January 2024 the Board approved an increase in annual remuneration for non-executive directors to $30,000 (inclusive of superannuation), effective as at 1 January 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.

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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:

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

1 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).

2 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 $180,000 per annum including superannuation and a short-term incentive paid based on a share of the Performance Fee (if any). In January 2024 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 $200,000 effective as at 1 January 2024. The Board determined the amount of the increase with reference to the increase in the Australian Consumer Price Index since 1 January 2022.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

c) Details of remuneration

Remuneration received by Directors and KMP for the years ended 31 December 2023 and 31 December 2022 is disclosed below:

		Short-term employee benefits		Post-employment benefit	Other long term benefit	Termination benefits		
Name	Position	Cash salary and fees $	Cash bonus $	Superannuation $	Long service leave $	Termination payments $	Total $	Performance linked compensation %
31 December 2023								
Directors								
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
Other KMP								
L Smith	Company Secretary and CFO	109,524	-	25,174	4,388	-	139,086	-
TOTAL		**536,030**	**708,331**	**45,341**	**18,104**	**-**	**1,307,806**	**54.16**
31 December 2022								
Directors								
D Lamm	Executive Chairman and CIO	233,538	-	-	5,395	-	238,933	-
I Rimer	Non-Executive Director	22,676	-	2,324	-	-	25,000	-
A Saunders	Executive Director and Portfolio Manager	146,617	-	31,652	7,455	-	185,724	-
Other KMP								
L Smith	Company Secretary and CFO	115,819	-	22,753	3,014	-	141,586	-
TOTAL		**518,650**	**-**	**56,729**	**15,864**	**-**	**591,243**	**-**

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REMUNERATION REPORT (AUDITED) (CONTINUED)

Performance based short-term incentive included in remuneration

Review of performance against KPIs

	31 December 2023 $'000	Agreed adjustments[1] $'000	$'000
NTA	41,574	815	42,389
NTA – high-watermark (set in December 2021)			35,306
Increase in NTA before STI			7,083
STI Pool at 10%			708

[1] Material adjustments include the add-back of the STI Pool accrued in the closing NTA as at 31 December 2023 ($708,000) and the value of the reduction in share capital via share buy-backs since the high-watermark set as at 31 December 2021 ($180,000).

Use of remuneration consultants

No remuneration consultants were engaged during the year.

Voting and comments made at the Company's 2023 Annual General Meeting

At the Company's 2023 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 2023 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	-	-	4,000,000
I Rimer	-	-	-	-
A Saunders	1,600,000	150,000	-	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.

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MEETINGS OF DIRECTORS

The following table shows the number of Board and Committee meetings held during the financial year ended 31 December 2023:

	Directors' Meetings		Audit Committee		Remuneration Committee[1]	
	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	-	-

[1] 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

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.

NON-AUDIT SERVICES

No non-audit services were provided during the year. Refer to Note 23 of the financial statements for details of auditor remuneration.

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.

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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.

David Lamm
Executive Chairman and
Chief Investment Officer

27 February 2024

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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 2023, 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

Grant Thornton Audit Pty Ltd
Chartered Accountants

D G Ng
Partner – Audit & Assurance

Melbourne, 27 February 2024

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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 4th 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 2023 is dated as 27 February 2024 and was approved by the Board on 27 February 2024. The Corporate Governance Statement is available on NGE Capital Limited's website at:

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

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 $'000	2022 $'000
Investment income	5	4,178	741
Change in fair value of financial instruments held at fair value through profit or loss		5,704	(1,694)
Employee benefits expense	6	(1,293)	(613)
Other expenses	7	(327)	(317)
Interest expense	8	(3)	(1)
Profit/(loss) before income tax		8,259	(1,884)
Income tax (expense)/ benefit	11	630	(30)
Profit from continuing operations after income tax		**8,889**	**(1,914)**
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to members of the Company		**8,889**	**(1,914)**

		Cents	Cents
Basic and diluted earnings/(loss) per share			
From continuing operations	9	24.75	(5.32)
Total		**24.75**	**(5.32)**

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

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STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 $'000	2022 $'000
Assets			
Cash and cash equivalents	16	4,053	12,184
Trade and other receivables	17	8,400	6
Financial assets held at fair value through profit or loss	13	30,011	21,379
Other assets		60	73
Property, plant, equipment	18	2	28
Deferred tax assets	19	2,920	2,290
Total Assets		**45,446**	**35,960**
Liabilities			
Trade and other payables	20	790	61
Lease liabilities	21	-	25
Provisions	22	100	80
Total Liabilities		**890**	**166**
Net Assets		**44,556**	**35,794**
Equity			
Issued capital	14	77,276	77,403
Accumulated losses		(32,720)	(41,609)
Total Equity		**44,556**	**35,794**

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

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STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Share capital	Accumulated losses	Total equity
	$'000	$'000	$'000
Balance at 31 December 2021	77,457	(39,695)	37,762
Total comprehensive income for the year	-	(1,914)	(1,914)
Share buy-back	(54)	-	(54)
Balance at 31 December 2022	77,403	(41,609)	35,794
Total comprehensive income for the year	-	8,889	8,889
Share buy-back	(127)	-	(127)
Balance at 31 December 2023	**77,276**	**(32,720)**	**44,556**

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

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STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	2023 $'000	2022 $'000
Cash Flow from Operating Activities			
Payments to suppliers and employees		(795)	(1,492)
Payments for equity investments		(21,139)	(21,070)
Proceeds from sale of equity investments		12,757	20,710
Interest received		222	183
Dividends received		998	511
Net cash (used in) operating activities	15	**(7,957)**	**(1,158)**
Cash Flow from Investing Activities			
Payments for fixed assets		-	(2)
Net cash (used in) investing activities		**-**	**(2)**
Cash Flow from Financing Activities			
Payments for share buy-back		(127)	(54)
Interest paid		(3)	(1)
Payments of lease liabilities		(25)	(42)
Net cash (used in) financing activities		**(155)**	**(97)**
Net increase/(decrease) in cash and cash equivalents held		(8,112)	(1,257)
Cash at beginning of period		12,184	13,443
Effect of exchange rates on cash holding in foreign currencies		(19)	(2)
Cash at end of period	16	**4,053**	**12,184**

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

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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 2023 (including comparatives) were approved and authorised for issue by the board of directors on 27 February 2024.

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 2023. These have been adopted but do not have a significant impact on the Company's financial results or position.

Standard/Interpretation	Application date of standard	Application date for the Company
AASB 2021-2 Amendments to AAS – Disclosure of Accounting Policies and Definitions of Accounting Estimates	1 January 2023	1 January 2023
AASB 2021-5 Amendments to AAS – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023	1 January 2023

b) Standards and interpretations on issue but not yet adopted

As at the report date there were no standards that were on issue but not yet effective and are available for early adoption.

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4. SUMMARY OF 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

Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

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.

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4. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

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.

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.

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4. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

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.

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 and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

j) Receivables

Receivables represent the principal amounts due at reporting date plus accrued interest and less, where applicable, any unearned income and provisions for expected credit loss.

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4. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

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 than 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.

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.

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5. INVESTMENT INCOME FROM CONTINUING OPERATIONS

	2023 $'000	2022 $'000
Interest income	222	182
Dividend income	3,956	559
Total	**4,178**	**741**

6. EMPLOYEE BENEFITS EXPENSE

	2023 $'000	2022 $'000
Employee base remuneration	540	556
Post-employment benefits	45	57
Provision for performance-based short-term incentive	708	-
Total	**1,293**	**613**

7. OTHER EXPENSES INCURRED IN CONTINUING OPERATIONS

Other expenses	2023 $'000	2022 $'000
Directors' fees	25	25
Audit, professional and legal fees	82	72
Listing costs	54	53
Insurance	54	49
Operating leases	4	3
Loss/(gain) from foreign exchange movements	14	1
Depreciation – including right-of-use asset	26	42
Withholding tax on overseas dividends	13	18
Other	55	54
Total	**327**	**317**

8. INTEREST EXPENSE

Interest expense	2023 $'000	2022 $'000
Interest expense – short term loan	3	-
Interest expense – lease liabilities	-	1
Total	**3**	**1**

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9. EARNINGS PER SHARE

	2023	2022
	$'000	$'000
Profit/(loss) from continuing operations attributable to the ordinary equity holders used in the calculation of basic and dilutive earnings per share	8,889	(1,914)

	Number	Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share.	35,915,028	36,013,183

Basic and diluted earnings per share

	2023	2022
	Cents	Cents
Earnings from continuing operations	24.75	(5.32)

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.

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11. INCOME TAX EXPENSE

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

	2023	2022
	$'000	$'000
Profit/(loss) before tax	8,259	(1,884)
Domestic tax rate	25.0%	25.0%
Prima facie tax expense	2,065	(471)
Adjustments for tax effect of:		
Temporary differences and tax losses (recouped)/derecognised	(2,695)	501
Income tax (benefit)/expense	**(630)**	**30**
Tax (benefit)/expense comprises:		
Current tax	-	-
Deferred tax	**(630)**	**30**
Tax losses		
Unused Australian losses which have been recognised as a deferred tax asset[1]	11,680	9,160
Unused Australian losses for which no tax loss has been recognised as a deferred tax asset[2]	30,111	32,110
Unrealised Australian (gains)/losses (net)	(8,550)	4,285
Total Australian unused and unrealised losses	**33,241**	**45,555**
Potential tax benefit of unused and unrealised losses at 25.0% (2022: 25.0%)[3]	**8,310**	**11,388**
Potential tax benefit of unused and unrealised losses – $ per share	**$0.23**	**$0.31**

1 A deferred tax asset of $2.920 million (potential tax benefit at 25.0% of $11,680 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 $24.401 million since becoming a LIC on 30 November 2016; and
   ii) By applying the average Australian and International share returns since 1970 of 9.60% 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.

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

3 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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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, EUR, GBP and USD. The Company does not currently enter into derivative financial instruments to hedge such transactions denominated in a foreign currency.

At 31 December 2023, the Company had the following exposure to various foreign currencies:

	2023 $'000	2022 $'000
Financial assets		
Cash and cash equivalents	311	-
Trade and other receivables	-	-
Financial assets held at fair value through profit or loss	23,197	13,381
Other assets	-	-
Other long-term assets	-	-
	23,508	**13,381**
Financial liabilities		
Trade and other payables - Current	-	-
Net exposure	**23,508**	**13,381**

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.

Sensitivity Analysis – increase/(decrease) in net exposure	**$'000**	**$'000**
Australian dollar depreciates by 5% against CAD	167	91
Australian dollar depreciates by 5% against EUR	280	-
Australian dollar depreciates by 5% against GBP	639	340
Australian dollar depreciates by 5% against USD	151	40
Australian dollar depreciates by 5% against SGD	-	233
Australian dollar appreciates by 5% against CAD	(151)	(83)
Australian dollar appreciates by 5% against EUR	(254)	-
Australian dollar appreciates by 5% against GBP	(578)	(308)
Australian dollar appreciates by 5% against USD	(136)	(36)
Australian dollar appreciates by 5% against SGD	-	(211)

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12. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Interest rate risk

At 31 December 2023, the Company had no fixed rate debt.

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

Financial assets	2023 $'000	2022 $'000
Cash and cash equivalents	3,215	12,152
Total	**3,215**	**12,152**

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	2023 $'000	2022 $'000
Increase/(decrease) in profit/(loss)		
- increase in interest rate by 2%	128	215
- decrease in interest rate by 2%	(110)	(182)

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 $4.053 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:

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12. FINANCIAL RISK MANAGEMENT (CONTINUED)

e) Liquidity risk (continued)

	Recovered/ settled within 12 months $'000	Recovered/ settled after 12 months $'000
2023		
Trade and other payables	790	-
Lease liabilities	-	-
Total	**790**	**-**
2022		
Trade and other payables	61	-
Lease liabilities	26	-
Total	**87**	**-**

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:

Financial assets	**2023 $'000**	**2022 $'000**
Financial assets held at fair value through profit or loss	30,011	21,379
Total	**30,011**	**21,379**

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.

Price sensitivity analysis	**2023 $'000**	**2022 $'000**
Increase/(decrease) in profit/(loss)		
- increase in price by 10%	3,001	2,138
- decrease in price by 10%	(3,001)	(2,138)

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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.

2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial Assets at fair value through profit or loss				
Listed equity securities	28,651	-	-	28,651
Listed equity securities	-	-	1,360	1,360
Total Financial Assets at fair value through profit or loss	**28,651**	**-**	**1,360**	**30,011**

2022				
Financial Assets at fair value through profit or loss				
Listed equity securities	21,379	-	-	21,379
Total Financial Assets at fair value through profit or loss	**21,379**	**-**	**-**	**21,379**

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 2023, the Company had $28,651,000 (2022: $21,379,000) financial assets held at fair value through profit or loss included in Level 1. As at 31 December 2023 the Company had $ Nil (2022: $ 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 2023, the Company had $ Nil (2022: $ Nil) investments in Level 2.

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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 2023, the Company had $1,360,000 (2022: $ Nil) of investments held at fair value through profit or loss included in Level 3.

Valuation of Danakali Limited as at 31 December 2023

At 30 June 2023 the Company valued its holding in Danakali Limited (ASX:DNK) (**Danakali**) at $0.41 per share (a total value of $8,200,000), being the last traded price before Danakali's shares were suspended from quotation on ASX on 3 April 2023. This measurement of fair value was a Level 1 valuation as the last traded price represented the most reliable evidence of value in an active market. Significant events since 30 June 2023 – including receipt of the Tranche 2 Colluli sale proceeds and the announcement of a definitive proposal to distribute a portion of Colluli sale proceeds to shareholders – resulted in the Board determining that an adjustment to the measurement of fair value of NGE's Danakali shareholding was appropriate. The fair value of the holding was revalued at $9,760,000 using a Level 3 valuation methodology. 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.

Following shareholder approval for the capital return portion of the distributions at a general meeting in November 2023, the value of the distributions of $8,400,000 was transferred from Level 3 to Trade and Other Receivables. Accordingly, the Level 3 fair value of the Danakali holding at 31 December 2023 was $1,360,000 (31 December 2022: $ Nil).

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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 2023 (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
For the year ended 31 December 2023	**$'000**	**$'000**
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)
Ending balance	**1,360**	**1,360**
For the year ended 31 December 2022		
Beginning balance	-	-
Ending balance	**-**	**-**

14. EQUITY AND CAPITAL MANAGEMENT

a) Share Capital

Shares issued and fully paid	**2023 Shares**	**2022 Shares**	**2023 $'000**	**2022 $'000**
At beginning of year	36,000,000	36,065,025	77,403	77,457
Share buy-back	(166,324)	(65,025)	(127)	(54)
Total contributed equity at 31 December	**35,833,676**	**36,000,000**	**77,276**	**77,403**

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 2023, with the Company reserving the right to suspend or terminate the buy-back at any time. During the year 166,324 (2022: 65,025) shares were bought back and cancelled. The total cost of $127,075 (2022: $53,199) was deducted from Share Capital. All shares bought back have been settled and then cancelled by the Registry at balance date.

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14. EQUITY AND CAPITAL MANAGEMENT (CONTINUED)

c) Options over unissued shares

There were no options over unissued shares on issue in 2023 or 2022.

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

	2023	2022
Cash flows from operating activities	**$'000**	**$'000**
Profit for the period	8,889	(1,914)
Adjustments for:		
Depreciation – fixed assets	1	1
Depreciation – right-of-use assets	25	42
Foreign exchange differences	19	2
Provision for employee entitlements	20	2
Changes in assets and liabilities relating to operations		
Increase/(decrease) in creditors and accruals	732	(487)
(Increase)/decrease in receivables	(8,393)	1
(Increase)/decrease in financial assets	(8,632)	1,173
Decrease/(increase) in prepayments	12	(8)
(Increase)/decrease in deferred tax asset	(630)	30
Net cash used in operating activities	**(7,957)**	**(1,158)**

16. CASH AND CASH EQUIVALENTS

	2023	2022
	$'000	**$'000**
Cash at bank and on hand	**4,053**	**12,184**

Cash and cash equivalents at reporting date consisted of AUD3,742,070, USD199,495, GBP9,588 & EUR-2 (2022: AUD12,183,979).

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17. TRADE AND OTHER RECEIVABLES

Current	2023 $'000	2022 $'000
Receivables*	8,400	6
Total	**8,400**	**6**

*Receivables balance of $8,400,000 reflects the Company's entitlement to a dividend and capital return from Danakali Limited (ASX:DNK). 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. PROPERTY PLANT AND EQUIPMENT

Gross carrying amount	Right of use asset $'000	Other $'000	Total $'000
Balance at 1 January 2023	84	5	89
Additions	-	-	-
Adjustment on completion of lease	(84)		(84)
Balance at 31 December 2023	**-**	**5**	**5**
Amortisation and impairment			
Balance at 1 January 2023	(59)	(2)	(61)
Depreciation	(25)	(1)	(26)
Adjustment on completion of lease	84	-	84
Balance at 31 December 2023	**-**	**(3)**	**(3)**
Carrying amount 31 December 2023	**-**	**2**	**2**

Gross carrying amount	Right of use asset $'000	Other $'000	Total $'000
Balance at 1 January 2022	84	3	87
Additions	-	2	2
Balance at 31 December 2022	**84**	**5**	**89**
Amortisation and impairment			
Balance at 1 January 2022	(17)	(1)	(18)
Depreciation	(42)	(1)	(43)
Balance at 31 December 2022	**(59)**	**(2)**	**(61)**
Carrying amount 31 December 2022	**25**	**3**	**28**

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19. DEFERRED TAX ASSETS

The balance comprises temporary differences attributable to:

	2023	2022
	$'000	$'000
Tax losses	2,920	2,290
Total	**2,920**	**2,290**

Movements	Tax losses $'000	Other temporary differences $'000	Total $'000
Balance at 31 December 2021	**2,320**	**-**	**2,320**
(Charged)/credited:			
- to profit or loss	(30)	-	(30)
- directly to equity	-	-	-
Balance at 31 December 2022	**2,290**	**-**	**2,290**
(Charged)/credited:			
- to profit or loss	630	-	630
- directly to equity	-	-	-
Balance at 31 December 2023	**2,920**	**-**	**2,920**

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

20. TRADE AND OTHER PAYABLES

Current	2023 $'000	2022 $'000
Trade payables	9	1
Sundry payables and accrued expenses	781	60
Total	**790**	**61**

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21. LEASE LIABILITIES

The gross carrying amount of lease liabilities presented in the statement of financial position is as follows:

	2023 $'000	2022 $'000
Lease liabilities (current)	-	25
Lease liabilities (non-current)	-	-
Total	**-**	**25**

The Company had a non-cancellable licence agreement with Regus Australia Management Pty Ltd for the occupancy of two (2) serviced offices for its business from 1 August 2021 to 31 July 2023 at an initial rate of $41,738 per annum annually indexed at 3.30%. This agreement was not renewed at expiry. The Company has no lease or licence agreements on foot, therefore future minimum lease/licence payments at 31 December 2023 are $Nil.

22. PROVISIONS

Current	2023 $'000	2022 $'000
Employee provisions	100	68
Non-Current		
Employee provisions	-	12
Total	**100**	**80**

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

23. AUDITOR'S REMUNERATION

	2023 $	2022 $
Audit and review of financial statements		
Auditor of the Company - Grant Thornton	41,000	40,000
Other auditors for audit and review of subsidiaries' financial statements	-	-
Total	**41,000**	**40,000**
Other non-audit services		
Auditor of the Company - Grant Thornton	-	-
Total	**41,000**	**40,000**

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24. 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:

	2023	2022
	$	$
Short-term employee benefits	1,244,361	518,650
Post-employment benefits	45,341	56,729
Other long-term benefits	18,104	15,864
Total	**1,307,806**	**591,243**

b) Transactions with other related parties

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

25. 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.

26. COMMITMENTS

The Company has no capital commitments. The Company's non-cancellable license agreement to occupy office facilities, signed in the previous year, was not renewed upon expiration. Commitments for future periods are $Nil.

	2023	2022
	$	$
Within one year	-	25,565
Later than one year but not later than 5 years	-	-
Total	**-**	**25,565**

27. CONTINGENT ASSETS AND LIABILITIES

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

28. POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

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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 2023 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 2023.
3. Note 2 confirms that the financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Dated this 27 day of February 2024

_____
David Lamm
Executive Chairman and
Chief Investment Officer

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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 2023, 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 a summary of significant accounting policies, 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 2023 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.

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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
Financial assets held as fair value through profit or loss – listed equity securities, Note 13	
As at 31 December 2023, the Company's financial assets held at fair value through profit or loss totalled $30.011m. The fair value of the investment portfolio is not considered to be judgemental in nature as it is comprised of equity securities listed on recognised stock exchanges. We consider the existence and valuation of investments a key audit matter due to this being the area with the greatest effect on our overall audit strategy and allocation of time and resources in planning and performing our audit.	Our procedures included, amongst others: • Assessing the valuation of all listed investments held at year end to market data and publicly quoted prices for accuracy; • Where listed investments have not traded for a prolonged period before 31 December 2023, assessed the appropriateness of inputs and adjustments made to the fair value of the investments at balance date; • Selecting a sample of purchases and sales of investments, and agreeing details to supporting documentation; • Agreeing the number of shares held to external holdings statements as at 31 December 2023; • Evaluating purchases and sales occurring near year end to assess whether significant unsettled trades are appropriately accounted for; • 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.
Deferred tax asset, Note 11 & 19	
As at 31 December 2023, the Company recognised a deferred tax asset ("DTA") of $2.920m for the carry forward of 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. 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 management's expert and the advice provided; • Considering whether the amount recognised as a DTA as at 31 December 2023 is reasonable based on historical investment performance, projections, and other available information; and • Assessing the adequacy of the Company's disclosures.

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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 2023, 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 the financial report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material 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: http://www.auasb.gov.au/auditors_responsibilities/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 2023.

In our opinion, the Remuneration Report of NGE Capital Limited, for the year ended 31 December 2023 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

Grant Thornton Audit Pty Ltd
Chartered Accountants

D G Ng
Partner – Audit & Assurance

Melbourne, 27 February 2024

ADDITIONAL INFORMATION

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

1. SHAREHOLDINGS

a) Distribution of Shareholders as at 01 February 2024

Size of holding	Holders	Ordinary shares held	%
1-1,000	213	70,140	0.20
1,001-5,000	400	1,121,795	3.13
5,001-10,000	127	986,942	2.75
10,001-100,000	185	6,410,634	17.89
100,001 and over	48	27,244,165	76.03
Total	**973**	**35,833,676**	**100.00**

135 shareholders held less than a marketable parcel.

b) Top Twenty Shareholders as at 01 February 2024

Shareholder	Number of ordinary shares	% Held of issued ordinary capital
DAVID LAMM	3,650,000	10.19
SHOMRON PTY LTD <LAMM FM FAMILY A/C>	2,519,014	7.03
RUMINATOR PTY LTD	1,775,000	4.95
LUCERNE CAPITAL PTY LTD <LUCERNE CAPITAL A/C>	1,750,000	4.88
CITICORP NOMINEES PTY LIMITED	1,396,048	3.89
KURIDALE NOMINEES PTY LTD <LAMM P/L STAFF S/F A/C>	1,344,128	3.75
WALLBAY PTY LTD <THE MICHAEL ABELL S/F A/C>	1,290,719	3.60
PERPETUAL CORPORATE TRUST LTD <AFFLUENCE LIC FUND>	879,408	2.45
ABBAWOOD NOMINEES PTY LTD <ABBOT FAMILY S/F NO 1 A/C>	820,000	2.29
CELLAR STOCKS PTY LTD <CELLAR INVESTMENT A/C>	699,925	1.95
MR COLIN WEEKES	677,000	1.89
LAMM SUPER FUND PTY LTD <THE RAPHI SUPER FUND A/C>	651,393	1.82
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	644,903	1.80
M & S BOWDEN SUPERANNUATION PTY LTD <M&S BOWDEN SUPER FUND A/C>	630,000	1.76
BAAUER PTY LTD <THE BAAUER FAMILY A/C>	565,000	1.58
MR EDWARD JAMES STEPHEN DALLY & MRS SELINA DALLY <LEKDAL FAMILY A/C>	545,000	1.52
CARMANT PTY LTD <CARMANT SUPER FUND A/C>	534,000	1.49
MAST FINANCIAL PTY LTD <A TO Z INVESTMENT A/C>	510,598	1.43
BILLY RAY PTY LTD <KRAM SUPER FUND A/C>	430,874	1.20
ALLAN DALE HOLDINGS PTY LTD	400,000	1.12
Twenty largest shareholders	**21,713,010**	**60.59**
Others	**14,120,666**	**39.41**
Total	**35,833,676**	**100.00**

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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 and an Investment Committee; subcommittees 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:

Name	Number of ordinary shares	% Held of issued ordinary capital
David Lamm	4,000,000	11.16
Raphael Lamm	3,170,407	8.85
Kuridale Nominees Pty Ltd	1,873,372	5.23

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