

Investment & NTA Update

30 September 2026



NGE Capital Summary

ASX ticker	NGE
Share price (30 Sep 26)	\$1.250
Shares outstanding	33,631,211
Market cap	\$42.0m
NTA per share before tax	\$1.584
NTA per share after tax	\$1.703
NTA before tax	\$53.3m
NTA after tax	\$57.3m

Overview

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

Board & Management

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

Contact Details

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Net Tangible Assets Per Share

	30 Sep 2026	31 Aug 2026
NTA per share before tax	\$1.584	\$1.654
NTA per share after tax	\$1.703	\$1.773

NTA Per Share Performance Summary

1 month	Year-to-date	Last 12 months	Since inception ¹ (p.a.)	(cum.)
-4.2%	-2.1%	0.1%	12.2%	210.5%

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

Portfolio Composition

Company	Ticker	% of NTA
Yellow Cake plc	LSE:YCA	13.0%
K92 Mining Inc.	TSX:KNT	10.2%
MLG Oz	ASX:MLG	7.9%
Carnarvon Energy	ASX:CVN	7.7%
Alliance Aviation Services	ASX:AQZ	6.6%
Industrial Logistics Properties	NAS:ILPT	6.3%
Iress	ASX:IRE	6.2%
Humm Group	ASX:HUM	5.8%
Pioneer Credit	ASX:PNC	5.5%
Embark Early Education	ASX:EVO	5.2%
Sprott Physical Uranium Trust	TSX:U.UN	5.1%
Northern Ocean Ltd.	OSL:NOL	4.1%
Servcorp	ASX:SRV	3.2%
Eureka Group Holdings	ASX:EGH	3.1%
CLS Holdings PLC	LSE:CLI	1.3%
Indiana Resources	ASX:IDA	0.9%
Net cash and other		8%
Total		100%

Unrecognised Tax Losses

The Company has ~\$20 million of Australian unused and unrealised losses available as at 30 September 2026. In the aggregate these losses equate to a potential future tax benefit of ~\$5m or ~\$0.15 per share (of which ~\$4.0m or ~\$0.120 per share is recognised in our after tax NTA). The Company has received tax advice that these losses are available to be offset against future tax liabilities so long as NGE continues to satisfy the continuity of ownership test as set out in Divisions 165 and 166 of the Income Tax Assessment Act 1997 (Cth).

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Commentary

30 September 2026



During September we made the following notable portfolio changes:

- We initiated a new position in **Iress Limited (ASX:IRE)** and held 600k shares at month end. Iress provides software to the financial services industry across trading and market data, and financial planning and wealth management across Asia Pacific, the UK, South Africa and Canada. Iress' flagship wealth management software Xplan has over 35,000 users and a ~60% market share in Australia. We use Iress Pro for certain trading and market data, and so are very familiar with one of Iress' key product offerings.

Iress is trading on an FY26E EV/Cash EBITDA multiple of ~9x, a P/E ~12x and a dividend yield of ~4.9% (~7.0% grossed up for franking credits). We think these are very attractive levels for a business with such a high recurring revenue base, a strong track record of free cash flow generation, a simplification program that has just completed following the divestment of several non-core assets over the past few years, an efficiency program that is wringing out significant costs, and a balance sheet approaching net cash.

The company is aware of the need to improve and modernise its software after years of under-investment and should be able to use AI tools to its advantage. We believe the customer base is stickier than the market is giving the company credit for, and the company should be able to adequately defend against the threat of AI-upstarts.

Insiders have purchased reasonable parcels of shares at higher prices than current, and the company remains a takeover target: Iress reportedly received interest from PE firms Blackstone and Thoma Bravo late last year, where offers were being discussed around the \$10.50/sh level.

- We initiated a new position in **Servcorp Limited (ASX:SRV)** and held 300k shares at month end. Servcorp supplies serviced office space and virtual office services such as office suites, secretarial services, IT, communications and personal assistants to its clients, mainly small businesses.

Servcorp operates from 135+ leased floors in Tier 1 buildings across 38 cities in 19 countries globally. The largest exposures are to Japan (32 offices), Australia (24) and Saudi Arabia (22).

The business was founded in 1978 by Alf Moufarrige, who at 85 years old remains CEO and majority shareholder with a ~53% stake. He is showing no signs of slowing down, with plans this FY27 to open three new locations in Saudi Arabia, two in Brisbane, two in Japan and two in the US.

At month end Servcorp had a market cap of ~\$585m against cash of ~\$105m¹, ~\$15m of financial investments, lease deposits of ~\$35m and freehold land and buildings of ~\$16m (all as at 30 June 2026), and a steadily growing business that generated FY26 underlying free cash flow of ~\$87m². If we excluding lease deposits and property, the company trades on a FY27E EV/FCF multiple of ~5.3x, an underlying P/E of ~6.5x and a dividend yield of ~5.8% (~6.1% grossed up for franking at an assumed 10% rate).

We think this is very good value for a business with a rock-solid balance sheet, a strong track record of earnings growth and cash generation, future earnings growth potential from new floor openings and contracted price rises, high earnings visibility, a history of exiting non-performing leases, and a habit of beating earnings guidance. Founder Mr Moufarrige clearly agrees and has been hoovering up significant parcels of stock at materially higher prices than the month end share price of \$5.75.

The company's exposure to Saudi Arabia – a high growth and margin market – has seen the shares slide on concerns that the Iran conflict will negatively impact Servcorp's business. The weekend attack on the Riyadh airport highlights the risk. However, we understand Servcorp is still getting paid for its floors from reportedly high-quality counterparties.

Any improvement on the situation in the Middle East would likely see a meaningful re-rate in the company's shares. Servcorp may be a potential M&A target in the medium term, as it is not currently clear who Mr Moufarrige's successor is. It may make sense to consider a trade sale in the coming years.

- We increased our holding in **Embark Early Education Limited (ASX:EVO)** and held 6.70m shares at month end. Embark has sold off in line with its childcare provider peers, as occupancy levels across the industry have been negatively impacted by new centre supply growth despite softening demand. Demand has been squeezed by cost-of-living pressures, lower birth rates post Covid-19, and concerns over child safety following

¹ Cash of ~\$138m net of security deposits of ~\$33m, which are received from customers when entering into a contract.

² We deduct tax paid from management's preferred measure.

Commentary

30 September 2026



several shocking cases. Thankfully child safety – which has not been an issue at Embark's centres – is being addressed with new measures being implemented across the industry. Supply is being rationalised as operators fall or exit the market, and new centre supply growth slows.

Childcare markets remain very localised and centre-level occupancy is dependent on the supply-demand dynamics of a particular area. Around three quarters of Embark's 39 centres are performing well. We understand that no centres are loss-making. Embark took ~\$4m of impairments related to specific centres at the half-year results. Embark's approach is arguably more conservative than peers' approach to impairment testing where an aggregate impairment test is applied across all centres.

We estimate that Embark is trading at an FY26E EV/EBITDA of ~4.3x, an underlying P/E of ~7.0x and a dividend yield of ~14.5% (~20.7% grossed up for franking credits) – surely too cheap given the market is at or very close to the bottom.

Embark has not helped its cause by making a failed takeover offer for **Mayfield Childcare Limited (ASX:MFD)** at what looks to have been an overly generous price in hindsight. This resulted in an additional ~\$11m impairment at the half year results.

Embark has now crossed the 50% ownership threshold and will be able to reconstitute Mayfield's board and consolidate its earnings. A scrip takeover offer for the remainder of Mayfield may be attractive to the Mayfield holdouts and would enable those shareholders to participate in any upside from improved performance of the combined group.

By reducing Mayfield's support and head office costs, Embark should be able to make Mayfield breakeven on day one, without attending to occupancy issues. Spot occupancy at the half year results was a concerning ~54%. If Embark is able to apply its best-in-class management approach to Mayfield, then the upside should be material. We estimate that every percentage increase in Mayfield's occupancy should result in ~\$1.5m of incremental revenue and ~\$0.5m of incremental EBITDA.

- We increased our holding in **Humm Group Limited (ASX:HUM)** and held ~7.39m shares at month end; and
- We trimmed our holding in **CLS Holdings plc (LSE:CLI)** and held ~811k shares at month end. Subsequent to month end we sold a further ~535k shares and currently hold ~276k shares.

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Announcement released to the market with the authorisation of:

David Lamm

Chief Investment Officer

Adam Saunders

Portfolio Manager