

# Newfield Resources

Reuters: NWF.AX

Bloomberg: NWF.AX

## A high-grade diamond mine with 8.3 mn carats

We are initiating research coverage of Newfield with a Buy rating and a price target of AUD 0.47 per share (based on the basic number of shares), representing substantial upside from the current share price of AUD 0.14. Our price target is derived from the speculative diamond resources of its Tongo and Tonguma projects (“Tongo diamond mining project”), for which we calculated a probability weighted discounted cash flow (DCF) value. Other assets were not included in our valuation, representing thus a potential upside to our price target. The latest pullback in the company’s share price should be considered as an interesting entry point for investors, in our view. We believe Newfield is on the brink of re-entering the production process in the current fiscal year and strongly believe the share price should quickly re-rate towards our price target.

### High-grade diamond mine in Sierra-Leone

Newfield Resources is an Australian based diamond exploration and mine development company at pre-production stage, operating in the West African republic of Sierra Leone. Covering an area of 134 km<sup>2</sup>, Newfield is the 100% owner of the fully permitted high-grade Tongo diamond mining project, a kimberlite fissure dyke diamond deposit in the Lower Bambara Chiefdom, Kenema District, in the diamond-rich Eastern Province of Sierra Leone, similar in style to numerous South African mines. The licence areas are host to 11 kimberlite dykes, five of which have been declared as a JORC-compliant Indicated and Inferred diamond resource of 8.3 mn carats at a +1.0 mm bottom cut-off (including a reserve of 1.1 mn carats) of diamonds. Assuming an average diamond price of USD 225 per carat, we calculate a net asset value of Tongo of AUD 2.8 bn or AUD 2.93 per share.

### High quality diamonds

While the average world diamond price currently is around USD 114 per carat, Tongo's average sales to date are USD 216 per carat, emphasising the high-quality product at the Tongo mines, in our view. Tongo diamonds are predominantly high-end gems suitable for luxury jewellery (top brands) which has seen growth and demand despite global market uncertainties. Lab-grown diamonds, which are now selling at 90-95% discount, are therefore no threat to Newfield’s natural diamonds for retail usage, in our view.

### Feasibility study

A feasibility standard Front End Engineering Design (FEED) study demonstrates a robust 17-year life of mine with average annual production of 350,000-500,000 carats. According to our estimates, this production could lead to peak revenues and peak EBITDA (2040/41e) of AUD 347.9 mn and AUD 223.0 mn, respectively.

<b>Rating:</b> Buy	<b>Risk:</b> Very high
<b>Price:</b> AUD 0.14	
<b>Price target:</b> AUD 0.47	

SIC / ISIN: A1JXTT / AU000000NWF9

Indices: -

Transparency level: ASX, Frankfurt Stock Exchange

Weighted number of shares (basic): 940,702,917

Market cap: AUD 131.7 mn

Daily trading volume: 80,000 shares

Q1/2024/25: November 2024

P&L (AUD mn)	2022	2023	2024e	2025e
Revenues	2.0	0.0	0.4	1.4
EBITDA	-7.3	-7.0	-9.4	-9.7
EBIT	-6.8	-11.0	-12.9	-13.2
EBT	-6.9	-10.6	-13.4	-13.2
EAT	-6.9	-10.6	-13.4	-13.2

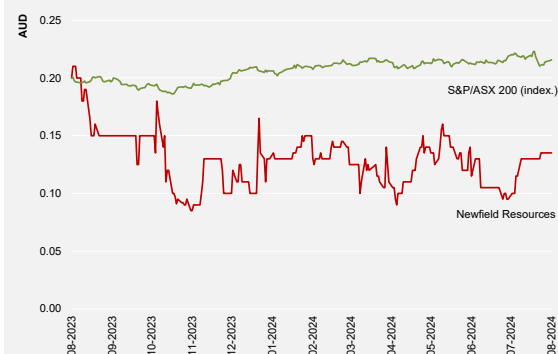
% gross profit	2022	2023	2024e	2025e
EBITDA	n/a	n/a	n/a	n/a
EBIT	n/a	n/a	n/a	n/a
EBT	n/a	n/a	n/a	n/a
EAT	n/a	n/a	n/a	n/a

Per share (AUD)	2022	2023	2024e	2025e
EPS	-1.03	-1.35	-1.43	-1.40
Dividend	0.00	0.00	0.00	0.00
Book value	0.15	0.13	0.12	0.11
Cash flow	-0.01	-0.01	0.00	-0.01

B/S (%)	2022	2023	2024e	2025e
Equity ratio	77.3%	70.8%	76.2%	62.4%
Gearing	11%	21%	6%	32%

Multiples (x)	2022	2023	2024e	2025e
P/ER	n/a	n/a	n/a	n/a
EV/sales	n/a	n/a	n/a	n/a
EV/EBIT	n/a	n/a	n/a	n/a
P/BR	n/a	0.8	1.1	1.3

Guidance (AUD mn)	2023	2024e	2025e
Sales	n/a	n/a	n/a
EBITDA	n/a	n/a	n/a



Source: Company data, Sphene Capital forecast

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**Please note that each chapter begins with an extensive executive summary.**

## Executive Summary

### A high-grade diamond mine with 8.3 mn carats

Newfield Resources is an Australian based diamond exploration and mine development company at pre-production stage, operating in the West African republic of Sierra Leone. Covering an area of 134 km<sup>2</sup>, Newfield is the 100% owner of the fully permitted high-grade Tongo diamond mining project, a kimberlite fissure dyke diamond deposit in the Lower Bambara Chiefdom, Kenema District, in the diamond-rich Eastern Province of Sierra Leone, similar in style to numerous South African mines. The licence areas are host to 11 kimberlite dykes, five of which have been declared as a JORC-compliant Indicated and Inferred diamond resource of 8.3 mn carats at a +1.0 mm bottom cut-off (including a reserve of 1.1 mn carats) of diamonds. Assuming an average diamond price of USD 225.00 per carat, we calculate a net asset value of Tongo of AUD 2.8 bn or AUD 2.93 per share.

### Substantial upside to JORC-compliant resource estimate

The resource estimates of 8.3 mn carats could be too pessimistic, in our view, since **(1)** only five out of 11 kimberlites were included in the estimate and **(2)** the reserve has been declared only for the top 120 meters of kimberlites, while drilling has encountered these kimberlites at depths exceeding 400 meters, according to the company. In addition, Newfield's mining grades to date are reported to have exceeded resource estimates by approximately 38%. If this continues, the resource is likely to be significantly higher than declared.

### Aligning with international corporate governance standards

Newfield adopted annual ESG reporting which is being measured against World Economic Forum Stakeholder Capitalism Metrics, aligns with the International Finance Corporation's eight performance standards, with the International Council on Mining and Metals principles, and the Responsible Jewellery Council (RJC) code of practices, among others. In addition, Newfield has implemented strict guidelines against bribery and corruption, child and forced labour, and a code of conduct and values policy.

### Sanctions on Russian diamonds

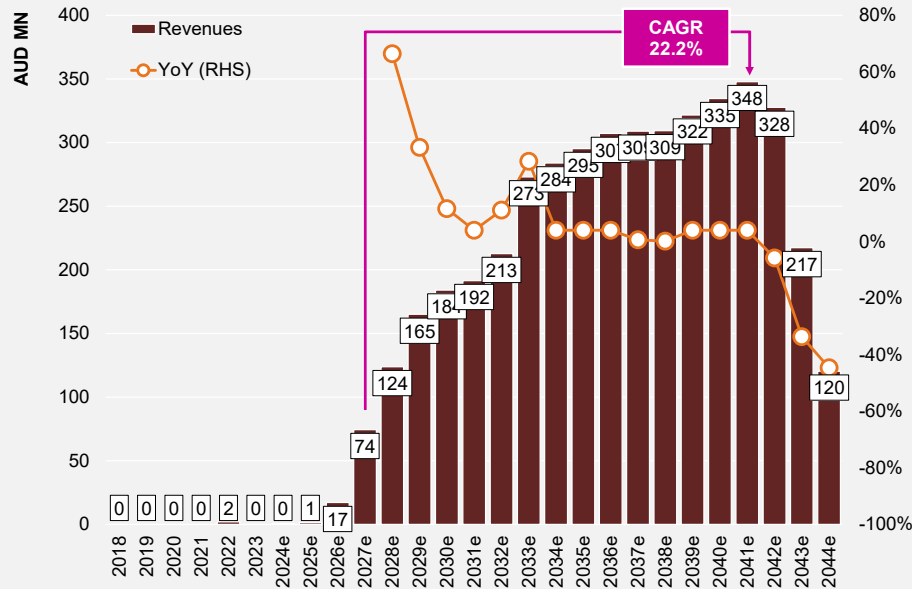
The G7 sanctions on all rough or polished Russian diamonds from 1 carat which are processed in third countries have been implemented in March 2024; from September 2024, these sanctions will be expanded to include lab-grown diamonds, jewellery, and watches containing diamonds. As Russia produces a high proportion of the world's small, fine crystal diamonds which is similar to the product of the Tongo Diamond Mine, the sanctions could increase demand for diamonds produced in the Tongo mine.

### Company-related weaknesses and market-related threats

We have identified the following company-related weaknesses and market-related threats of Newfield: **(1)** lack of sales and profits, **(2)** dependence on capital markets to raise funds for its projects, **(3)** political risks, **(4)** shareholder structure with high free float, **(5)** currency risks, **(6)** dilution effects, **(7)** market sentiment, **(8)** risk of lower grades, **(9)** operational risks, **(10)** dependence on management, **(11)** high volatility of the shares, **(12)** sentiment towards the overall sector and the specific commodity, and **(13)** possible Ebola outbreak in Sierra Leone.

# Newfield Resources in pictures

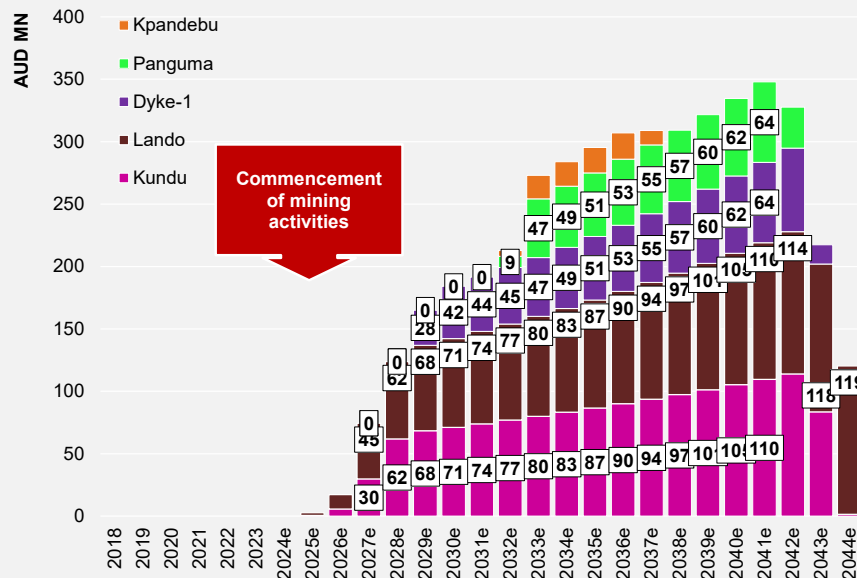
EXHIBIT 1: REVENUE AND REVENUE GROWTH, 2018-2044E



In Sierra Leone, Newfield Resources fully owns the Tongo diamond mining project, a high-grade mine comprising 11 kimberlites with an independent JORC-compliant resource estimate of 8.3 mn carats, including a reserve of 1.1 mn carats of diamonds. A feasibility-standard Front End Engineering Design (FEED) study indicates a strong 17-year mine life with an average annual production of 350,000-500,000 carats. We expect Newfield Resources to generate revenues of AUD 74.4 mn in the 2027e financial year, the third year of diamond production in Sierra Leone. Peak revenues of AUD 347.9 mn should be reached in 2041e. For the 15-year period 2027e-42e, this corresponds to a compound annual growth rate (CAGR) in group revenue of 22.2%.

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

EXHIBIT 2: REVENUE BY ASSET, 2018-2044E

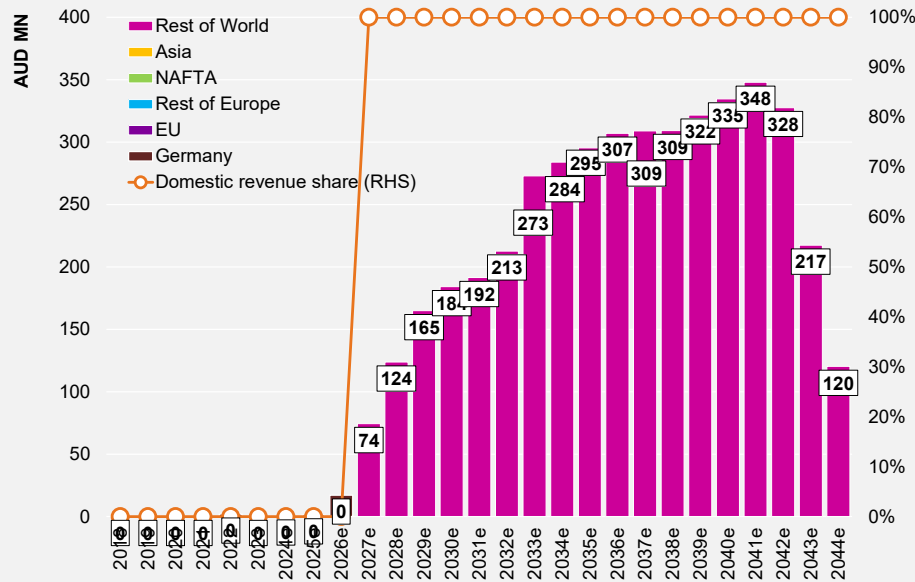


The Tongo diamond mining project consists of 11 kimberlites of which only five were included in the 8.3 mn carat resource estimate. Two, Kundu and Lando, should be responsible for 67.5% of all revenues generated from these five kimberlites.

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

# Newfield Resources in pictures

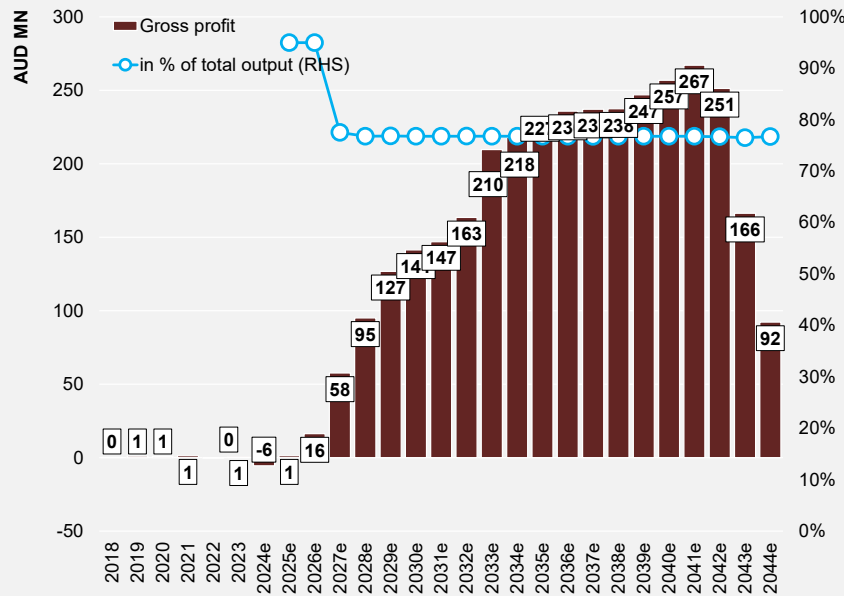
EXHIBIT 3: REVENUE BY REGIONS, 2018-2044E



The company is headquartered in Carlisle, near Perth, Australia. The assets are located in Sierra Leone in West Africa, where all of our forecast sales are generated.

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

EXHIBIT 4: GROSS PROFIT AND GROSS PROFIT MARGIN, 2018-2044E

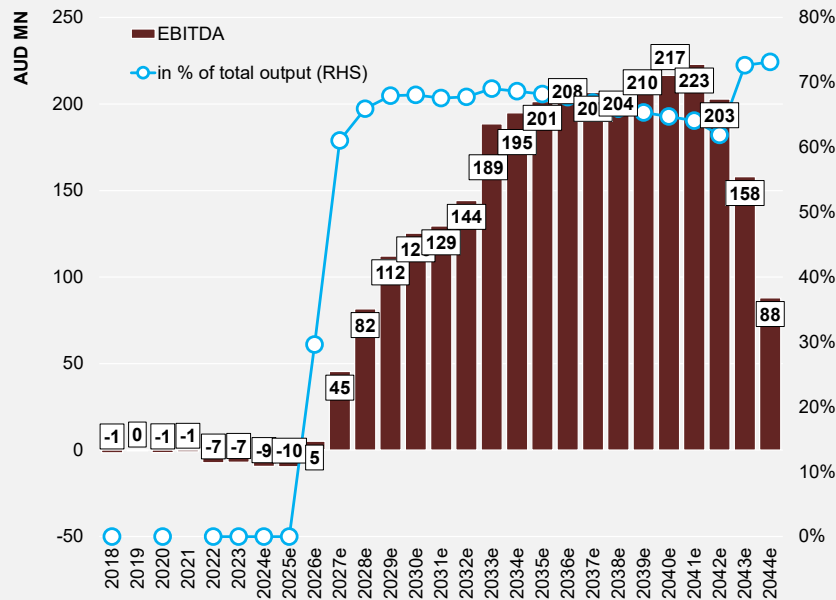


Once in production, Newfield will have to pay royalties to the Government of Sierra Leone, to the community, and to Octea. Octea will receive a 9.35% gross royalty on diamond sales for the life of mine, after deduction of a 6.5% royalty to the Government of Sierra Leone on the export of diamonds and a 1% royalty on export value to local communities.

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

# Newfield Resources in pictures

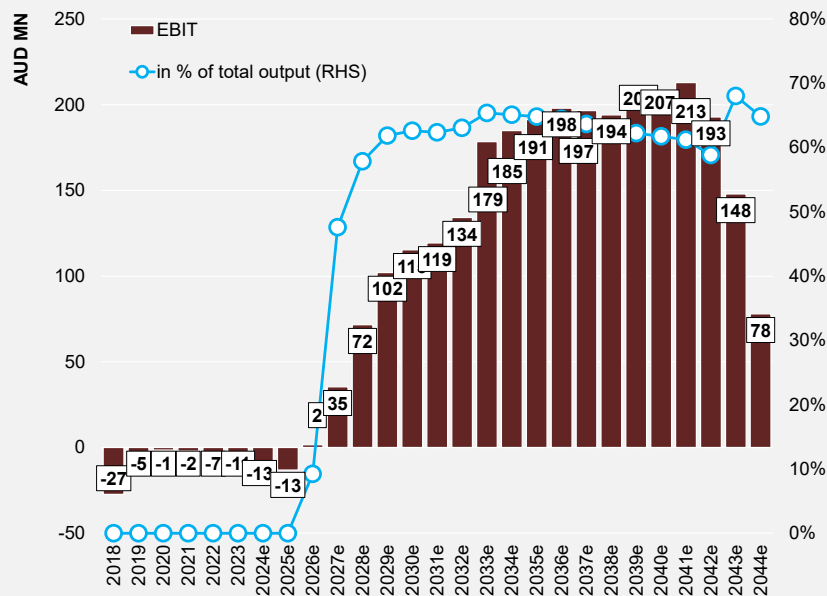
EXHIBIT 5: EBITDA UND EBITDA-MARGIN (RS), 2018-2044E



Apart from limited diamond sales in the fiscal year 2021/22 and 2023/24 (30/06), Newfield is still an exploration company and is not generating any revenues or cash flows. The company is yet at a pre-production stage, which will, according to our estimates, generate an EBITDA of AUD -9.7 mn in the current fiscal year 2024e/25e. Peak profitability should be reached in 2040/41e with AUD 223.0 mn. This is equivalent with an EBITDA margin of 64.1%.

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

EXHIBIT 6: EBIT UND EBIT-MARGIN (RS), 2018-2044E

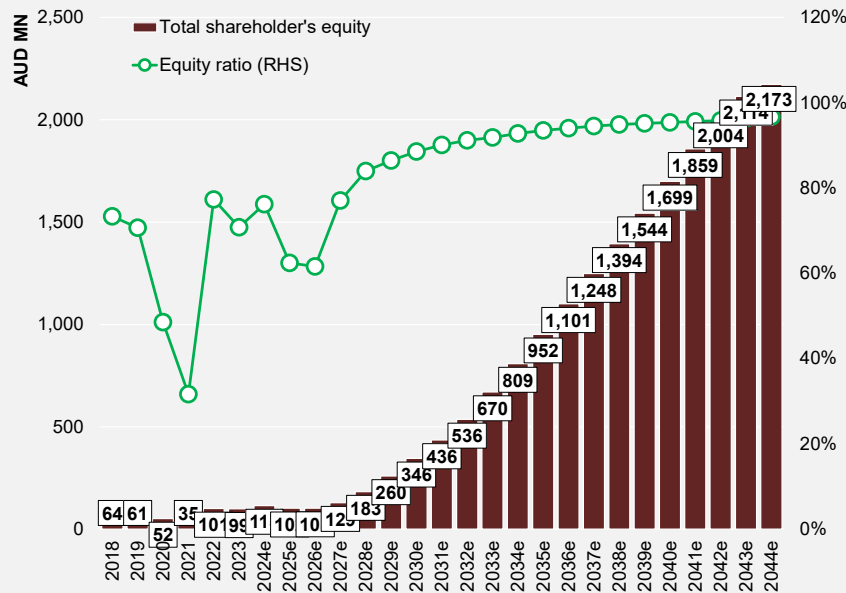


Assuming that depreciation of property, plant, and equipment will remain almost flat over time, we expect the operating result (EBIT) will develop almost in line with EBITDA.

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

# Newfield Resources in pictures

EXHIBIT 7: EQUITY AND EQUITY RATIO, 2018-2044E



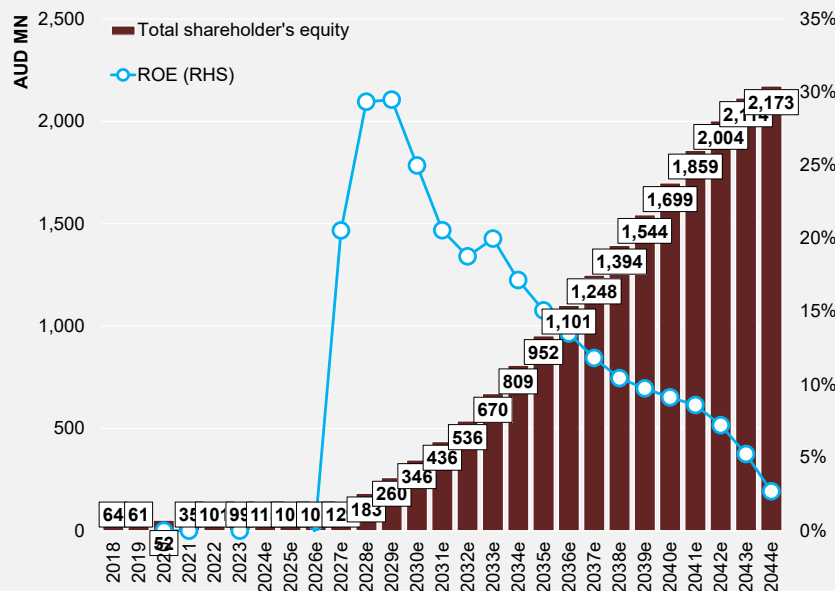
Over the past seven years, Newfield Resources has completed several financing rounds and tripled its basic number of shares outstanding to 940.7 mn from 303.7 mn at the end of fiscal year 2018, in order to fund the capital development of the underground mine.

As of today, the outstanding share capital consists of 940,702,917 common shares with no par-value. 15.0 mn warrants have been issued. In total, this results in a fully diluted number of shares of 955,702,917.

We have not assumed any capital increases in our forecast period.

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

EXHIBIT 8: EQUITY AND ROE (ROE), 2018-2044E

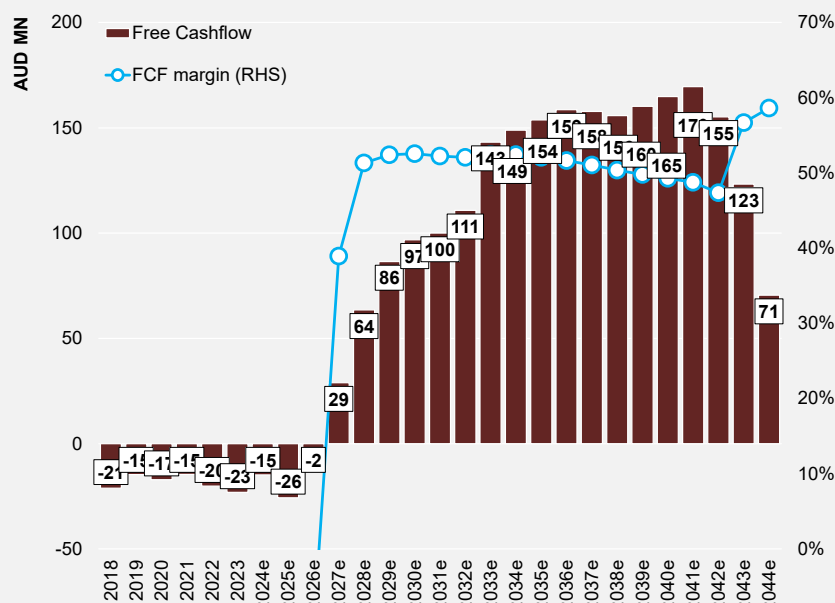


Being still a non-revenue generating company, Newfield Resources cannot generate positive returns on equity for its shareholders at present. According to our forecasts, this will change in 2027e, when diamonds are mined on a commercial scale for the first time. For 2027e we expect a return on equity of 20.5%. With CAPM cost of equity of 11.9% estimated, we believe that Newfield Resources will become an increasingly value-creating company for its shareholders from 2027e onwards.

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

# Newfield Resources in pictures

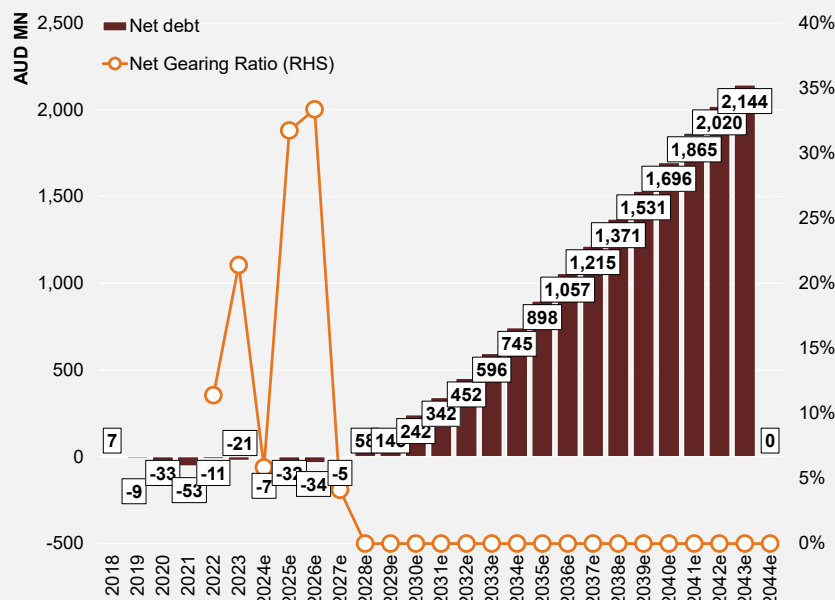
EXHIBIT 9: FREE CASH FLOW AND FCF MARGIN, 2018-2044E



We expect negative free cash flows up to and including 2025/26e. This is primarily due to the loss-making earnings situation, but also to necessary investments. From 2026/27e, Newfield Resources will generate positive free cash flows with an upward trend. With free cash flow margins of 52.6%, peak profitability should be reached in the fiscal year 2029/30e, according to our estimates.

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

EXHIBIT 10: NET DEBT AND NET GEARING RATIO, 2018-2044E



At the end of the financial year 2022/23, gross debt amounted to AUD 34.0 mn, in our view. Including cash and cash equivalents of AUD 0.2 mn, we calculate net debt of AUD 21.4 mn. Last year, most of it was erased in a debt-to-equity swap. After achieving profitability in 2027e, we expect a significant build-up in the company's net cash position.

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST



## Price target of AUD 0.47 per share – initiate with a Buy rating

We are initiating research coverage of Newfield with a Buy rating and a price target of AUD 0.47 per share (based on the basic number of shares), representing substantial upside from the current share price of AUD 0.14. Our price target is derived from the speculative diamond resources of its Tongo and Tonguma projects (“Tongo diamond mining project”), for which we calculated a probability weighted discounted cash flow (DCF) value. Other assets were not included in our valuation, representing thus a potential upside to our price target.

The latest pullback in the company’s share price should be considered as an interesting entry point for investors, in our view. We believe Newfield is on the brink of re-entering the production process in the current fiscal year and strongly believe the share price should quickly re-rate towards our price target.

### Assumptions for our discounted cash flow model

Our AUD 0.47 price target is derived using a probability-weighted in-situ value for Newfield’ Tongo and Tanguma properties. At the present time, the other deposits were not included in our valuation; they represent an upside to our price target. This methodology accounts for the probability of each scenario being achieved. It also includes the capital required to achieve the respective scenarios.

While it is easy to value mature, profitable companies in stable markets, the payoff from valuation is greatest when uncertainty is highest. The reason for this is that the payoff is not determined by how precisely someone values a company but how precisely one values it, compared to others valuing the same company, since even an imprecise valuation is better than none at all.

For Newfield, our valuation assumptions are as follows:

- ⑤ We use the available diamond valuation reports on Tongo and Tonguma, with 8.344 mn carats for the Kundu, Lando, Dyke-1, Kpandebu, and Panguma kimberlites.
- ⑤ We assume a mine life of approximately 18 years, slightly above the FEED mine life of 17 years.
- ⑤ We assume an annual 4.0% increase of diamond prices, which is in line with the long-term growth forecasts of market research companies such as BCG.
- ⑤ We assume that Newfield is going into production with Kundu and Lando first, starting in 2024e, followed by the kimberlites Dyke-1 (2029e), Kpandebu, and Panguma (2032e).
- ⑤ With an annual production of 580,000 carats, we expect peak production to be reached in 2033e.
- ⑤ One of the main uncertainties of our model is the diamond price per carat, that Newfield is going to achieve. Due to the high quality and larger sizes of the Newfield diamonds, the average price trend is not a relevant indicator for Newfield, as can be seen in previous sales:

TABLE 1: PROCEEDS FROM DIAMOND SALES (TONGO)

Date	Carats sold	Price per carat (USD)	Sales value (USD)
20.05.2022	5.128,23	262,06	1.343.880,74
26.07.2023	7.329,29	184,34	1.351.104,72
Total	<b>12.457,52</b>	<b>216,33</b>	<b>2.694.985,46</b>

SOURCE: COMPANY DATA, SPHENE CAPITAL

The following table 2 summarizes our in-situ valuation scenario of three different diamond price scenarios, ranging from initial (2024e) diamond prices between USD 200 to 250 per carat:

TABLE 2: SCENARIO BASED CALCULATION OF THE DCF PRICE TARGETS

		Lower Case Scenario	Base Case Scenario	Upside Case Scenario
Reserves and resources	cts		8,344,000	
Initial diamond price (2024e)	USD/carat	200.00	225.00	250.00
Annual price increase	%	4.0%	4.0%	4.0%
	t			
Peak revenues	AUD mn	309.2	347.9	386.6
Peak EBIT	AUD mn	193.3	223.0	242.6
<b>DCF-based value per share</b>	<b>AUD</b>	<b>0.42</b>	<b>0.46</b>	<b>0.53</b>

SOURCE: SPHENE CAPITAL FORECAST

### Probability weighted valuation methodology

Though all the results from our DCF based valuations indicate substantial share price potential, our results depend heavily on the underlying scenario assumptions. However, not all scenarios are equally likely. We therefore performed a **probability weighting** by applying different weighting factors.

For Newfield, our three valuation scenarios are outlined as follows:

- ⑤ **Lower Case scenario** – AUD 0.43 per share with a 30% probability.
- ⑤ **Base Case scenario** – AUD 0.46 per share. We provide this scenario a 40% probability.
- ⑤ **Upside Case scenario** – AUD 0.53 per share with a 30% probability.

In summary, we calculate a weighted target price of **AUD 0.47** per share.

TABLE 3: CALCULATION OF THE PROBABILITY WEIGHTED PRICE TARGET

		Lower Case Scenario	Base Case Scenario	Upside Case Scenario
DCF based value per share	AUD	0.42	0.46	0.53
Probability	%	30%	40%	30%
Probability weighted price target per share	AUD		0.47	

SOURCE: SPHENE CAPITAL FORECAST

### Peer group valuation

In addition to fundamental analytical models that are used to determine the intrinsic value of a company, it makes sense to value Newfield versus a peer group of listed diamond mining companies to determine an adequate market valuation of the company.

The prerequisite for inclusion in the peer group results exclusively from the industry specification, as we could not take into account the size of the companies, represented for example by market capitalization, due to a lack of suitable candidates. Under this premise, we have included seven companies with market capitalizations of up to approximately USD 100 mn in the Newfield valuation.

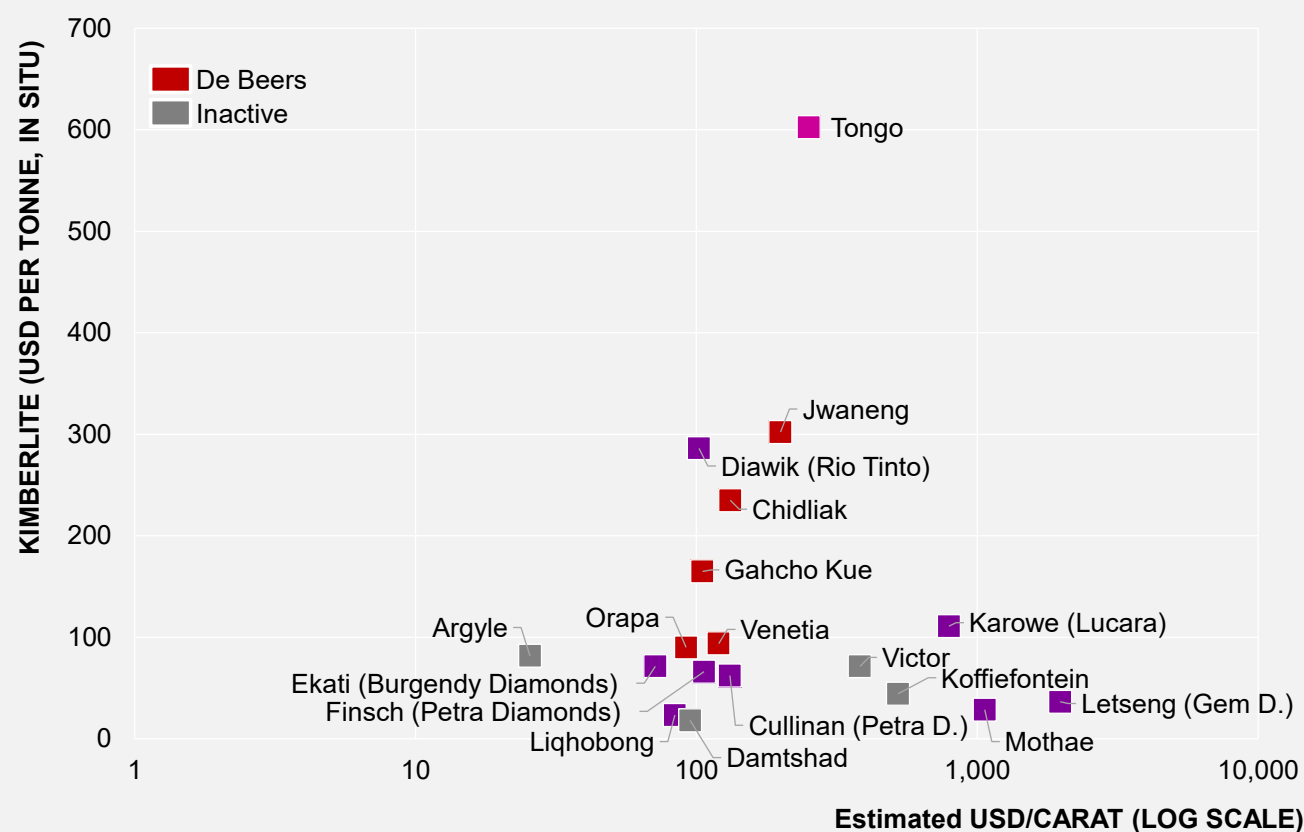
TABLE 4: KEY DATA OF DIAMOND PEERS

Company	FX	Last price (05 08 2024)	Number of shares (mn)	Market cap. (mn)	Net debt (mn)	Enterprise Value (mn)
Gem Diamonds Ltd.	GBP	0.13	139.7	18.2	84.2	102.4
Lucara Diamond Corp.	CAD	0.31	460.5	142.8	233.7	376.5
Petra Diamonds Ltd.	GBP	0.30	194.2	58.3	201.5	259.8
Star Diamond Corp.	CAD	0.06	600.1	36.0	-0.2	35.8
Diamcor Mining Inc.	CAD	0.04	168.6	6.7	7.3	14.0
Mountain Province Diamonds Inc.	CAD	0.12	211.9	25.4	264.5	289.9
Lucapa Diamond Company Ltd.	AUD	0.07	290.1	20.3	-26.0	-5.7

SOURCE: BLOOMBERG, CAPITALIQ, SPHENE CAPITAL

In view of the poor comparability of the business models and the different company sizes, the significance of these valuation results must be classified as limited in our view. In the following chart, the in-situ kimberlite value is shown, including selected large cap diamond producers, diamond mining companies, as well as inactive diamond mining companies:

EXHIBIT 11: PEERGROUP VALUATION SUBJECT TO ESTIMATED DIAMOND SALES PRICE AND IN SITU KIMBERLITE VALUE



SOURCE: COMPANY DATA, SPHENE CAPITAL

**Newfield significantly undervalued in a peer group comparison**

With a share price of AUD 0.14, Newfield’s market cap is AUD 131.7 mn. As can be seen in exhibit 11 above, Newfield has the highest in situ value, which should support a valuation premium to peer group averages, which we have summarized in the following table 5:

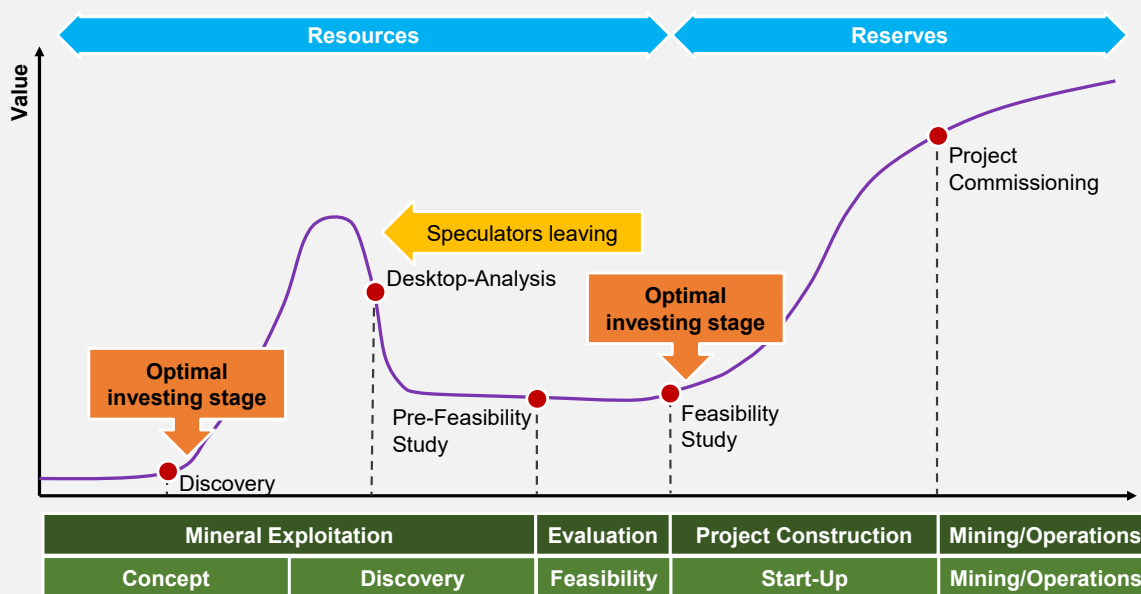
TABLE 5: VALUATION OF DIAMOND PEERS

Company	Resource (Indicated and Inferred) (mcts)	EV/Resource 2024e (USD/ct)	Status of production
Gem Diamonds Ltd.	1.841	43.37	in Production
Lucara Diamond Corp.	7.551	35.94	in Production
Petra Diamonds Ltd.	223.170	0.91	in Production
Star Diamond Corp.	34.634	0.75	Commencement >2028e
Diamcor Mining Inc.	1.387	7.30	in Production
Mountain Province Diamonds Inc.	23.800	8.78	in Production
Lucapa Diamond Company Ltd.	5.708	-0.64	in Production
<b>Newfield Resources Ltd.</b>	<b>8.344</b>	<b>10.96</b>	<b>Commencement 2024e</b>

SOURCE: BLOOMBERG, CAPITALIQ, SPHENE CAPITAL

We strongly believe that there are two optimal times to enter a mineral company, as can be seen in the following exhibit 12: One around the first discovery, the other around the publication of a NI 43-101 report. Operationally, Newfield is about to start the project, but the share is still at the level of the feasibility study, in our view.

EXHIBIT 12: THE OPTIMAL INVESTING STAGE IN MINERAL COMPANIES



SOURCE: SPHENE CAPITAL

**Risks**

We rate the risk of Newfield’ shares as “very high”, as with most mineral companies in our universe. In particular, we see the following downside risks for the achievement of our price target (for details and additions see also p. 30ff):

- Ⓢ Typical mining risks
- Ⓢ Financing risks
- Ⓢ Access to capital and market sentiment
- Ⓢ Dependence on management
- Ⓢ High volatility of the shares

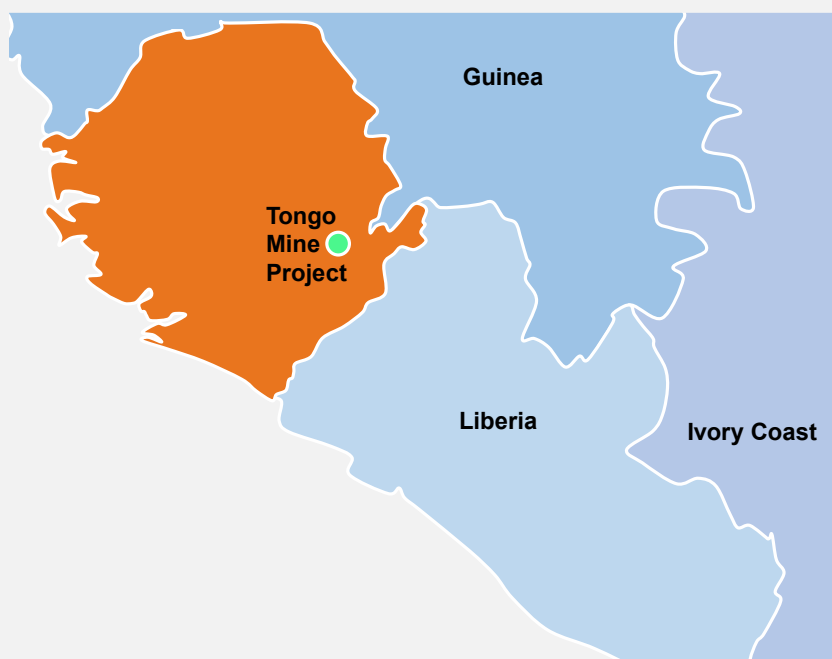
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A feasibility standard Front End Engineering Design (FEED) study demonstrates a robust 17-year life of mine with average annual production of 350,000-500,000 carats.

Most promising, in our view, is that only five of the 11 kimberlites are included in the 8.3 mn carat resource, which is also limited to shallow depths. While the reserve is declared only for the top 120 meters and the resource only for the top 230 meters of the kimberlites, the company says these kimberlites were encountered in drilling at depths exceeding 400 meters.

### EXHIBIT 13: NEWFIELD RESOURCES PROPERTIES IN SIERRA LEONE



Sierra Leone, officially the Republic of Sierra Leone, is a country in West Africa that borders Guinea to the north and east, Liberia to the south-east and the Atlantic Ocean to the west.

The capital and largest city of the country is Freetown.

SOURCE: COMPANY DATA, SPHENE CAPITAL

### Overview of the assets

With a portfolio of diamond properties at the brink of going into production, we see Newfield as a promising resource exploration and development company. The company's current investment portfolio consists of the following asset:

- ⑤ Newfield Resources' most attractive asset at present is a 100% interest in the **Tongo diamond mining project** in the prolific Eastern province of Sierra Leone, covering a combined area of 134 km<sup>2</sup>.

Until recently, Newfield Resources also owned a 100% interest in the **Kumbgo Kimberlite project** in the west of Liberia, which comprises two exploration licenses covering a total of 170 km<sup>2</sup>. The asset has been relinquished in the meantime.

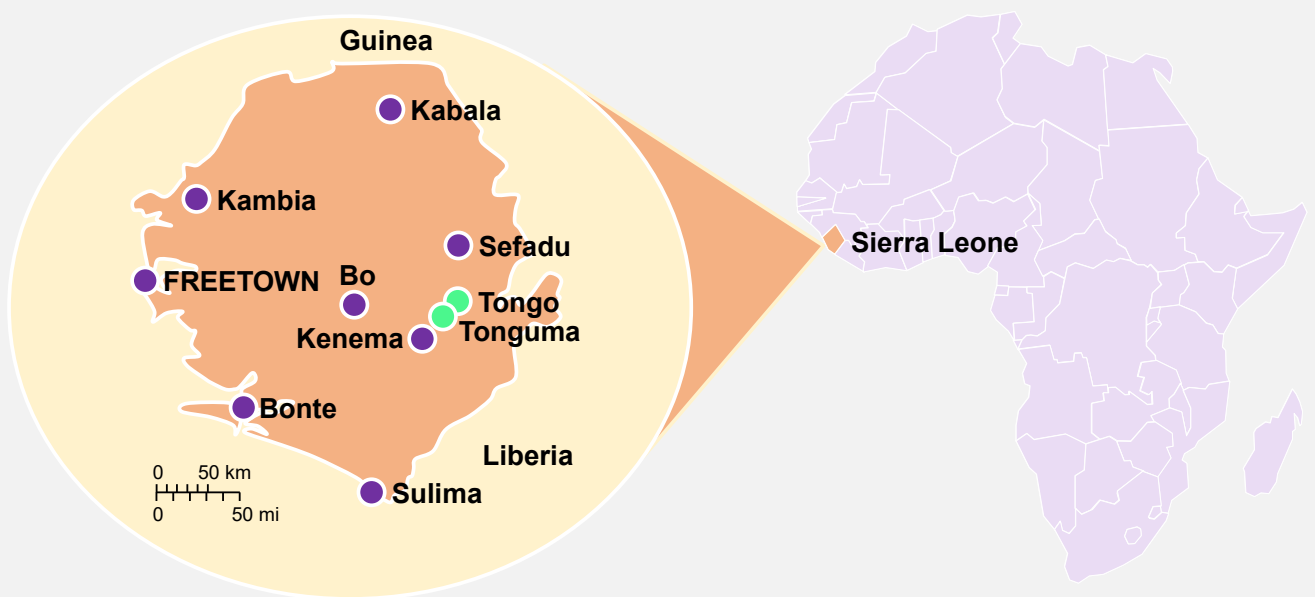
### Background

*Sierra Leone's infrastructure was badly damaged by eleven years of civil war ending in 2002. The economic situation is currently challenging but shows potential for gradual improvement, in our view. In 2023, Sierra Leone's **economic growth** decelerated to approximately 3.1%, mainly due to subdued aggregate demand and socio-political instability. The mining sector, particularly iron ore production, provided some economic support; diamonds are the third most important export. For 2024, growth is projected to recover slightly, reaching around 3.5% to 4.7%, according to the World Bank. **Inflation** has been a significant issue, with rates averaging 47.6% in 2023, driven by high food and fuel prices, and currency depreciation. However, World Bank expects inflation rate to moderate to around 23% by the end of 2024 and further decline to 15% by 2026, supported by a tight monetary policy and a potential decrease in global food and energy prices. Detailed current **unemployment** figures are not readily available, but high inflation and economic instability typically correlate with elevated unemployment rates. Efforts to stabilize the economy and promote sectors like agriculture and mining are crucial for job creation. To combat high inflation, the Central Bank of Sierra Leone has raised **interest rates** significantly, culminating at 22.25% by the end of 2023. This tightening monetary policy aims to control inflation but has also contributed to financial market constraints. Sierra Leone's public debt is another critical issue, although there has been some improvement. The debt-to-GDP ratio decreased from 93% in 2022 to 87% in 2023. Continued fiscal consolidation and prudent fiscal policies are necessary to effectively manage and reduce the country's debt burden.*

*Since January 2024, Sierra Leone has a non-permanent seat on the UN Security Council for two years. In the most recent United Nations Human Development Index (2022) on the average performance of a country in the key dimensions of long and healthy life, knowledge, and adequate standard of living, Sierra Leone is still only ranked 184th out of 193 countries.*

Newfield’s only asset at present is the Tongo diamond mining project in the Lower Bambara Chiefdom, Kenema District, in the diamond-rich Eastern Province of Sierra Leone. Covering an area of 134 km<sup>2</sup>, Newfield’s 100% owned subsidiary Stellar Diamonds Ltd. and its subsidiary companies are the sole operator and funder of the Tongo mine underground projects, which are fully permitted. They include two granted large-scale Mining Licences (MLs) for diamonds, issued for a period of 25 years by the Government of Sierra Leone. Tongo is a kimberlite fissure dyke diamond deposit, similar in style to numerous South African mines, which form the deeper parts of the classical kimberlite diamond mineralized systems and are feeders to the kimberlite pipes. The licence areas are host to 11 kimberlite dykes, five of which have been declared as a JORC-compliant Indicated and Inferred diamond resource of 8.3 mn carats at a +1.0 mm bottom cut-off.

EXHIBIT 14: NEWFIELD RESOURCES PROPERTIES IN SIERRA LEONE



SOURCE: COMPANY DATA, SPHENE CAPITAL

**Macro location of the Tongo diamond mining project**

Newfield’s Tongo project properties comprise two large-scale mining licences:

Newfield’s combined Tongo diamond mining project consists of the adjacent Tongo and Tonguma properties.

- ⑤ Mining licence ML02/2018, also known as the **Tongo mine**, lying on the eastern extension of the diamondiferous Tongo kimberlites, approximately 60 km south of the town of Koidu and 345 km east of Sierra Leone’s capital, Freetown. The mining licence, covering 10 km<sup>2</sup>, is held by Sierra Diamonds Ltd. and hosts 4 kimberlites called Tongo Dykes 1 to 4. To date, only Dyke-1 is in the resource and forms part of the current mine-plan. Newfield will require a separate underground decline development 9 km by road from the Tonguma mine site.
- ⑤ Mining licence ML02/2012, also known as the **Tonguma property**, adjacent to the Tongo Mine to the west, covering an area of 124.8 km<sup>2</sup>. The mining licence is host to 7 kimberlites, four of which are in the resource: Kundu, Lando, Kpandebu, and Panguma. Newfield has started mining Kundu and is developing towards Lando from the same decline system.



The two licences cover the whole of the renowned Tongo diamond fields, which include a number of high grade and high diamond value kimberlite dykes, and extensive industrial and artisanal alluvial workings.

EXHIBIT 15: MACRO LOCATION OF THE TONGO DIAMOND MINING PROJECT IN SIERRA LEONE



The kimberlite dykes of the Tongo project were initially discovered by Stellar Diamonds and Ocea in 2006, however alluvial diamonds had been mined in the area by artisanal miners from the 1950s, with some commercial alluvial mining in the 1980s.

SOURCE: COMPANY DATA

**Regional geology**

The Tongo project properties are located on the Archaean Man Craton of West Africa within a stable, cool cratonic setting favourable for the intrusion of diamondiferous kimberlite. The area is underlain by granite, biotite-hornblende granitic gneisses, and amphibolites of Liberian age, being 2.7 Ga (billion years) old. These rocks are cut by a system of dolerite dykes with a dominant east–west orientation. Known kimberlites within the Man Craton are shown in the following exhibit 16 and include the Banankoro, Baladou, Bouro, and Droujba clusters in southeast Guinea, the Koidu and Tongo clusters in Sierra Leone, and the Weasua, Kungbo, and Mano Godua clusters of western Liberia.

Some of these kimberlites, f. ex. the Weasua pipes in Liberia, some of the Kungbo kimberlites, and also Tongo, were discovered by Nicholas Karl Smithson, the former CEO of and now advisor to Newfield Resources.

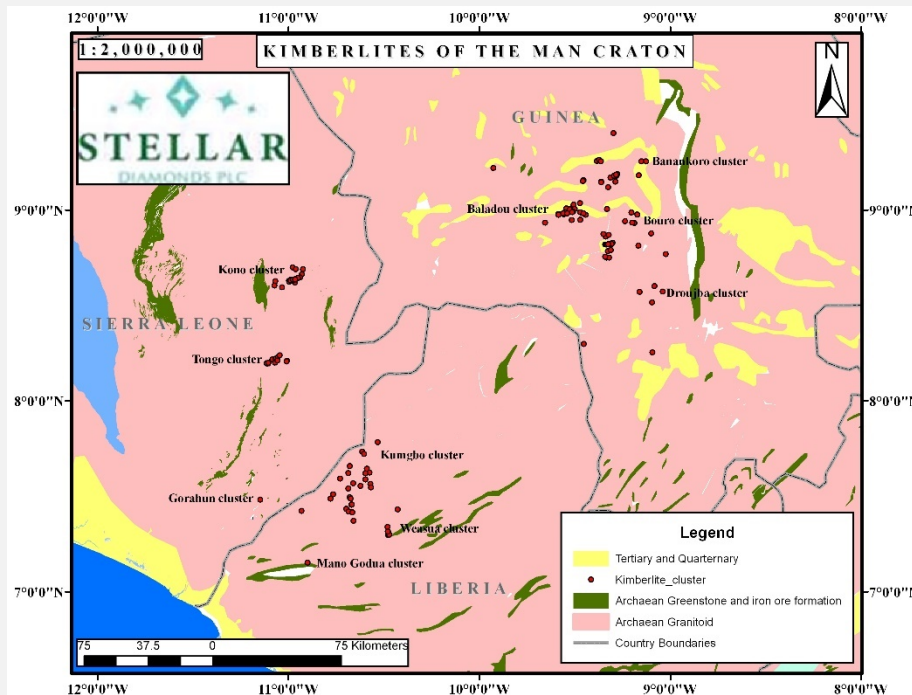
**Micro location and accessibility**

According to the company, the Tongo project can primarily be reached by an all-weather tar road from Freetown via Kenema to Mano Junction and then by 25 km of unsealed road that is maintained by Newfield.

Newfield’s combined Tongo project consists of the adjacent Tongo and Tonguma properties.

The mine’s primary source of power is currently diesel-powered generators. In the future, energy will be supplied from hydroelectric power plants in Côte d’Ivoire (a.k.a. West African Power Pool). To the south of the Tongo area is the Eastern District provincial capital of Kenema, which has been used by Newfield to date as their major local source of supplies for the Tongo operation.

**EXHIBIT 16: KIMBERLITES OF THE MAN CRATON**



SOURCE: COMPANY DATA

**Newfield’s mining licences**

The Tongo project comprises two adjacent large-scale mining licences, Tongo (ML 02/18) in the east covering a surface area of 9.98 km<sup>2</sup> and Tonguma (ML 02/12) in the west, covering an area of 124.8 km<sup>2</sup>. The Tongo licence was granted in 2012, the Tonguma licence in 2018. Both have a tenure of 25 years and are renewable in the 25<sup>th</sup> year for a further 15 years. Licence fees were USD 0.550 mn for ML 02/18 and USD 0.697 mn for ML 02/12, respectively.

**Background**

*Mining in Sierra Leone is regulated by the government through a structured licensing process to ensure responsible and sustainable extraction of mineral resources. The primary laws governing mining in Sierra Leone include the new Mines and Minerals Act (2023), administered by the National Minerals Agency (NMA), and the Mines and Minerals Operational Regulations. These laws set out the framework for granting mining licenses, the rights and obligations of license holders, and the processes for environmental and community protection.*

*Licence applications are considered by an independent Mineral Advisory Board (MAB) and approved by the Minister of Mines. There are different types of mining licenses: Reconnaissance licenses grant the holder the right to search for minerals by geological, geophysical, and geochemical means. They do not include the right to drill or excavate. Exploration licenses allow for more intensive exploration activities, including drilling and sampling. They are usually granted for an initial period of four years, renewable for two additional terms of three years each. Artisanal mining licenses are specifically for small-scale mining operations using non-mechanized methods and are typically granted to*

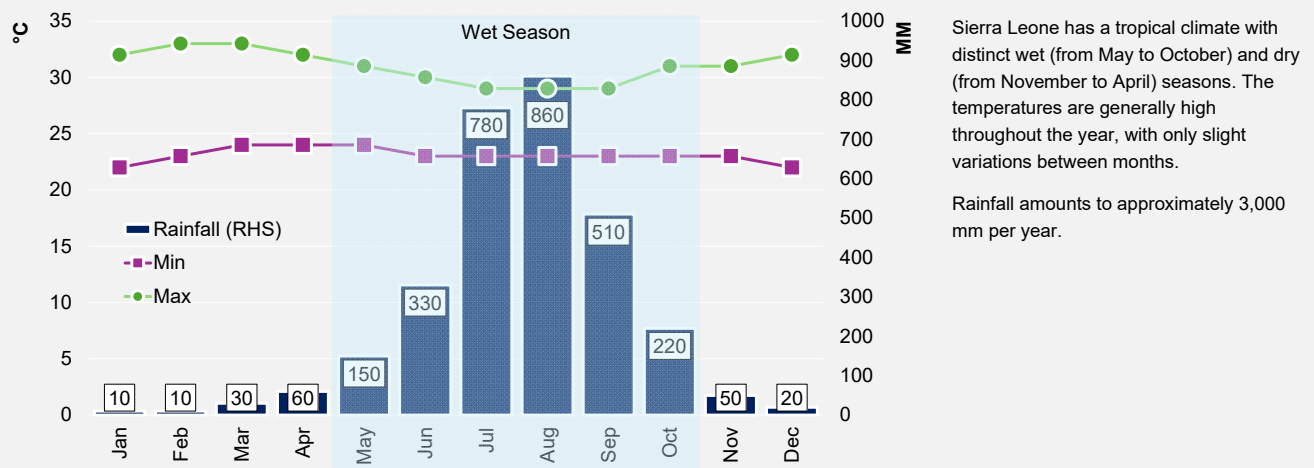
local miners and have simpler requirements. Small-scale mining licenses are for operations larger than artisanal but still limited in scale and permit mechanized mining. They are granted for up to three years, renewable for two additional terms of three years each. Large-scale mining licenses for extensive and commercial mining operations are granted for up to 25 years, with the possibility of renewal for 15 years.

While license holders must adhere to strict environmental regulations and are required to rehabilitate mining sites after use, regular inspections and monitoring are conducted by the National Minerals Agency (NMA) to ensure compliance with legal and environmental standards.

At international level, Sierra Leone has joined various commitments, including the Kimberly Process, a multilateral trade commitment aimed at eliminating conflict diamonds from global supply chains; compliance with the EITI Standards (2019/2023), an initiative for good corporate governance, accountability, and transparency in the extractive sector; as well as the principles of the UN Guiding Principles on Business and Human Rights (UNGPs), and the African Charter on Human and Peoples' Rights (Banjul Charter), among others.

The atmospheric conditions prevailing in Sierra Leone are of a tropical nature. There is significant rainfall in most months of the year. The short dry season has little effect on the overall climate. The mean temperature prevailing in the country is approximately 30°C, according to statistical data. The annual precipitation in Sierra Leone is approximately 3,000 mm.

EXHIBIT 17: TEMPERATURES AND RAINFALL IN SIERRA LEONE



SOURCE: CLIMATE-DATA.ORG

**Mineralization highlights of the Tongo project**

The Tongo project is envisaged to be exclusively underground. Diamond mineralization at the Tongo project is in the form of gem, near-gem, and industrial quality diamonds, contained as xenocrysts in the kimberlite dykes and in at least one pipe-like blow enlargement confirmed at Kpandebu. According to the Resource Estimate Report,

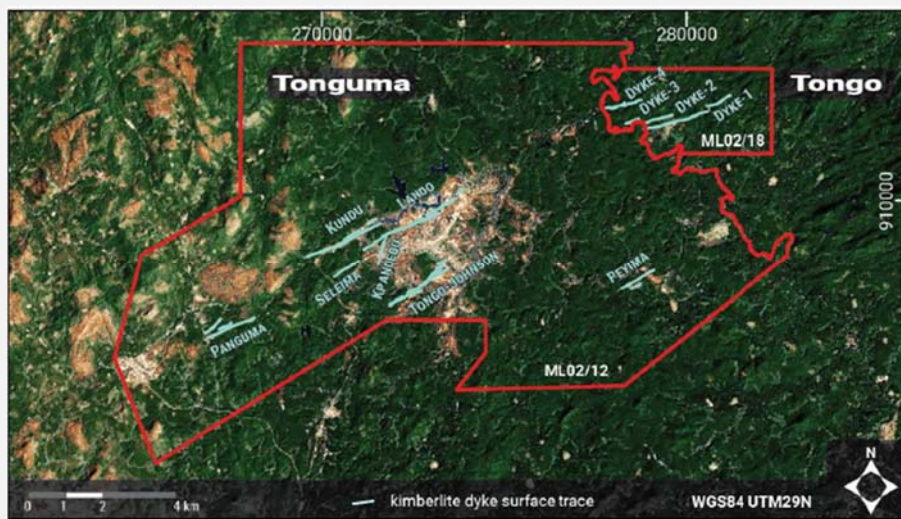
diamonds are present in a wide range of sizes, from microscopic to, in some cases, quite large stones of up to 70 carats.

Diamond mineralization is present as:

- ⑤ **Kimberlite dykes**, occurring as zones of echelon dykes and veins, as at Kundu, Lando, Tongo Dyke-1 etc., with enlargements or “blows” known at Kpandebu and suspected at Peyima.
- ⑤ **Diamond-bearing alluvial gravels**, in the rivers and flats surrounding the Tongo project kimberlite dykes with tailings dumps from past alluvial mining operations that are of minor economic importance.

In the 2016 Preliminary Economic Assessment development plan for Tongo, an inferred resource of 895,000 carats at a recovered +1.18 mm grade of 100 cpht (carats per hundred tons) with an average diamond value of USD 310 per carat was estimated for Dyke 1. Dykes 2 and 3 show indications of also being significantly diamondiferous based on limited microdiamond results though these have not yet been drilled and bulk sampled into resource status.

**EXHIBIT 18: TONGO AND TONGUMA PROJECT**



Previous exploration and evaluation work defined four kimberlite dykes, Dykes 1-4, from which a 2016 Preliminary Economic Assessment (PPM/SRK, 2016) development plan assumed a +1.18 mm grade of 100 cpht with an average diamond value of USD 310 per carat, for a total of 895,000 carats. Dykes 2 and 3 show indications of also being significantly diamondiferous based on limited microdiamond results though these have not yet been drilled and bulk sampled into resource status.

SOURCE: COMPANY DATA

**Background**

*Kimberlites are dark-coloured, heavy, often altered and brecciated (fragmented), intrusive igneous rocks and the only known primary source of naturally occurring, commercial diamond deposits. Diamond-bearing kimberlites are only found on ancient, stable, cool portions of the crust known as “cratons”.*

*As mica peridotites, Kimberlites are composed of a mix of minerals including olivine, phlogopite, pyroxene, and carbonates, as well as fragments of mantle rocks. Formation occurs at depths between 150 and 450 km below the Earth’s surface in vertical structures known as Kimberlite pipes. The morphology of Kimberlite pipes and their classical carrot shape is the result of explosive volcanism from very deep mantle-derived sources. These volcanic explosions produce vertical columns of rock that rise*

from deep magma reservoirs. During their ascent, Kimberlite pipes may pass through a region of high pressure where carbon can be transformed into diamonds. Diamonds that intersect the rising pipe may be pushed along by or carried within the magma to the surface. As the Kimberlite pipes approach the surface, decreasing pressure above allows some of the volatile materials in the magma (such as water and carbon dioxide) to become gaseous, and these gases expand rapidly. Should the pipes encounter rock layers containing groundwater, the water is vaporized, and additional expansion occurs. Such expansion widens the pipes and produces an explosive event at the surface as upward-rushing gases dislodge rocks and create a craterlike depression.

TABLE 6: MINERALIZATION SUMMARY

Project	Kimberlite	Kimberlite (tonnes)	>1.0mm grade (carats per tonne)	Total carats
<b>Total</b>		<b>3,540,000</b>		<b>8,344,000</b>
<b>Indicated Resource</b>		<b>740,000</b>		<b>1,912,000</b>
Tonguma	Kundu	200,000	3.40	680,000
Tonguma	Lando	320,000	3.00	960,000
Tongo	Dyke-1	160,000	1.40	224,000
Tonguma	Kpandebu	60,000	0.80	48,000
Tonguma	Panguma	n/a	n/a	n/a
<b>Inferred Resource</b>		<b>2,800,000</b>		<b>6,432,000</b>
Tonguma	Kundu	650,000	3.20	2,080,000
Tonguma	Lando	740,000	2.80	2,072,000
Tongo	Dyke-1	730,000	1.60	1,168,000
Tonguma	Kpandebu	110,000	1.30	143,000
Tonguma	Panguma	570,000	1.70	969,000
<b>Probable Reserve</b>		<b>1,085,000</b>		<b>1,092,440</b>
Tonguma	Kundu	496,000	0.92	456,320
Tonguma	Lando	589,000	1.08	636,120
Tongo	Dyke-1	n/a	n/a	n/a
Tonguma	Kpandebu	n/a	n/a	n/a
Tonguma	Panguma	n/a	n/a	n/a

SOURCE: COMPANY DATA, SPHENE CAPITAL

TABLE 7: RESOURCE ESTIMATES

Project	Kimberlite	Kimberlite	Grade per ton of kimberlite	Carats	Diamond value
		(tonnes)	(>1 mm cut-off)	(>1 mm cut-off)	(USD mn @ >1.00 mm)
<b>Indicated Resource</b>		<b>740,000</b>		<b>1,912,000</b>	
Tonguma	Kundu	200,000	3.40	680,000	194
Tonguma	Lando	320,000	3.00	960,000	194
Tonguma	Kpandebu	160,000	1.40	224,000	187
Tongo	Dyke-1	60,000	0.80	48,000	182
n/a	Panguma	n/a	n/a	n/a	n/a
<b>Inferred Resource</b>		<b>2,800,000</b>		<b>6,432,000</b>	
Tonguma	Kundu	650,000	3.20	2,080,000	194
Tonguma	Lando	740,000	2.80	2,072,000	194
Tonguma	Kpandebu	730,000	1.60	1,168,000	187
Tongo	Dyke-1	110,000	1.30	143,000	182
n/a	Panguma	570,000	1.70	969,000	184
Project	Kimberlite	Kimberlite	Grade per ton of kimberlite	Carats	Diamond value
		(tonnes)	(>1.18 mm cut-off)	(>1.18 mm cut-off)	(USD mn @ >1.00 mm)
<b>Probable Reserve</b>		<b>1,085,000</b>		<b>1,092,440</b>	
Tonguma	Kundu	496,000	0.92	456,320	222
Tonguma	Lando	589,000	1.08	636,120	222
Tonguma	Kpandebu	n/a	n/a	n/a	n/a
Tongo	Dyke-1	n/a	n/a	n/a	n/a
n/a	Panguma	n/a	n/a	n/a	n/a

SOURCE: COMPANY DATA, SPHENE CAPITAL

### Diamond sales

According to the company, a total of 12,457 carats have been sold to date, via Bonas Couzyn NV, the largest independent diamond marketing agent. Sales were conducted through auctions in Antwerp. The first sale realized an average price of USD 262 per carat, the second sale in a weaker market an average price of USD 184 per carat. The combined average realized price was USD 216 per carat.

TABLE 8: DIAMOND SALES TO DATE

Date	Carats sold	Price per carat (USD)	Sales value (USD)
20.05.2022	5.128,23	262,06	1.343.880,74
26.07.2023	7.329,29	184,34	1.351.104,72
Total	<b>12.457,52</b>	<b>216,33</b>	<b>2.694.985,46</b>

SOURCE: COMPANY DATA, SPHENE CAPITAL

# Company History, Management, and Corporate Strategy

The predecessor company Sierra Diamonds was incorporated in Sierra Leone in 2003. In 2007, this was spun out by the then owner Mano River Resources into a new company called Stellar Diamonds Limited, located on Guernsey. Stellar Diamonds was listed on the London Stock Exchange's market for small and medium size growth companies AIM in 2010 and was acquired by Newfield in 2018. In 2017, Newfield merged its Tongo project with Ocea's adjacent Tonguma project.

In our view, Newfield is pursuing a strict ESG policy and has subjected itself to numerous international standards and regulations for sustainable and ethical corporate practices.

**TABLE 9: KEY STEPS IN THE COMPANY'S HISTORY**

2003	Incorporation of Sierra Diamonds Ltd., then a subsidiary to Mano River Resources
2004	Begin of exploration and evaluation drilling at Kundu, Lando, Kpandebu, Panguma, and other dykes by Tonguma Ltd., owned by Ocea Ltd.
2007	Acquisition of Sierra Diamonds by Stellar Diamonds Ltd.
2012	IPO of Newfield Resources Inc.
2012	Ocea secures large-scale mining licence for Tonguma
2013	Declaration of a maiden resource of 660,000 carats by Stellar Diamonds on the Tongo Dyke-1 kimberlite
2013	Increase of the resource in Tongo Dyke-1 to 1.0 mn carats
2015	Increase of the resource in Tongo Dyke-1 to 1.4 mn carats
2016	Tonguma put on long-term care and maintenance by Ocea
2016	Declaration of a 3.5 mn carats resource on Tonguma, later increased to 6.9 mn carats
2017	Stellar Diamonds and Ocea enter into a Tribute Mining and Revenue Share Agreement
2018	Completion of the Tribute Mining and Revenue Share Agreement
2018	Takeover of AIM-listed Stellar Diamonds by Newfield Resources through share swap
2018	Sierra Diamonds secures large-scale mining licence for Tongo
2019	Start of underground mine construction
2019	Publication of a Front End Engineering and Design (FEED) Study on the Tongo mine development
2020	Panguma resource of 0.9 mn carats declared to increase overall project resource to 8.3 mn carats
2020	Production of the first diamonds from the Tongo diamond mine
2022	Completion of the first diamond sale
2024	Dual Listing on the Frankfurt, Munich, and Stuttgart Stock Exchanges
2024	Completion of more than 2,000 m underground development
2024	Relinquishment of the exploration licences in Liberia

SOURCE: COMPANY DATA, SPHENE CAPITAL

## Highly experienced management team

Newfield Resources' management team is uniquely positioned to execute on its portfolio strategy, in our view, given the company's combined more than 100 years of experience within the board and the team of technical consultants.

The **Board of Directors** consists of four highly experienced executives:

- ⑤ **Benny Young** is one of the co-founders of Newfield Resources and one of the key shareholders. He has over 30 years of financial experience, including senior roles at Westpac, ANZ, and American Express. He has advised many private and public companies on capital raising and project completion.
- ⑤ **Koos Visser** is Senior Technical Advisor of Newfield Resources. He is an electrical engineer with significant mine operational experience in a range of commodities, particularly diamonds, with more than 13 years as Group Operations Manager for Petra Diamonds where he successfully led the transformation of a number of diamond mines including Cullinan, Finsch, Koffiefontein, Kimberley, and Williamson and driving Petra Diamonds' production to over 4 mn carats per year. He also led the team that built the new R2 billion Cullinan Diamond Mine Processing Plant. He recently designed the planned 50 tph plant that will be constructed to meet future production levels at Tongo.

In addition, there are two **non-executive directors**:

- ⑤ **Jack Spencer-Cotton** has more than 28 years of experience in engineering. He has previously held senior engineering roles in international manufacturing companies like ERG Group, Sanmina-SCI Corporation, Startronics, SRX Global, and Pfizer Perth. He is presently a project manager at One New Energy.
- ⑤ **Kunal Malhotra** has more than 15 years of experience in corporate and commercial law and litigation. He is currently a director for a number of listed and non-listed public entities.
- ⑤ Still an important advisor to the team is former Chief Executive Officer and Director **Nicholas Karl Smithson** who has more than 30 years of experience in the resources sector in Africa, especially in the exploration, evaluation, and production of diamond and other mineral resources. He has held senior management positions at De Beers, SouthernEra Resources, Mano River Resources, and Stellar Diamonds. He holds a Bachelor of Science in Geology (Honours) from Kingston University, London, and a Master of Business Administration from the University of Cape Town.

#### **Merger with Octea's Tonguma project**

In 2017, Newfield and Octea agreed to combine Newfield's Tongo project with Octea's adjacent Tonguma project. The initial investment has been achieved, and a one-time payment of USD 5.5 mn was paid to Octea in 2023. Further key points of the tribute mining and revenue share agreement are:

- ⑤ No up-front acquisition costs to Newfield.
- ⑤ Newfield bears all development costs and annual payments due to the Government of Sierra Leone and local stakeholders;
- ⑤ Octea's 50 tph production plant was purchased by Newfield for nominal cost;
- ⑤ Newfield will raise a minimum of USD 25 mn (through a combination of equity, debt, and other hybrid products) to fund the combined project into production;
- ⑤ Newfield will recoup its initial investment of at least USD 25 mn and Octea will pro rata recoup USD 5 mn, in return for Octea contributing the 50 tonne per hour production processing plant and certain assets;

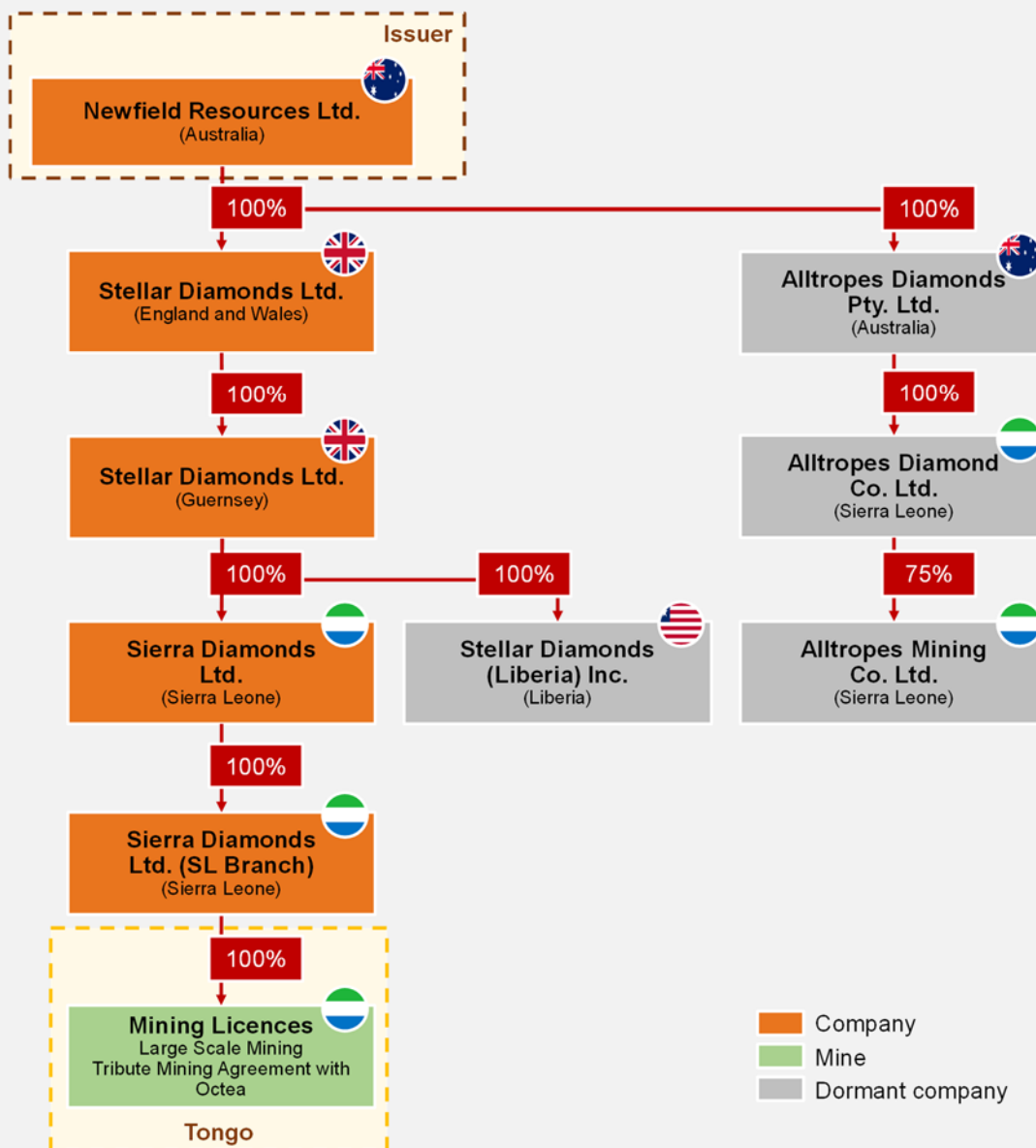


- Once Newfield and Ocea have recouped their initial investments, Ocea will receive a 10% gross royalty on diamond sales for the life of mine, post-Government of Sierra Leone royalty of 6.5%.

**Organization chart of Newfield Resources**

Below the listed holding company Newfield Resources Ltd., there are several wholly owned operating subsidiaries in Sierra Leone, Australia, and Liberia:

EXHIBIT 19: ORGANIGRAM OF NEWFIELD RESOURCES LTD.



SOURCE: COMPANY DATA, SPHENE CAPITAL

**Sustainability and ethical practices**

Newfield pursues what we consider a very comprehensive ESG policy, which is documented by its compliance with numerous international standards and regulations.

For details, please refer to the Strengths and Weaknesses, Opportunities and Threats chapter on pages 30ff of this report.

## Company Financing

Since the IPO in 2012, Newfield has completed several financing rounds and significantly increased the basic number of outstanding shares. During this time, capital in the volume of AUD 126.7 mn has been raised. Today, Newfield has 940,702,917 shares outstanding (basic count). Together with 15,000,000 warrants, the fully diluted number of shares is 955,712,917. At a current share price of AUD 0.14, this corresponds to a market capitalization of AUD 131.7 mn.

TABLE 10: FINANCING OF NEWFIELD SINCE IPO

#	Issue date		Number of shares issued	Issue price (AUD)	Cash proceeds (AUD)	Non-cash proceeds (AUD)	Issued capital (AUD)
		Pre-IPO data	85,250,001		2,252,153	0	2,252,153
0	30 05 2012	IPO	11,500,000	0.20	2,300,000		4,552,153
1	31 03 2014	Share placement	20,000,000	0.20	4,000,000		8,552,153
2	31 03 2014	Acquisition Allotropes	29,000,000	0.00		412,966	8,965,119
3	02 09 2014	Share placement	8,333,334	0.30	2,500,000		11,465,119
4	01/2015-06/2015	Exercise of Options	30,000,000	0.25	7,500,000		18,965,119
5	30 10 2015	Placement	12,500,000	0.80	10,000,000		28,965,119
6	22 06 2016	Option Underwriting Agreement	20,000,000	0.30	6,000,000		34,965,119
7	29 06 2016	Option Underwriting Agreement	9,000,000	0.30	2,700,000		37,665,119
8	15 06 2017	Exercise of Options	5,134,065	0.30	1,540,220		39,205,338
9	28 06 2017	Option Underwriting Agreement	4,865,935	0.30	1,459,781		40,665,119
10	08 02 2018	Share placement	35,000,000	0.20	7,000,000		47,665,119
11	11 04 2018	Share placement	15,000,000	0.20	3,000,000		50,665,119
12	27 04 2018	Rights Issue	200,231,668	0.15	30,034,750		80,699,869
13	03 05 2018	Acquisition of Stellar Diamonds	95,484,549	0.25		23,871,137	104,571,006
14	10 11 2021	Rights Issue	71,356,797	0.35	24,974,879		129,545,885
15	04 01 2022	Conversion shares - AU/US bonds	72,211,351	0.35		32,134,051	161,679,937
16	01/2022-08/2022	Rights Issue	27,101,429	0.35	9,485,500		171,165,437
17	31 08 2022	Placement	1,453,488	0.34	500,000		171,665,437
18	01 09 2022	Vesting of PR A/B	5,792,392	0.00	0		171,665,437
19	09/2022-10/2022	Rights Issue	8,612,858	0.35	3,014,500		174,679,937
20	24 11 2022	L1 Capital	1,043,008	0.00	289,000	94,165	175,063,102
21	22 09 2023	Placement	20,752,273	0.15	3,112,841		178,175,942
22	22 09 2023	Conversion shares	92,424,094	0.15		13,863,614	192,039,557
23	08 12 2023	Placement	21,175,181	0.15	3,176,277		195,215,834
24	16 02 2024	Placement	7,480,494	0.15	1,122,074		196,337,908
25	30 04 2024	Placement	30,000,000	0.10	3,000,000		199,337,908
<b>Total since IPO</b>			<b>855,452,916</b>		<b>126,709,822</b>	<b>70,375,933</b>	<b>197,085,755</b>
<b>Total</b>			<b>940,702,917</b>		<b>128,961,975</b>	<b>70,375,933</b>	<b>199,337,908</b>

SOURCE: COMPANY DATA, SPHENE CAPITAL

### Access to investors is one of the key strengths of Newfield' management

One of the undisputed strengths of Newfield's management, in our view, is its access to investors. Since its IPO in 2012, Newfield has issued more than 855 mn shares in more than 20 transactions. At an average subscription price of approximately AUD 0.15 per share, the placements resulted in total cash proceeds (gross) of approximately AUD 126.7 mn.

Attached to new shares were in some cases warrants. As of today, 15.0 mn warrants have not yet expired. With exercise prices ranging from AUD 0.25 to AUD 0.54, none of these warrants are currently in the money.

**TABLE 11: OUTSTANDING OPTIONS**

#	Issue date		Number of shares issued	Exercise price (AUD)	Expiry date
1	04 01 2022	SBC Capital Options	4,000,000	0.54	01 11 2025
2	10 01 2023	SBC Capital Options	1,000,000	0.45	10 01 2026
3	07 12 2023	Lead Manager Options	10,000,000	0.25	07 12 2028
<b>Total</b>			<b>15,000,000</b>		

SOURCE: COMPANY DATA, SPHENE CAPITAL

### 940,702,917 shares outstanding (basic count)

Since the last capital increase, the company's share capital (basic) consists of 940,702,917 shares. In addition, 15.0 mn warrants with exercise prices between AUD 0.25 and 0.54 have been issued. In total, this results in a fully diluted total number of 955,702,917 outstanding shares.

The shares are non-par value shares. At a current share price of AUD 0.14, the market capitalization (basic) is AUD 131.7 mn.

### Trading of the shares on the ASX and on the Frankfurt Stock Exchange

The shares of Newfield Resources are traded on the ASX Australian Stock Exchange under the trading symbol NWF. To get listed on the ASX, a company must fulfil three admission criteria:

- ⑤ The company must have at least 300 non-affiliated shareholders, each of whom has a holding with a value of at least AUD 2,000 which is not subject to ASX-imposed or voluntary escrow.
- ⑤ The company's free float must exceed 20%.
- ⑤ The company must either have generated more than AUD 1 mn in aggregated profits from continuing operations over last 3 years and more than AUD 0.5 mn consolidated profits from continuing operations over the last 12 months ("profit test") or have either more than AUD 4 mn net tangible assets or more than AUD 15 mn in market capitalization ("asset test").

The follow-up requirements consist of the publication of half-yearly and annual financial reporting, unless the company was admitted under the assets test or is a mining, an oil,

or a gas exploration company, in which case quarterly reports and cash flow statements must also be published.

Since 2024, Newfield is also listed on the Open Market of the Frankfurt, Munich, and Stuttgart Stock Exchanges.

# Strengths and Weaknesses, Opportunities and Threats

We have identified the following company-related **strengths and opportunities** of Newfield Resources:

## Strengths and Opportunities

- ⑤ **Activities in well-known resource areas:** It is the strategy of Newfield to acquire properties in areas that are known to host a substantial quantity of diamonds. This strategy has the advantage that **(1)** if large deposits are present, the likelihood of additional deposits is also high, **(2)** there are existing mineral exploration models and regional government data sets to support Newfield's exploration, and **(3)** there is a viable infrastructure which significantly lowers the economic threshold to convert a discovery into a mine.
- ⑤ **JORC-compliant resource estimate:** The independent (JORC-compliant) resource estimates of 8.3 mn carats, of which 1.1 mn carats are in reserve, could be too pessimistic since **(1)** only five out of 11 kimberlites were included in the estimate and **(2)** the reserve has been declared only for the top 120 meters of kimberlites, while drilling has encountered these kimberlites at depths exceeding 400 meters, according to the company. In addition, Newfield's mining grades to date are reported to have exceeded resource estimates by approximately 38%. If this continues, the resource is likely to be significantly higher than declared.
- ⑤ **High quality diamonds:** While the average worldwide diamond price is around USD 114 per carat, Tongo's average sales to date are USD 216 per carat, emphasising the high-quality product at the Tongo diamond mining project, in our view.
- ⑤ **Access to investors:** One of the key strengths of Newfield's management is its access to investors. Excluding a debt-to-equity swap, Newfield has issued more than 855 mn shares in a total of 20 transactions with total cash proceeds (gross) of AUD 126.7 mn since its IPO in 2012.
- ⑤ **Aligning with international corporate governance standards:** Newfield adopted annual ESG reporting which is being measured against World Economic Forum Stakeholder Capitalism Metrics, aligns with the International Finance Corporation's eight performance standards, with the International Council on Mining and Metals principles, and the Responsible Jewellery Council (RJC) code of practices, among others. In addition, Newfield has implemented strict guidelines against bribery and corruption, child and forced labour, and a code of conduct and values policy.
- ⑤ **Adopting the G-MIRM program:** Newfield adopted the Global Minerals Industry Risk Management Program (G-MIRM) and voluntarily aligns with the UN's principles on security and human rights, with ISO 31000 Risk Management Guidelines, and with ISO 45001 standards by which the company will follow the occupational health and safety (OH&S) management system.
- ⑤ **Health programme for employees:** Newfield has established an onsite clinic providing primary and occupational healthcare services including emergency response capabilities in support of the mining operation. In addition, Newfield has a well-established health and wellness programme for employees, which focuses

on providing resources, assisting employees to manage personal health risks, such as malaria, tropical diseases, Ebola, and COVID-19.

- ⑤ **Compliance with the EPA:** Newfield is fully compliant with the Environmental and Social Impact Assessment (ESIA) as outlined by the Environmental Protection Agency (EPA), documented by regular EPA audits. The production process does not include the use of any chemicals; therefore, the tailings dam will only contain water and waste rock and no hazardous materials.
- ⑤ **Comfortable mine closure plan:** As most of the footprint is underground, the closure plan for the Tongo mine project would entail sealing the underground portal, deconstructing the plant and infrastructure for scrap or recycling, and donating the buildings to the local community. Total mine closure budget is USD 2.2 mn.
- ⑤ **Sanctions on Russian diamonds:** The G7 sanctions on all rough or polished Russian diamonds from 1 carat which are processed in third countries have been implemented in March 2024; from September 2024, these sanctions will be expanded to include lab-grown diamonds, jewellery, and watches containing diamonds. As Russia produces a high proportion of the world's small, fine crystal diamonds which is similar to the product of the Tongo Diamond Mine, the sanctions could increase demand for diamonds produced in the Tongo mine project.
- ⑤ **Lab-grown diamonds not a threat and awareness of their non-comparability to natural diamonds grows:** We do not consider lab-grown diamonds, which are now selling at 90-95% discount, to be a threat to Newfield's natural diamonds for retail usage. The price erosion of synthetic diamonds has accelerated in recent years with retailers pushing lab-grown diamonds at ever lower prices amid falling manufacturing costs and fierce competition. Tongo diamonds, on the other hand, are predominantly high-end gems suitable for luxury jewellery (top brands) which has seen growth and demand despite the global market uncertainties.
- ⑤ **Solid gearing:** With an equity ratio of 70.8% (year-end 2022/23), Newfield has a solid balance sheet structure.
- ⑤ **Highly experienced management with skin in the game:** Newfield's team of management and geologists, which has worked together successfully in the past, has many years of experience in establishing and positioning companies in the diamond sector. In addition, the management team is highly incentivized through own shareholdings, offering investors "skin in the game".

We have identified the following company-related **weaknesses and** market-related **threats** of Newfield:

#### Weaknesses and Threats

- ⑤ **Lack of sales and profits:** Apart from limited diamond sales in 2022 and 2023, Newfield is still an exploration company and is not generating any revenues or cash flows. Since 2018, Newfield has accumulated pre-tax losses totalling AUD 85.7 mn and we expect it will continue to be loss-making this year and for at least the next two years. Newfield relies on the capital markets to sustain operations, with resulting liquidity gaps to be closed through capital increases. We note that there is no guarantee that Newfield will be able to continue to access capital markets, as a result of potential changes in market sentiment/pricing and/or project feasibility concerns.
- ⑤ **Typical junior mining risks:** In general, the junior mining sector offers a high risk, high return opportunity. Newfield will depend on capital markets to raise funds for

its projects. However, risks are not limited to corporate financing, but also affect operating activities: For example, the company could lose the right to explore or its interest in or its title to the properties if licence conditions are not met or if insufficient funds are available to meet expenditures. In addition, as in any development project, there is a risk that development may be delayed. If such a delay is material, it could affect the timing of future cash flows and the project valuation. In addition, we note that a tightening of environmental regulation could negatively impact our overall valuation of Newfield.

- ⑤ **Political risks:** Newfield's only asset at present is the Tongo diamond mining project in Sierra Leone. Notwithstanding 22 years of peace, the political stability in Sierra Leone remains fragile, with economic challenges, political rivalries, and the legacy of the civil war (1991-2002) complicating the situation. In 2023, there was an attempted coup, and ongoing tensions between the two main parties, the Sierra Leone People's Party (SLPP) and the All People's Congress (APC), contribute to the instability. Economically, Sierra Leone struggles with high inflation rates of 47.6% in 2023, which undermines political stability. Therefore, a specific country risk premium should be applied, in our view.
- ⑤ **Shareholder structure:** In order to finance the upcoming mine development to commercial production, we consider the current shareholder structure with a high free float as weakness and recommend streamlining the shareholder structure with a stronger focus on selected cash-rich long-term risk-seeking investors. In order to broaden the shareholder base and to access new sources of capital, Newfield's shares were listed on German open markets in early 2024.
- ⑤ **Weakness from current share price level:** We see a weakness in the current share price of AUD 0.14, as at this level close its all-time lows the price impact from the sale of free-float shares comes through more strongly than if the share were trading higher. A reverse share split would be a reasonable solution, in our view.
- ⑤ **Currency risks:** While business activities are only in Sierra Leone, Australian based Newfield is exposed to currency risks, mainly translation effects from USD to AUD.
- ⑤ **Dilution effects:** Our valuation of Newfield does not include further share dilution or ongoing exploration or development capital requirements. As such, future interim financings will yield additional dilution; however, we expect this will largely be offset by an increase in the share price.
- ⑤ **Market Sentiment:** While we expect current markets to continue to improve, our forecasts may be negatively impacted by a change in market sentiment.
- ⑤ **No detailed records available:** Although the Tongo dyke segments have been exploited by artisanal miners for decades and even publicly listed companies, there are no documented technical records of their work. However, Newfield has historical data for the kimberlite test work from the 1950-70's period, and a massive database of its own work from 2006 to date.
- ⑤ **Risk of lower grades:** There is no guarantee that future drilling programs will show the same confirmation rates as those previously reported. As such, there is a possibility that ongoing drilling will yield lower tonnage and/or grade resources, which would negatively impact our valuation of the company. In Newfield's case, on the other hand, this risk should rather be considered an opportunity, since higher



grades were recovered from its mining vis-a-vis the resource estimates. This could point to a larger resource than currently stated.

- Ⓢ **Operational risks:** Our forecasts are based on technical data, company indications, several independent reports by PPM UMM, and Snowden, to name a few, and our own knowledge with regard to the operation of individual mining projects. We caution that operational and financial performance can change rapidly due to climate-related issues, unexpected changes in mineralogy, and unforeseen operational difficulties.
- Ⓢ **Dependence on management:** In our opinion, Newfield is significantly dependent on the current Board of Directors, geologists, and mining experts.
- Ⓢ **High volatility of the share:** Driven by ambitious board announcements that—at least in recent years—have regularly not been kept, the Newfield share is a highly volatile security.
- Ⓢ **Sentiment towards the overall sector and the specific commodity:** Junior mining companies are cyclical in nature and highly dependent on market sentiment. When commodities lose their appeal, related junior mining stocks might come under significant pressure, because they do not generate cash flows during their exploration and development phases.
- Ⓢ **Ebola outbreak:** Between 2014 and 2016, Sierra Leone was one of the three hardest-hit countries during the Ebola outbreak, along with Guinea and Liberia. The outbreak resulted in more than 14,000 reported cases in Sierra Leone and approximately 4,000 deaths. While Ebola remains a serious concern for Sierra Leone due to its potential for high mortality and the strain it places on the healthcare system, lessons learned from past outbreaks have led to improved preparedness and response mechanisms.

## Drivers of the diamond market

The global diamond market is worth around USD 100 bn (2022) and expected to grow by up to 4.5% annually until 2030e/2032e. Gem-quality diamonds and jewellery diamonds are leading in terms of value, while industrial diamonds account for less than USD 2 bn. Natural diamond production is highly concentrated. Around 90% of global volume was mined in six countries in 2023. The average price for rough diamonds was USD 114 per carat. However, there is no single pricing; rather, prices for rough diamonds depend on criteria like origin, structure, shape, purity, and colour. In our view, the main factors influencing short to medium term price trends will be a decline in production volumes by 2030e as important mines reach the end of their lifespan; the impact of sanctions against Russia, which together with several African countries has most of the world's diamond reserves; the development of inventories in the mid- and downstream stages of the value chain and, above all, consumer confidence and disposable incomes in the most important jewellery diamond markets in the US and Asia.

### Diamonds: precious stones from the inside of the earth

Diamonds are a group of minerals formed from pure carbon. Billions of years ago, carbon was pressed into diamonds at depths of 150 to 250 kilometres under extreme pressure and temperatures. Diamonds are usually found in columns of magma rock, known as kimberlite chimneys, which erupted explosively to the earth's surface in the geological past. It was only a few years ago that geologists at the University of Southampton found an explanation for how these kimberlite eruptions occurred. Most of the eruptions occurred around 30 million years after the continental break-up, i.e. around 150 million years ago. The researchers therefore suspected an association with the rifting process. During the break-up, blocks sink in the area of crustal expansion. Magma seeps into the "gaps", filling the spaces created by the break-up and melting the rock higher up due to its high temperature. This can set off a chain of instabilities in the Earth's upper mantle (Rayleigh-Taylor instabilities), which gradually migrate inboard of rift zones and eventually trigger an eruption. The most recent "diamond eruption" probably occurred around 11,000 years ago in Tanzania, but most eruptions are thought to have occurred around 70-150 million years ago.

The research results were published in the journal Nature in 2023.

### Classification and applications

Diamonds belong to the mineral class of elements in the subgroup of semi-metals and non-metals. They have the highest hardness of any natural material. Their classification of 10 on the Mohs scale of relative hardness of 1-10 means that they cannot be scratched by any other material but can scratch all materials themselves. The most important other properties of diamonds include high thermal conductivity, high electrical resistivity, high toughness, and high optical transparency.

Friedrich Mohs (1773 to 1839) determined the hardness of various minerals by scratching them alternately. To do this, he followed the simple rule that the harder object scratched the softer one. If two minerals cannot be scratched by one another, they have the same Mohs hardness.

### Differentiation by application and product type

Diamonds are therefore not only precious stones and the most valuable jewellery, but are also used in various industrial applications, including polishing and cutting. Saw blades, drills, and grinding discs often contain traces of diamonds. Glass, concrete, bricks, stones, and ceramics are often cut with the help of industrial diamonds.

The typical synthetic "growth conditions" in HPHT processes are between 1400° and 1600° Celsius and 50-60 bar. In chemical vapour deposition (CVD), the substrate must also be heated to around 800° Celsius. Each of the two processes is therefore highly energy intensive.

In terms of product type, a distinction is made between natural and synthetic, laboratory-grown diamonds (LGDs). Diamonds produced in laboratories under controlled high pressure and high temperature (HPHT) or by chemical vapour deposition (CVD) are basically physically and chemically the same as naturally mined diamonds (natural diamonds). However, their quality can be better controlled and customized for industrial

applications. More than 99% of industrial applications use synthetic diamonds rather than natural diamonds.

### Global market volume and growth forecasts

The global market volume for diamonds across all product types and applications totals around USD 100 bn. According to largely consistent estimates, it will grow by up to 4.5% (CAGR) annually in the coming years until 2030e/2032e. Gem-quality diamonds and jewellery diamonds account for the largest share in terms of value. Despite a global production volume of around 15.5 bn carats, industrial diamonds only account for a small value share of less than USD 2 bn. Regionally, North America is the most important market for diamonds, reaching a volume of around USD 52 bn in 2023 (+3.7% YoY), followed by the Asian-Pacific region.

#### EXHIBIT 20: WORLD DIAMOND MARKET SIZE AND GROWTH FORECASTS

Source (Year)	Basic Year (USD bn)					Last forecast year (USD bn)					
	2021	2022	2022	2023	CAGR	2024e	2025e	2026e	2028e	2030e	2032e
Fortune Business Insights (2024)				94.2	+4.5%	97.6					138.7
Straits Research (2021)		95.0			+4.4%					139.9	
Allied Market Research (2023)			100.4		+4.5%						155.5
Grand View Research (2022)			96.4	99.4	+3.2%					123.8	

SOURCE: COMPANIES DATA, SPHENE CAPITAL

### The extraction of natural diamonds

The natural diamond value chain begins with the exploration and physical extraction of rough diamonds, followed by a series of downstream value-added processes such as sorting, cutting, polishing, and—in case of jewellery diamonds—retail distribution.

Diamond recovery involves several methods designed to separate diamonds from kimberlite or alluvial deposits. The choice of method depends on the nature of the ore and the characteristics of the diamonds:

- ⑤ The basic behind **Crushing and Milling** is to reduce the size of the kimberlite ore and liberate diamonds. This is done by primary crushing, where large pieces of ore are broken into smaller pieces using jaw crushers or gyratory crushers, followed by secondary crushing, where the smaller pieces are further reduced in size using cone crushers or impact crushers, and milling, where the ore is ground into fine powder to release diamonds from the surrounding rock.
- ⑤ Using **Dense Media Separation (DMS)**, diamonds are separated from other heavy minerals. Crushed ore is mixed with a ferrosilicon slurry, which creates a dense medium, put into cyclone separators or DMS tanks, where diamonds, due to their high density, sink, and lighter waste material floats; heavy minerals, including diamonds, are then collected from the bottom.

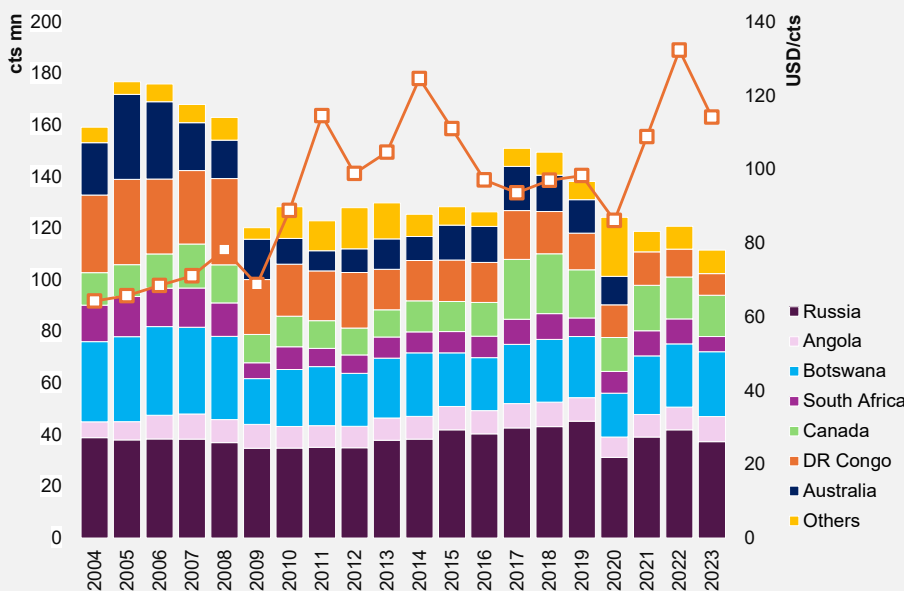
Diamond mining ranges from small-scale artisanal mining to industrial mining by large mining companies.

- ⑤ Using **X-ray luminescence**, diamonds can be detected and recovered based on their luminescence properties. Crushed and sized ore passes under X-ray machines. This causes diamonds to fluoresce, which is detected by sensors. Air jets or mechanical devices separate the fluorescing diamonds from the non-fluorescing material.
- ⑤ **Grease Tables** exploit the water-repellent property of diamonds. When crushed ore slurry is passed over tables coated with grease, diamonds stick to the grease while the other minerals are washed away.
- ⑤ **Magnetic Separators** are used to remove magnetite and other magnetic minerals, which may interfere with other recovery methods, while non-magnetic fraction containing diamonds proceeds to further processing.
- ⑤ In **Optical Sorting**, crushed ore is scanned using optical sensors.
- ⑤ **Recovery Tailings** will be used to reprocess waste material for missed diamonds.

**High market concentration at the beginning of the value chain**

Over the past twenty years, an average of more than 90% of the world's rough diamond production has been concentrated in Russia, Angola, Botswana, Canada, DR Congo, Australia, and South Africa. However, the production volumes of the mines, some of which have been in operation for decades, have decreased continuously in recent years. While an average of 170 mn carats were produced annually in 2004 and 2008, this figure fell to just under 115 mn carats between 2020 and 2023.

EXHIBIT 21: GLOBAL PRODUCTION OF ROUGH DIAMONDS BY VOLUME



A majority of the world's rough diamonds are currently mined by a small number of producers in Russia, Angola, Botswana, Canada, DR Congo, and South Africa. Since the closure of the Australian Argyle Mine after 37 years and a total production volume of 865 mn carats, the Australian production is currently stated as zero.

SOURCE: KIMBERLY PROCESS, SPHENE CAPITAL

**Important mines reach end of life**

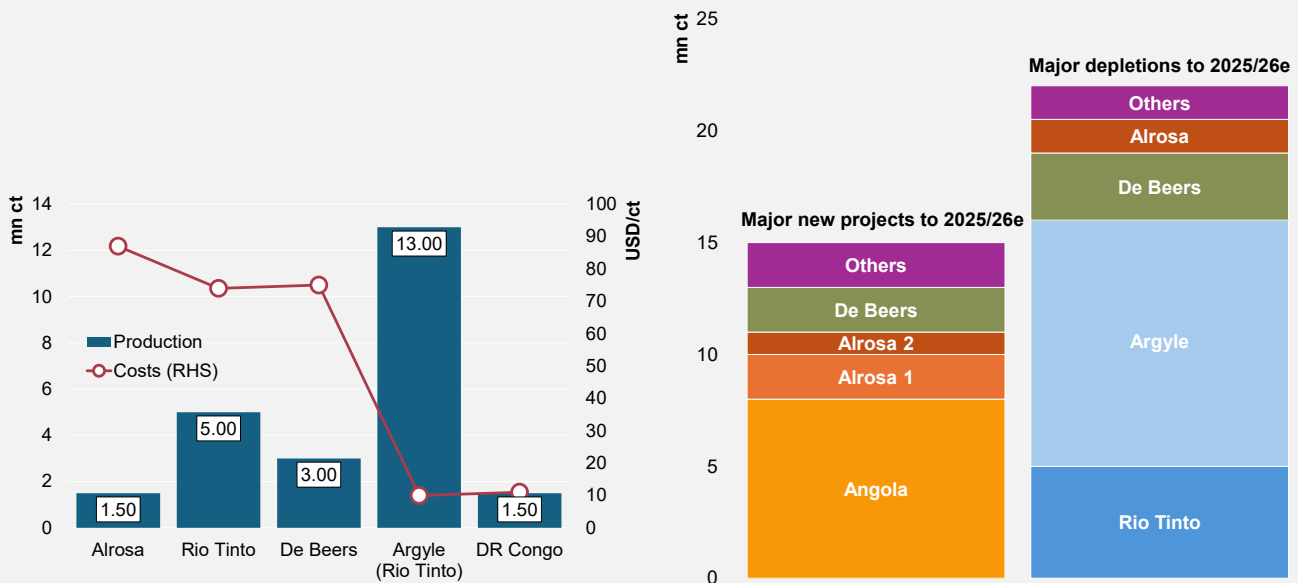
Some of the largest diamond mines in Canada and Russia have passed their production peak and are expected to cease production by the end of the decade at the latest or have already done so. According to estimates (De Beers, Alrosa), this will reduce

According to BCG, global budgets for mine exploration have been cut significantly. In 2023 they were 20% of the 2007 level or

annual production by 17-26 mn carats by 2025/26e. The Argyle Mine in Australia was already closed in 2020 after 37 years and a total production volume of 865 mn carats—since then, the Australian production has been reported as zero in international statistics. Except for Angola, where new mine production started in 2023, no new major projects are expected this decade. Against this backdrop, a moderate decline in global production is forecast over the next ten years (U.S. Geological Survey, BCG, De Beers).

around USD 200 mn compared to around USD 1,000 mn in 2007.

EXHIBIT 22: MINE DEPLETIONS / REDUCTION IN OUTPUT (LEFT) AND MAJOR NEW MINE PROECTS (RIGHT)



SOURCE: COMPANY DATA, SPHENE CAPITAL

**Indirect consequences of the Russian war of aggression**

Since April 2022, Russia's Alrosa, including its holdings of over 50%, has been on the US sanctions list and, also since 2022, on the sanctions lists of Canada, the UK, New Zealand, and the Bahamas. On 18 December 2023, the EU member states also agreed on a (twelfth) sanctions package against Russia. This also includes a ban on the import of diamonds from Russia and is supported by all G7 states. It affects all diamonds of Russian origin as well as transit diamonds.

Since 1 March 2024, the import of Russian diamonds processed in third countries has also been banned. From 1 September 2024, laboratory diamonds from Russia and diamond jewellery and watches will also be banned in the EU. Due to the sanctions, Angola is currently pushing for the sale of Alrosa's 41% stake in the domestic mining company Catoca.

Despite sanctions, Alrosa was able to increase sales in 2023 by 9.2% YoY; compared to 2021, however, sales were down by -1.3%.

In our view, the implementation of the sanctions is backed by the behaviour of customers in the luxury segment, who place above-average importance on sustainability, transparency, and ethical product standards; we also believe that the uniqueness of natural diamonds facilitates proof.

**Background**

*Ethical aspects are increasingly influencing purchasing decisions and willingness to pay when buying diamonds (jewellery). According to a survey by De Beers, jewellery is the third most important product group—after food and clothing—where consumers attach particular importance to sustainability. In addition to ecological and social sustainability, more than a third say it is important that diamonds come from ethically responsible sources. Industry initiatives, certification, and traceability schemes are designed to ensure transparency and traceability along the entire value chain. The*

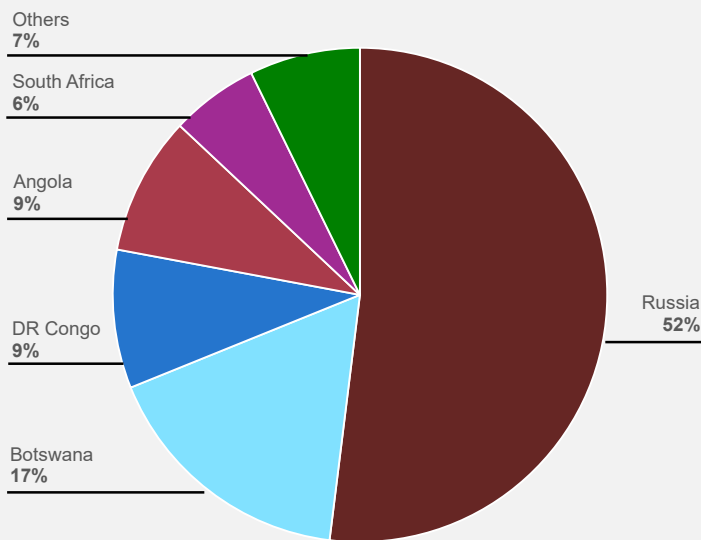
**Kimberley Process (KP)** was founded in 2003 as a multilateral trade commitment to ban conflict diamonds from global supply chains. Today, the Kimberley Process with its 59 members (including the EU as 1 member) prevents 99.8% of the global trade in conflict diamonds. The centrepiece of the scheme is the Kimberley Process Certification Scheme (KPCS), according to which member states must take protective measures for shipments of rough diamonds and certify them as "conflict-free". The effectiveness of the certification is supported and monitored by different industry and civil society groups. The **Responsible Jewellery Council (RJC)** was founded in 2005 and certification requires compliance with the standards of the RJC Codes of Practices. These cover supply chains, business ethics, labour and human rights, health and safety, environmental performance, and management systems.

**Most of the world’s reserves in Russia and several African countries**

The U.S. Geological Survey publishes estimates of global reserves of natural industrial diamonds, which we believe can also be used to assess the distribution of natural diamond reserves. The majority of natural industrial diamonds are a by-product of gem-quality diamond mining. Global production of natural industrial diamonds amounted to 45 mn carats in 2023 (unchanged from 2022); top producers were Russia (18 mn carats or 41% of total global production), DR Congo (8 mn carats), Botswana (7 mn carats), South Africa (6 mn carats), and Zimbabwe (4 mn carats). Together, these five countries produced 97% of the world's natural industrial diamonds and hold 93% of the world's reserves.

The U.S. Geological Survey provides data for natural industrial diamonds and thus also estimates of natural reserves.

**EXHIBIT 23: WORLD NATURAL INDUSTRIAL DIAMOND RESERVES (2023E)**



Natural diamond reserves have been discovered in more than 35 countries. However, according to estimates by the U.S. Geological Survey, more than 90% are located in just five countries. The largest reserves are thought to be in Russia.

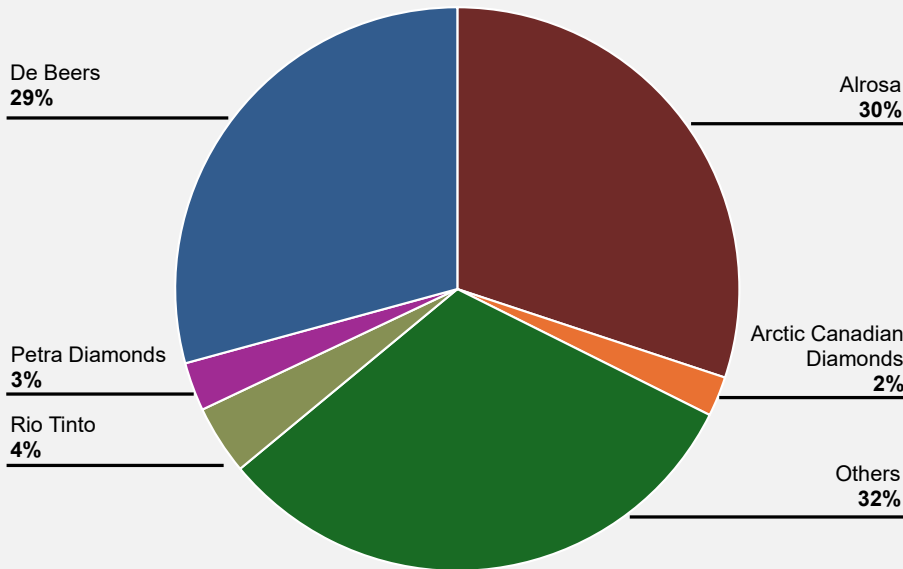
SOURCE: U.S. GEOLOGICAL SURVEY, SPHENE CAPITAL

**Few global players are fully integrated from the first stage of the value chain**

Only five companies are responsible for almost 70% of the global production of rough diamonds. While a few large mining companies dominate the production of rough diamonds at the beginning of the value chain, market concentration decreases substantially at the downstream stages. The sale of jewellery diamonds to consumers

involves a large number of retailers and jewellers—however, individual large corporations are fully integrated from the first stage of the value chain onwards.

EXHIBIT 24: TOP MINING COMPANIES IN GLOBAL VOLUMES (2022)



De Beers (Anglo American) and Alosa each account for almost a third of global production volumes.

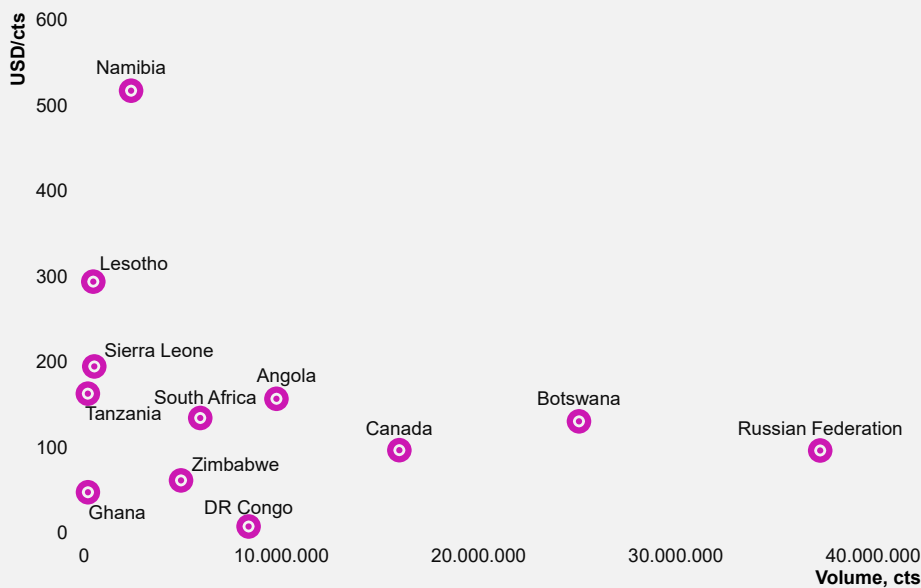
While Alosa mines more carats, De Beers mines higher-value carats at its mines in Botswana, Namibia, South Africa, and Canada, which is why De Beers leads in terms of value.

SOURCE: COMPANY DATA, SPHENE CAPITAL

**Mining activity strongly influenced by the later stages of the value chain**

Midstream and downstream inventory levels have a direct impact on the short-term development of diamond prices, which in turn influence the cyclical supply of the mines. However, there is no single pricing. Key factors for determining the prices of natural rough diamonds are origin (certification according to the Kimberly Process, among others), structure and shape, colour and purity, and carat (weight). At the same time, mines with higher production costs are more sensitive to demand-driven price fluctuations and may reduce or permanently cease production.

EXHIBIT 25: AVERAGE ROUGH DIAMOND PRICES OF DIFFERENT ORIGINS (2023)



An average rough diamond price of USD 114.1 per carat was calculated for the countries of the Kimberly Process in 2023. However, the average prices of the mines and countries vary greatly: While the Namibian production is all marine and so highly sorted to gem quality, Sierra Leone has the third highest value diamond production in the world.

SOURCE: KIMBERLY PROCESS, SPHENE CAPITAL

**Midstream inventories and cautious consumption weigh on prices**

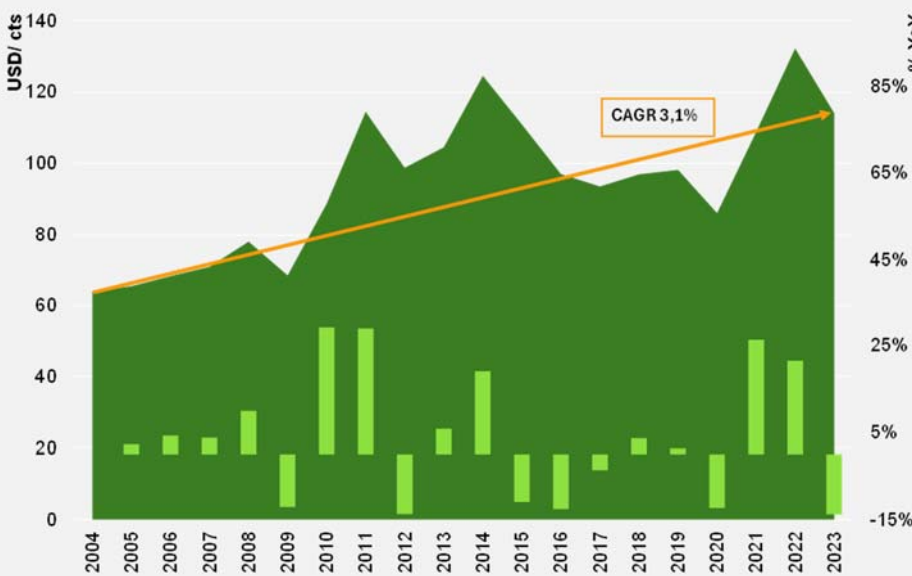
After prices for rough diamonds reached an all-time high in the first quarter of 2022 volatility has increased significantly since then.

At the beginning of 2023, retailers and midstream players were still rushing to replenish their dwindling inventories amid a temporary boom in demand following the end of COVID-19 restrictions (US natural diamond jewellery sales H1/2022 +12% YoY). However, rising inflation and higher interest rates have since weakened economic activity and consumer confidence. A difficult demand situation, particularly in China, and resulting destocking have put pressure on natural diamond prices and supply.

The growth of larger and more efficient retailers and brands and the increase in online retailing generally favour a decline in diamond inventories, but minimum midstream inventories are needed due to lead times for processing and sales.



EXHIBIT 26: KIMBERLY PROCESS AVERAGE DIAMOND PRICE



In his 1985 paper “The Economics of Diamond Price Movements”, G. Arivovich noted a high correlation between prices of jewellery diamonds and disposable income. In addition, a positive correlation was found between diamond prices and inflation rates but a negative correlation with interest rates.

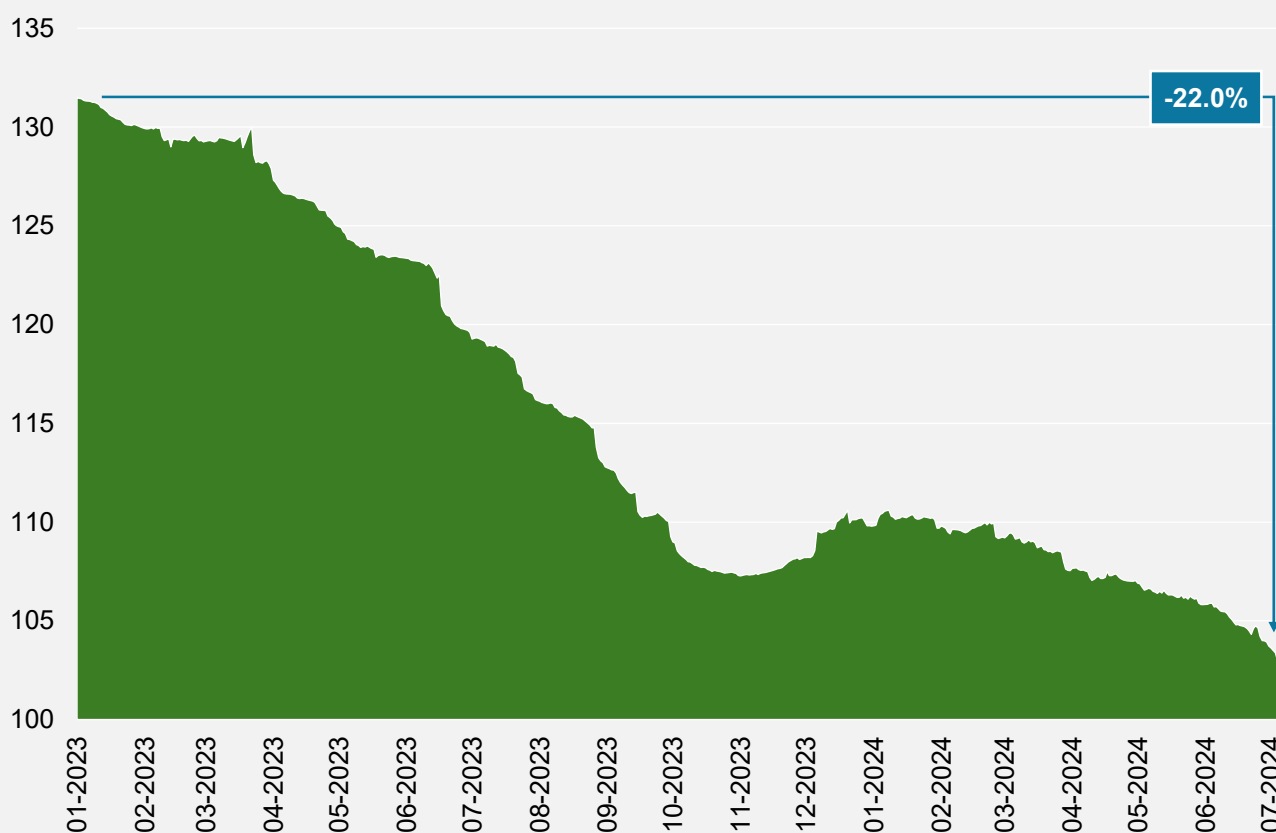
SOURCE: KIMBERLY PROCESS, SPHENE CAPITAL

**Average diamond prices were down in 2023 and are still under pressure**

According to Kimberly Process statistics, average prices per carat in 2023 were -13.7% below the previous year. At the same time, production fell by -8% compared to 2022. The indexed Zimnisky Global Rough Diamond Price Index shows a further price decline of -10% YTD in 2024. Against this background, some mine producers have further reduced their production year to date (De Beers Q1/2024 -15.6% YoY, Rio Tinto H1/2024 -26% YoY).

Given above-average inventory levels in the midstream sector and subdued demand, particularly from China, higher energy and living costs, and political uncertainties, prices for rough diamonds have continued to fall over the past year, although some mine producers have reduced production.

EXHIBIT 27: DIAMOND PRICE INDEX, 01/2023-07/2024



SOURCE: IDEX, SPHENE CAPITAL

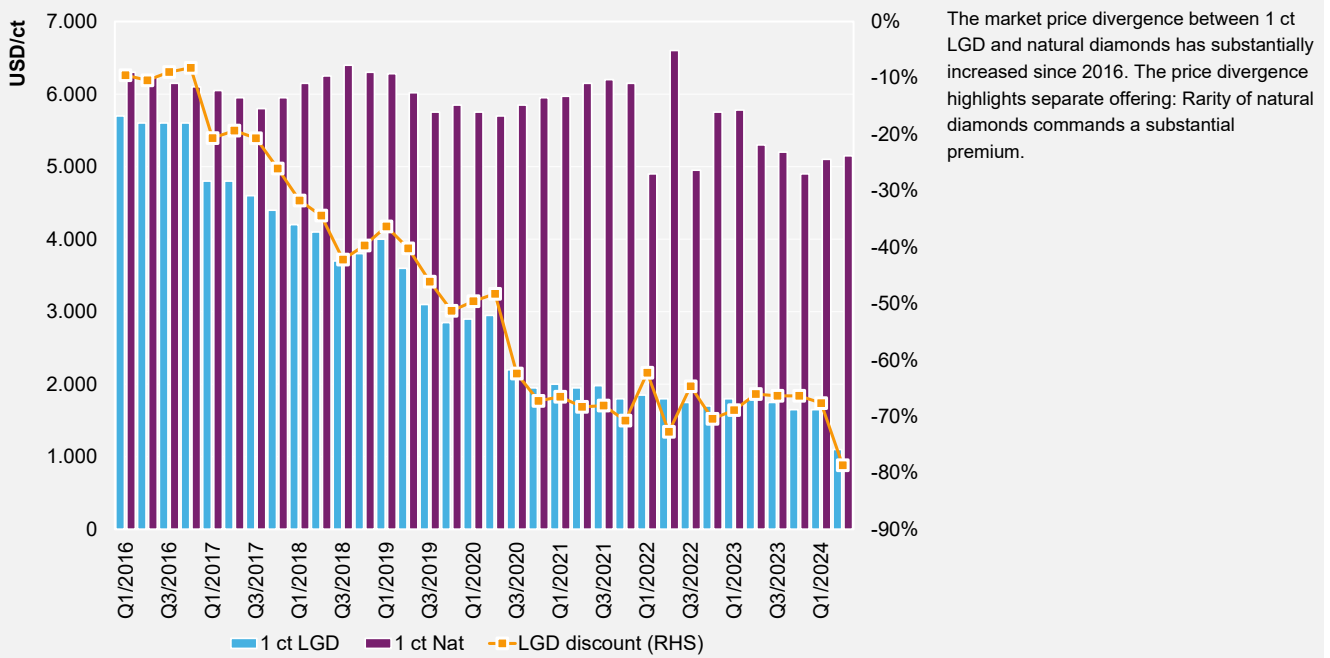
### Demand from the jewellery industry and industrial applications

The most important (value) factor for diamonds is the demand from the jewellery industry. For synthetic diamonds industrial demand is also an important factor, such as use in drilling, cutting, and polishing tools, particularly in mechanical engineering, the construction industry, and the raw materials and mining industries. Diamonds are also used in the manufacture of optical lenses, in the precision production of ceramic components, in the aerospace industry, in laser beam devices, and as heat sinks for high-performance electronic devices.

Annual growth in demand for natural diamonds averaged between 3% and 4% from the 2000s to the mid-2010s (De Beers, BCG). However, the increasing popularity of cheaper, lab-grown diamonds (LGD) and global restrictions during the COVID-19 pandemic have recently contributed to a stagnation in demand for natural diamonds (0% to 1%). By 2032e, De Beers and BCG expect a gradual increase in annual demand for natural diamonds of 2% and 4% respectively and thus a return to historical demand trends.

The most important (value) factor for diamonds is the demand from the jewellery industry.

EXHIBIT 28: PRICE-DISCOUNT OF LGD (VALUES FOR POLISHED GOODS)



The market price divergence between 1 ct LGD and natural diamonds has substantially increased since 2016. The price divergence highlights separate offering: Rarity of natural diamonds commands a substantial premium.

SOURCE: PAUL ZIMNISKY, SPHENE CAPITAL

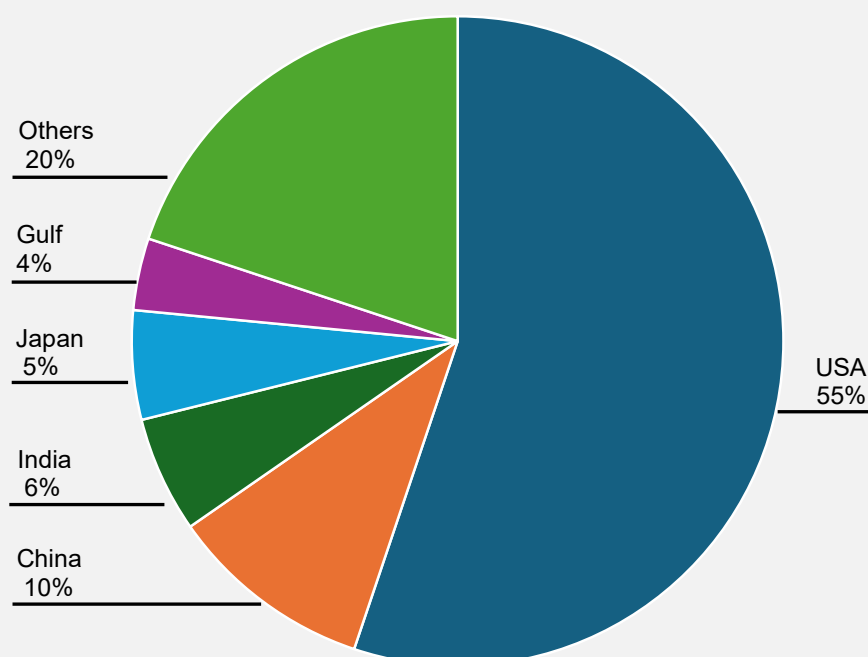
**Jewellery diamonds demand and economic fundamentals**

Demand for jewellery diamonds is closely linked to economic fundamentals, in particular GDP (growth) and the development of disposable income. In addition, desirability and the reputation of diamonds' lasting value, both within the jewellery sector and in comparison to other luxury products and services, are important long-term demand factors.

Rising global real GDP, growing wealth, and disposable incomes are making diamonds more affordable for many people. Natural diamond jewellery accounted for more than 90% of sales in the USA, but the share has been declining in recent years due to a massive increase of cheaper, lab-grown diamonds. In addition, natural diamonds compete with other luxury goods and services (travel).

- Ⓢ According to De Beers, global demand for natural diamond jewellery amounted to USD 86.5 bn in 2022 (2021: USD 86.7 bn, -0,3% YoY). The USA accounted for more than half, followed by China, India, and Japan. According to retail analyses (Tenoris), purchases of diamond jewellery (including synthetic diamond jewellery) in the US may have declined again in 2023 by -2.8% (sales value) or -3.5% (number of units). US retail sales of natural diamond jewellery (2023: 94% of units sold) fell by -5.9% (number of units) and -4.8% (sales value) after an easing of pandemic-related catch-up effects and a simultaneous increase in travel activity, as well as the rise in interest rates and high energy costs. In contrast, sales of lab-grown, synthetic diamonds rose by 40.6% in terms of value and 56.2% in terms of quantities (source: Tenoris).
- Ⓢ In China, demand for natural diamonds has not kept pace with growth in disposable income. China's share of global wholesale demand for polished diamonds rose from 4% in 2000 to a temporary peak of 18% in 2015, but fell to 12% in 2022, as China ended COVID-19-related restrictions later than other countries.

EXHIBIT 29: NATURAL DIAMOND JEWELLERY SALES (2022)



SOURCE: DE BEERS, SPHENE CAPITAL

### Short-term and medium-term outlook

Decisive for short-term demand, in our view, will be whether central banks will be able to effect a soft landing in the western economies and whether China can avert a worsening of the real estate crisis.

- Ⓢ According to a recent survey by Deloitte, the financial well-being of US consumers has improved slightly, yet middle-income earners are facing increasing financial pressure. The survey found that fewer respondents are confident that they will be able to make upcoming payments, have money left at the end of each month, make major purchases as they normally would, or expect their financial situation to improve within the next year.
- Ⓢ Even though the IMF raised its growth forecasts for China for 2024e slightly, this was primarily due to higher than expected growth in Q1/2024. Deflationary pressure is still high, and the ongoing real estate crisis is a significant threat to further growth and Chinese consumers' purchasing power. Nevertheless, China's mid-term potential is still high. The country's middle class continues to grow, as does the number of wealthy individuals. According to the World Bank, even with slower economic growth than in the past, China will become a high-income country before 2030e.

### Competition from lab-grown diamonds

The supply of lab-grown diamonds has skyrocketed in recent years. Between 2018 and 2023, global supply increased almost tenfold. This growth was driven by low barriers of entry and the development of new technologies. However, strong competition and a sharp drop in production costs have caused wholesale prices to fall to levels close to marginal costs in 2022 and 2023. At the same time, more and more retailers have entered the lab-grown diamond jewellery market; according to Tenoris, more than 50%

The high price competition for artificial diamonds demonstrates their lack of intrinsic value, and awareness is growing that they are not comparable to natural diamonds.

of US retailers, including high-volume retailers such as Walmart, were involved in 2023, up from less than 20% in 2020. To protect their margins despite growing competition, retailers are offering ever larger lab-grown stones. But the fact that sales of high-end rings with synthetic diamonds in the \$5,000 to \$7,500 price range have dropped 26% in the U.S., may be a sign that the point has been reached where synthetic diamond rings are simply becoming “too big” for consumers, according to Tenoris.

#### **Uncertainties from Russia sanctions**

A major source of uncertainty in the second half of 2024e and beyond is the potential impact of tighter sanctions against Russia by the EU and other G7 countries. The ban on Russian diamonds in Western countries and potential disruptions in supply chains, combined with lower stock levels, may at least help to stabilize prices. However, this will only happen if demand from retail customers recovers in line with more optimistic growth prospects. On the other hand, China, India, and the Gulf region in particular could benefit from price pressure on Russian diamonds.

## Financial Analysis and Forecast

Apart from selected diamond sales in 2021/22 and 2023/24 (30/06), Newfield has not generated any substantial revenues so far. While mine development activities were limited during the past quarters, maintenance of underground services including power, water, and air supply were made. We expect Newfield to resume mining on Level 1 of Kundu ore body, once the company has completed the next capital raise. With operating profits (EBIT) of AUD 35.4 mn, Newfield will reach profitable production in 2026/27e, according to our estimates. With AUD 347.9 mn and AUD 213.0 mn, Newfield should reach peak revenues and peak profitability (based on EBIT), respectively, in 2040/41e, in our view.

### Newfield should reach profitable production in fiscal year 2026/27e

Even though Newfield's prime activities are no longer focused on determining if there are minerals deposits beneath the ground of a land area and if they are suitable for commercial mining, Newfield is still in the pre-revenue stage and is thus similar to an explorer.

However, Newfield has spent approximately AUD 80 mn on the project to date, getting the surface and underground infrastructure in place, reaching the first production level, and conducting the first diamond sales. We expect that it will take only few months of development to get onto next mine face and restart diamond production.

Once Newfield re-entered in the production stage, we expect the company to become a profitable cash-generating company by fiscal year 2026/27e.

**TABLE 12: KEY MODEL ASSUMPTIONS**

Life of mine	years	~18
Diamond export royalty	% of revenue	6.5%
Community development agreement	% of revenue	1.0%
Corporate tax rate	% of EBT	25.0%
Octea tribute mining royalty	% of revenue (11.0% until 2026e)	9.35%

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

### Reserves and resources of more than 8.3 mn carats

Newfield has five potential producing assets with probable reserves of approximately 1.1 mn carats (mcts).

Indicated and inferred resources are 1.9 mcts and 6.4 mcts, respectively, totalling to 8.3 mcts. Assuming a price of USD 225 per carat, the NAV of these assets is approximately USD 2.8 bn or AUD 2.93 per share (FX 1.47).

TABLE 13: RESERVES AND RESOURCES (AS OF JULY 2024)

Kimberlite		Probable Reserves	Indicated Resources	Inferred Resources
<b>Total</b>	<b>cts</b>	<b>1,092,440</b>	<b>1,912,000</b>	<b>6,432,000</b>
Kundu	cts	456,320	680,000	2,080,000
Lando	cts	636,120	960,000	2,072,000
Dyke-1	cts		224,000	1,168,000
Kpandebu	cts		48,000	143,000
Panguma	cts		0	969,000

SOURCE: COMPANY DATA

### Commencement of production in 2024/25e expected

We expect Newfield to commence production in the current fiscal year and to reach profitable production in 2026/27e with 200,000 carats from the Kundu and Lando kimberlites. In 2029e, we anticipate Tongo Dyke-1 to go into production, in 2032e Kpandebu and Panguma, too. Initially, Tongo Dyke-1 could add a further 70,000 carats p.a. to the production, Kpandebu and Panguma 40,000 and 100,000 carats, respectively. Based on these assumptions, Newfield should reach peak production in 2032/33e with the sale of 580,000 carats.

TABLE 14: PRODUCTION, 2025E-2044E

30/06		2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e
<b>Total</b>	<b>cts</b>	<b>8,000</b>	<b>48,000</b>	<b>200,000</b>	<b>320,000</b>	<b>410,000</b>	<b>440,000</b>	<b>440,000</b>	<b>470,000</b>	<b>580,000</b>	<b>580,000</b>
Kundu	cts	2,000	16,000	80,000	160,000	170,000	170,000	170,000	170,000	170,000	170,000
Lando	cts	6,000	32,000	120,000	160,000	170,000	170,000	170,000	170,000	170,000	170,000
Dyke-1	cts	0	0	0	0	70,000	100,000	100,000	100,000	100,000	100,000
Kpandebu	cts	0	0	0	0	0	0	0	10,000	40,000	40,000
Panguma	cts	0	0	0	0	0	0	0	20,000	100,000	100,000

30/06		2035e	2036e	2037e	2038e	2039e	2040e	2041e	2042e	2043e	2044e
<b>Total</b>	<b>cts</b>	<b>580,000</b>	<b>580,000</b>	<b>561,000</b>	<b>540,000</b>	<b>540,000</b>	<b>540,000</b>	<b>540,000</b>	<b>489,000</b>	<b>312,000</b>	<b>166,000</b>
Kundu	cts	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	120,000	2,000
Lando	cts	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	164,000
Dyke-1	cts	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	22,000	0
Kpandebu	cts	40,000	40,000	21,000	0	0	0	0	0	0	0
Panguma	cts	100,000	100,000	100,000	100,000	100,000	100,000	100,000	49,000	0	0

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

### Reserves and resources

Based on these production assumptions, we expect the following decline of the reserves and resources of the kimberlites, beginning with 8,344,000 carats as of July 2024 (see also the following table 15).

TABLE 15: RESERVE AND RESOURCE, 2025E-2044E

30/06		2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e
<b>Total</b>	<b>cts</b>	<b>8,336,000</b>	<b>8,288,000</b>	<b>8,088,000</b>	<b>7,768,000</b>	<b>7,358,000</b>	<b>6,918,000</b>	<b>6,478,000</b>	<b>6,008,000</b>	<b>5,428,000</b>	<b>4,848,000</b>
Kundu	cts	2,758,000	2,742,000	2,662,000	2,502,000	2,332,000	2,162,000	1,992,000	1,822,000	1,652,000	1,482,000
Lando	cts	3,026,000	2,994,000	2,874,000	2,714,000	2,544,000	2,374,000	2,204,000	2,034,000	1,864,000	1,694,000
Dyke-1	cts	1,392,000	1,392,000	1,392,000	1,392,000	1,322,000	1,222,000	1,122,000	1,022,000	922,000	822,000
Kpandebu	cts	191,000	191,000	191,000	191,000	191,000	191,000	191,000	181,000	141,000	101,000
Panguma	cts	969,000	969,000	969,000	969,000	969,000	969,000	969,000	949,000	849,000	749,000
30/06		2035e	2036e	2037e	2038e	2039e	2040e	2041e	2042e	2043e	2044e
<b>Total</b>	<b>cts</b>	<b>4,268,000</b>	<b>3,688,000</b>	<b>3,127,000</b>	<b>2,587,000</b>	<b>2,047,000</b>	<b>1,507,000</b>	<b>967,000</b>	<b>478,000</b>	<b>166,000</b>	<b>0</b>
Kundu	cts	1,312,000	1,142,000	972,000	802,000	632,000	462,000	292,000	122,000	2,000	0
Lando	cts	1,524,000	1,354,000	1,184,000	1,014,000	844,000	674,000	504,000	334,000	164,000	0
Dyke-1	cts	722,000	622,000	522,000	422,000	322,000	222,000	122,000	22,000	0	0
Kpandebu	cts	61,000	21,000	0	0	0	0	0	0	0	0
Panguma	cts	649,000	549,000	449,000	349,000	249,000	149,000	49,000	0	0	0

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

## Revenues

In our forecast model, we have assumed initial diamond prices of USD 225.00 (AUD 330.75) per carat.

We have applied a conservative annual rate of price increase of 4.0% over the whole forecast period ending 2043/44e, which is in line with the forecast of market research companies such as BCG. We therefore expect the following revenue scheme:

TABLE 16: REVENUES, 2025E-2044E

30/06		2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e
<b>Revenues</b>	<b>AUD mn</b>	<b>2.752</b>	<b>17.171</b>	<b>74.410</b>	<b>123.818</b>	<b>164.987</b>	<b>184.142</b>	<b>191.508</b>	<b>212.747</b>	<b>273.041</b>	<b>283.963</b>
YoY	%	n/a	524.0%	333.3%	66.4%	33.3%	11.6%	4.0%	11.1%	28.3%	4.0%
Kundu	AUD mn	0.688	5.724	29.764	61.909	68.409	71.146	73.992	76.951	80.029	83.230
Lando	AUD mn	2.064	11.448	44.646	61.909	68.409	71.146	73.992	76.951	80.029	83.230
Dyke-1	AUD mn	0.000	0.000	0.000	0.000	28.169	41.850	43.524	45.265	47.076	48.959
Kpandebu	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.527	18.830	19.584
Panguma	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000	9.053	47.076	48.959

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST



TABLE 16: REVENUES, 2025E-2044E (CONTD.)

30/06		2035e	2036e	2037e	2038e	2039e	2040e	2041e	2042e	2043e	2044e
<b>Total</b>	<b>AUD mn</b>	<b>295.321</b>	<b>307.134</b>	<b>308.956</b>	<b>309.286</b>	<b>321.658</b>	<b>334.524</b>	<b>347.905</b>	<b>327.649</b>	<b>217.414</b>	<b>120.303</b>
YoY	%	4.0%	4.0%	0.6%	0.1%	4.0%	4.0%	4.0%	-5.8%	-33.6%	-44.7%
Kundu	AUD mn	86.560	90.022	93.623	97.368	101.263	105.313	109.526	113.907	83.621	1.449
Lando	AUD mn	86.560	90.022	93.623	97.368	101.263	105.313	109.526	113.907	118.463	118.853
Dyke-1	AUD mn	50.917	52.954	55.072	57.275	59.566	61.949	64.427	67.004	15.330	0.000
Kpandebu	AUD mn	20.367	21.182	11.565	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Panguma	AUD mn	50.917	52.954	55.072	57.275	59.566	61.949	64.427	32.832	0.000	0.000

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

### Royalty agreements

Once in production, Newfield will have to pay royalties to the government of Sierra Leone, to the community, and to Ocea (for details see table 12 above).

In total, we expect the following development of the total costs of goods sold during our forecast period:

TABLE 17: COSTS OF GOODS, 2025E-2044E

30/06		2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e
<b>Cost of goods</b>	<b>AUD mn</b>	<b>-0.529</b>	<b>-3.300</b>	<b>-12.990</b>	<b>-22.544</b>	<b>-29.950</b>	<b>-33.528</b>	<b>-34.869</b>	<b>-38.635</b>	<b>-49.715</b>	<b>-51.703</b>
Diamond export royalty	AUD mn	-0.179	-1.116	-4.837	-8.048	-10.724	-11.969	-12.448	-13.829	-17.748	-18.458
Community agreement	AUD mn	-0.028	-0.172	-0.744	-2.167	-2.797	-3.222	-3.351	-3.621	-4.778	-4.969
Ocea mining royalty	AUD mn	-0.322	-2.012	-7.410	-12.329	-16.429	-18.336	-19.070	-21.185	-27.189	-28.276

30/06		2035e	2036e	2037e	2038e	2039e	2040e	2041e	2042e	2043e	2044e
<b>Cost of goods</b>	<b>AUD mn</b>	<b>-53.771</b>	<b>-55.922</b>	<b>-56.332</b>	<b>-56.314</b>	<b>-58.567</b>	<b>-60.909</b>	<b>-63.346</b>	<b>-59.914</b>	<b>-40.192</b>	<b>-21.970</b>
Diamond export royalty	AUD mn	-19.196	-19.964	-20.082	-20.104	-20.908	-21.744	-22.614	-21.297	-14.132	-7.820
Community agreement	AUD mn	-5.168	-5.375	-5.485	-5.413	-5.629	-5.854	-6.088	-5.990	-4.411	-2.171
Ocea mining royalty	AUD mn	-29.407	-30.584	-30.765	-30.798	-32.030	-33.311	-34.643	-32.626	-21.650	-11.979

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

### Parallel development of EBITDA and EBIT

Assuming that depreciation of property, plant, and equipment will remain almost flat over time, we expect that the development of the operating result (EBIT) will be almost parallel to that of EBITDA.

TABLE 18: EBITDA AND EBIT, 2025E-2044E

30/06		2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e
<b>EBITDA</b>	<b>AUD mn</b>	<b>-9.693</b>	<b>5.083</b>	<b>45.418</b>	<b>81.648</b>	<b>112.086</b>	<b>125.314</b>	<b>129.442</b>	<b>144.176</b>	<b>188.531</b>	<b>194.892</b>
YoY	%	3%	n/a	794%	80%	37%	12%	3%	11%	31%	3%
In % of total output	%	n/a	29.6%	61.0%	65.9%	67.9%	68.1%	67.6%	67.8%	69.0%	68.6%
Depreciation	AUD mn	-0.500	-0.500	-7.000	-7.000	-7.000	-7.000	-7.000	-7.000	-7.000	-7.000
Amortisation	AUD mn	-3.000	-3.000	-3.000	-3.000	-3.000	-3.000	-3.000	-3.000	-3.000	-3.000
<b>EBIT</b>	<b>AUD mn</b>	<b>-13.193</b>	<b>1.583</b>	<b>35.418</b>	<b>71.648</b>	<b>102.086</b>	<b>115.314</b>	<b>119.442</b>	<b>134.176</b>	<b>178.531</b>	<b>184.892</b>
YoY	%	2%	n/a	n/a	102%	42%	13%	4%	12%	33%	4%
YoY	AUD mn	-0.279	14.776	33.835	36.230	30.438	13.227	4.128	14.734	44.355	6.361
In % of total output	%	n/a	9.2%	47.6%	57.9%	61.9%	62.6%	62.4%	63.1%	65.4%	65.1%

30/06		2035e	2036e	2037e	2038e	2039e	2040e	2041e	2042e	2043e	2044e
<b>EBITDA</b>	<b>AUD mn</b>	<b>201.389</b>	<b>208.015</b>	<b>206.648</b>	<b>204.027</b>	<b>210.282</b>	<b>216.596</b>	<b>222.951</b>	<b>202.831</b>	<b>157.942</b>	<b>87.988</b>
YoY	%	3%	3%	-1%	-1%	3%	3%	3%	-9%	-22%	-44%
In % of total output	%	68.2%	67.7%	66.9%	66.0%	65.4%	64.7%	64.1%	61.9%	72.6%	73.1%
Depreciation	AUD mn	-7.000	-7.000	-7.000	-7.000	-7.000	-7.000	-7.000	-7.000	-7.000	-7.000
Amortisation	AUD mn	-3.000	-3.000	-3.000	-3.000	-3.000	-3.000	-3.000	-3.000	-3.000	-3.000
<b>EBIT</b>	<b>AUD mn</b>	<b>191.389</b>	<b>198.015</b>	<b>196.648</b>	<b>194.027</b>	<b>200.282</b>	<b>206.596</b>	<b>212.951</b>	<b>192.831</b>	<b>147.942</b>	<b>77.988</b>
YoY	%	4%	3%	-1%	-1%	3%	3%	3%	-9%	-23%	-47%
YoY	AUD mn	6.497	6.626	-1.367	-2.621	6.255	6.314	6.355	-20.120	-44.890	-69.954
In % of total output	%	64.8%	64.5%	63.6%	62.7%	62.3%	61.8%	61.2%	58.9%	68.0%	64.8%

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

**No capital increase assumed**

Despite negative cashflows during the coming years, we have not assumed that Newfield will increase its share capital, since this approach results in a circularity that can cause instability in our valuations. This is because we would need to forecast a price per share in future years to get an estimate of today's value per share. Instead, we assumed that Newfield will be able to meet future cash needs by issuing corporate debt.

Diluted EPS must be calculated if potential ordinary shares on issue are dilutive. As the potential ordinary shares on issue would decrease the loss per share, we do not calculate diluted earnings per share.

**No management guidance**

To date, the Board of Newfield has not issued any management guidance. Given the pre-revenue stage of the business model, we assume that it will not do so in the next years either.

**No tax payments for the near future**

As of our expectation, Newfield will not generate any revenues and profits in the foreseeable future. Accordingly, Newfield will not pay any income taxes. Due to the existing corporate tax loss carry forwards, tax payments will be negligible even when Newfield becomes profitable.

**We do not expect dividend payments until 2027e**

We do not expect Newfield to pay any dividends until the end of our detailed planning period in 2027e.

No dividends until the end of our detailed planning period 2027e

## Profit- and Loss Account, 2018-2024e

Australian GAAP (30/06)		2018	2019	2020	2021	2022	2023	2024e
<b>Gross revenues</b>	<b>AUD mn</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.975</b>	<b>0.000</b>	<b>0.386</b>
YoY	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Changes in inventories	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Own work capitalized	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other operating income	AUD mn	0.254	0.930	0.846	1.322	-0.053	0.521	0.000
<b>Total output</b>	<b>AUD mn</b>	<b>0.254</b>	<b>0.930</b>	<b>0.846</b>	<b>1.322</b>	<b>1.922</b>	<b>0.521</b>	<b>0.386</b>
YoY	%	n/a	265.7%	-9.0%	56.2%	45.4%	-72.9%	-25.9%
Cost of sales	AUD mn	0.000	0.000	0.000	0.000	-2.212	0.000	-5.950
In % of total output	%	0.0%	0.0%	0.0%	0.0%	-115.1%	0.0%	n/a
<b>Gross profit</b>	<b>AUD mn</b>	<b>0.254</b>	<b>0.930</b>	<b>0.846</b>	<b>1.322</b>	<b>-0.290</b>	<b>0.521</b>	<b>-5.564</b>
YoY	%	n/a	265.7%	-9.0%	56.2%	n/a	n/a	n/a
In % of total output	%	100.0%	100.0%	100.0%	100.0%	-15.1%	100.0%	n/a
Overhead expenses	AUD mn	-1.753	-1.352	-2.269	-2.376	-7.003	-7.488	-3.850
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Other operating expenses</b>	<b>AUD mn</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
In % of total output	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBITDA</b>	<b>AUD mn</b>	<b>-1.499</b>	<b>-0.422</b>	<b>-1.422</b>	<b>-1.054</b>	<b>-7.293</b>	<b>-6.967</b>	<b>-9.414</b>
YoY	%	n/a	-72%	237%	-26%	592%	-4%	35%
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Depreciation	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	-0.500
Amortisation	AUD mn	-25.875	-5.054	0.000	-0.965	0.468	-4.010	-3.000
<b>EBIT</b>	<b>AUD mn</b>	<b>-27.374</b>	<b>-5.476</b>	<b>-1.422</b>	<b>-2.020</b>	<b>-6.825</b>	<b>-10.977</b>	<b>-12.914</b>
YoY	%	n/a	-80%	-74%	42%	238%	61%	18%
YoY	AUD mn	-27.374	21.898	4.054	-0.597	-4.805	-4.153	-1.937
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Income from participations	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net financial result	AUD mn	-0.078	-0.983	-8.506	-9.364	-0.087	0.394	-0.500
Extraordinary items	AUD mn	1.414	4.013	0.671	-5.684	0.000	0.000	0.000
<b>EBT</b>	<b>AUD mn</b>	<b>-26.038</b>	<b>-2.446</b>	<b>-9.258</b>	<b>-17.068</b>	<b>-6.911</b>	<b>-10.584</b>	<b>-13.414</b>
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Income taxes	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
In % of EBT (implied tax rate)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other taxes	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Net income</b>	<b>AUD mn</b>	<b>-26.038</b>	<b>-2.446</b>	<b>-9.258</b>	<b>-17.068</b>	<b>-6.911</b>	<b>-10.584</b>	<b>-13.414</b>
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Profits to be transferred due to profit transfer agreement	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Minorities	AUD mn	0.000	0.001	0.002	0.000	0.001	0.233	0.000
<b>Net income after minorities</b>	<b>AUD mn</b>	<b>-26.038</b>	<b>-2.445</b>	<b>-9.255</b>	<b>-17.068</b>	<b>-6.911</b>	<b>-10.350</b>	<b>-13.414</b>
Nr of shares (basic)	mn	303.7	581.3	581.3	581.3	670.2	764.3	940.7
thereof ordinary shares	mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
thereof preferred shares	mn	303.7	581.3	581.3	581.3	670.2	764.3	940.7
Nr of shares (diluted)	mn	0.0	0.0	0.0	0.0	0.0	0.0	955.7
<b>EPS (basic)</b>	<b>AUD</b>	<b>-8.57</b>	<b>-0.42</b>	<b>-1.59</b>	<b>-2.94</b>	<b>-1.03</b>	<b>-1.35</b>	<b>-1.43</b>
<b>EPS (diluted)</b>	<b>AUD</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>-1.40</b>

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

## Profit- and Loss Account, 2025e-2031e

Australian GAAP (30/06)		2025e	2026e	2027e	2028e	2029e	2030e	2031e
<b>Gross revenues</b>	<b>AUD mn</b>	<b>1.376</b>	<b>17.171</b>	<b>74.410</b>	<b>123.818</b>	<b>164.987</b>	<b>184.142</b>	<b>191.508</b>
YoY	%	256.5%	n/a	333.3%	66.4%	33.3%	11.6%	4.0%
Changes in inventories	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Own work capitalized	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other operating income	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total output</b>	<b>AUD mn</b>	<b>1.376</b>	<b>17.171</b>	<b>74.410</b>	<b>123.818</b>	<b>164.987</b>	<b>184.142</b>	<b>191.508</b>
YoY	%	256.5%	n/a	333.3%	66.4%	33.3%	11.6%	4.0%
Cost of sales	AUD mn	-0.069	-0.859	-16.711	-28.735	-38.199	-42.735	-44.445
In % of total output	%	-5.0%	-5.0%	-22.5%	-23.2%	-23.2%	-23.2%	-23.2%
<b>Gross profit</b>	<b>AUD mn</b>	<b>1.307</b>	<b>16.313</b>	<b>57.699</b>	<b>95.082</b>	<b>126.788</b>	<b>141.407</b>	<b>147.063</b>
YoY	%	n/a	n/a	253.7%	64.8%	33.3%	11.5%	4.0%
In % of total output	%	95.0%	95.0%	77.5%	76.8%	76.8%	76.8%	76.8%
Overhead expenses	AUD mn	-11.000	-11.230	-12.281	-13.435	-14.702	-16.093	-17.621
In % of total output	%	n/a	-65.4%	-16.5%	-10.9%	-8.9%	-8.7%	-9.2%
<b>Other operating expenses</b>	<b>AUD mn</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
In % of total output	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBITDA</b>	<b>AUD mn</b>	<b>-9.693</b>	<b>5.083</b>	<b>45.418</b>	<b>81.648</b>	<b>112.086</b>	<b>125.314</b>	<b>129.442</b>
YoY	%	3%	n/a	794%	80%	37%	12%	3%
In % of total output	%	n/a	29.6%	61.0%	65.9%	67.9%	68.1%	67.6%
Depreciation	AUD mn	-0.500	-0.500	-7.000	-7.000	-7.000	-7.000	-7.000
Amortisation	AUD mn	-3.000	-3.000	-3.000	-3.000	-3.000	-3.000	-3.000
<b>EBIT</b>	<b>AUD mn</b>	<b>-13.193</b>	<b>1.583</b>	<b>35.418</b>	<b>71.648</b>	<b>102.086</b>	<b>115.314</b>	<b>119.442</b>
YoY	%	2%	n/a	n/a	102%	42%	13%	4%
YoY	AUD mn	-0.279	14.776	33.835	36.230	30.438	13.227	4.128
In % of total output	%	n/a	9.2%	47.6%	57.9%	61.9%	62.6%	62.4%
Income from participations	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net financial result	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Extraordinary items	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>EBT</b>	<b>AUD mn</b>	<b>-13.193</b>	<b>1.583</b>	<b>35.418</b>	<b>71.648</b>	<b>102.086</b>	<b>115.314</b>	<b>119.442</b>
In % of total output	%	-958.8%	9.2%	47.6%	57.9%	61.9%	62.6%	62.4%
Income taxes	AUD mn	0.000	-0.953	-8.855	-17.912	-25.522	-28.828	-29.860
In % of EBT (implied tax rate)	%	0.0%	-60.2%	-25.0%	-25.0%	-25.0%	-25.0%	-25.0%
Other taxes	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Net income</b>	<b>AUD mn</b>	<b>-13.193</b>	<b>0.630</b>	<b>26.564</b>	<b>53.736</b>	<b>76.565</b>	<b>86.485</b>	<b>89.581</b>
In % of total output	%	n/a	3.7%	35.7%	43.4%	46.4%	47.0%	46.8%
Profits to be transferred due to profit transfer agreement	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Minorities	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Net income after minorities</b>	<b>AUD mn</b>	<b>-13.193</b>	<b>0.630</b>	<b>26.564</b>	<b>53.736</b>	<b>76.565</b>	<b>86.485</b>	<b>89.581</b>
Nr of shares (basic)	mn	940.7	940.7	940.7	940.7	940.7	940.7	940.7
thereof ordinary shares	mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
thereof preferred shares	mn	940.7	940.7	940.7	940.7	940.7	940.7	940.7
Nr of shares (diluted)	mn	955.7	955.7	955.7	955.7	955.7	955.7	955.7
<b>EPS (basic)</b>	<b>AUD</b>	<b>-1.40</b>	<b>0.07</b>	<b>2.82</b>	<b>5.71</b>	<b>8.14</b>	<b>9.19</b>	<b>9.52</b>
<b>EPS (diluted)</b>	<b>AUD</b>	<b>-1.38</b>	<b>0.07</b>	<b>2.78</b>	<b>5.62</b>	<b>8.01</b>	<b>9.05</b>	<b>9.37</b>

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

## Balance Sheet (Assets), 2018-2024e

AUSTRALIAN GAAP (30/06)		2018	2019	2020	2021	2022	2023	2024e
<b>Non-current assets</b>	<b>AUD mn</b>	<b>71.305</b>	<b>85.177</b>	<b>105.291</b>	<b>107.958</b>	<b>126.302</b>	<b>135.766</b>	<b>144.118</b>
<b>Intangible assets</b>	<b>AUD mn</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Goodwill	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Intangible assets	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Rights of use	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Others	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Long-term assets</b>	<b>AUD mn</b>	<b>64.239</b>	<b>78.400</b>	<b>105.018</b>	<b>107.649</b>	<b>126.181</b>	<b>135.626</b>	<b>143.978</b>
Property	AUD mn	57.612	74.326	69.926	77.851	88.431	101.647	110.000
Plant and equipment	AUD mn	6.627	4.074	6.444	3.295	8.773	6.138	6.138
Other long-term assets	AUD mn	0.000	0.000	28.648	26.502	28.977	27.840	27.840
Prepaid advances	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Financial assets</b>	<b>AUD mn</b>	<b>7.066</b>	<b>6.778</b>	<b>0.273</b>	<b>0.309</b>	<b>0.121</b>	<b>0.140</b>	<b>0.140</b>
Participations	AUD mn	7.066	6.778	0.003	0.009	0.001	0.093	0.093
Other long-term assets	AUD mn	0.000	0.000	0.270	0.300	0.120	0.047	0.047
Loans to affiliated companies	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Prepaid advances	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Deferred tax assets	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Current assets</b>	<b>AUD mn</b>	<b>15.531</b>	<b>1.490</b>	<b>1.891</b>	<b>3.021</b>	<b>4.031</b>	<b>4.690</b>	<b>7.260</b>
Inventory	AUD mn	0.204	0.108	0.260	0.634	1.299	2.899	0.000
DIO	d	n/a	n/a	n/a	n/a	211	n/a	0
Trade receivables	AUD mn	0.046	0.373	0.401	0.450	0.250	0.136	0.000
DSO	d	n/a	n/a	n/a	n/a	46	n/a	0
Receivables from affiliated companies	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Receivables due from related parties	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other current assets	AUD mn	0.310	0.517	0.227	0.345	1.224	1.497	0.000
Other financial assets	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other non-financial assets	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Cash and cash equivalents	AUD mn	14.970	0.491	1.003	1.592	1.258	0.158	7.260
thereof collateralized	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Deferred taxes	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other deferred items	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Equity deficit	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total assets</b>	<b>AUD mn</b>	<b>86.836</b>	<b>86.667</b>	<b>107.182</b>	<b>110.979</b>	<b>130.333</b>	<b>140.455</b>	<b>151.379</b>

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

## Balance Sheet (Assets), 2025e-2031e

AUSTRALIAN GAAP (30/06)		2025e	2026e	2027e	2028e	2029e	2030e	2031e
<b>Non-current assets</b>	<b>AUD mn</b>	<b>159.118</b>	<b>164.118</b>	<b>155.726</b>	<b>147.404</b>	<b>139.148</b>	<b>130.954</b>	<b>122.820</b>
<b>Intangible assets</b>	<b>AUD mn</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Goodwill	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Intangible assets	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Rights of use	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Others	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Long-term assets</b>	<b>AUD mn</b>	<b>158.978</b>	<b>163.978</b>	<b>155.586</b>	<b>147.264</b>	<b>139.007</b>	<b>130.814</b>	<b>122.680</b>
Property	AUD mn	125.000	130.000	123.000	116.000	109.000	102.000	95.000
Plant and equipment	AUD mn	6.138	6.138	6.138	6.138	6.138	6.138	6.138
Other long-term assets	AUD mn	27.840	27.840	26.448	25.125	23.869	22.676	21.542
Prepaid advances	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Financial assets</b>	<b>AUD mn</b>	<b>0.140</b>	<b>0.140</b>	<b>0.140</b>	<b>0.140</b>	<b>0.140</b>	<b>0.140</b>	<b>0.140</b>
Participations	AUD mn	0.093	0.093	0.093	0.093	0.093	0.093	0.093
Other long-term assets	AUD mn	0.047	0.047	0.047	0.047	0.047	0.047	0.047
Loans to affiliated companies	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Prepaid advances	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Deferred tax assets	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Current assets</b>	<b>AUD mn</b>	<b>4.568</b>	<b>2.697</b>	<b>12.106</b>	<b>70.617</b>	<b>161.231</b>	<b>259.942</b>	<b>360.747</b>
Inventory	AUD mn	0.000	0.000	7.441	12.382	16.499	18.414	19.151
DIO	d	0	0	160	155	155	155	155
Trade receivables	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DSO	d	0	0	0	0	0	0	0
Receivables from affiliated companies	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Receivables due from related parties	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other current assets	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other financial assets	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other non-financial assets	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Cash and cash equivalents	AUD mn	4.568	2.697	4.665	58.235	144.732	241.528	341.596
thereof collateralized	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Deferred taxes	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other deferred items	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Equity deficit	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total assets</b>	<b>AUD mn</b>	<b>163.686</b>	<b>166.816</b>	<b>167.832</b>	<b>218.020</b>	<b>300.379</b>	<b>390.896</b>	<b>483.567</b>

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

## Balance Sheet (Liabilities), 2018-2024e

Australian GAAP (30/06)		2018	2019	2020	2021	2022	2023	2024e
<b>Total shareholder's equity</b>	<b>AUD mn</b>	<b>63.717</b>	<b>61.271</b>	<b>52.013</b>	<b>35.136</b>	<b>100.787</b>	<b>99.443</b>	<b>115.379</b>
Equity ratio	%	73.4%	70.7%	48.5%	31.7%	77.3%	70.8%	76.2%
Share capital	AUD mn	102.090	102.090	102.090	102.090	164.842	169.988	199.338
Capital reserve after reverse acquisition	AUD mn	-2.236	1.777	2.448	-3.046	6.765	10.861	10.861
Capital reserve	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Currency adjustments	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Profit reserves	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other accumulated equity	AUD mn	-10.099	-40.151	-43.266	-46.837	-63.905	-74.180	-81.166
Profit/Loss of period	AUD mn	-26.038	-2.445	-9.255	-17.068	-6.911	-6.985	-13.414
Equity deficit	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Own shares	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Convertible bond	AUD mn	0.000	-0.001	-0.004	-0.004	-0.004	-0.240	-0.240
Profit participation capital	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Profit participation capital	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Special items	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pension reserves	AUD mn	0.086	0.039	0.063	0.105	0.162	0.226	0.000
Other provisions	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Current liabilities</b>	<b>AUD mn</b>	<b>3.557</b>	<b>3.504</b>	<b>7.316</b>	<b>9.543</b>	<b>11.998</b>	<b>11.447</b>	<b>14.000</b>
Bank debt	AUD mn	0.016	0.047	0.137	0.157	0.154	4.065	6.000
Bond	AUD mn	0.000	0.000	0.000	0.000	7.496	0.791	1.000
Profit participation capital	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Silent participation	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Short-term lease liabilities	AUD mn	0.000	0.000	0.766	0.751	0.005	0.000	0.000
Trade payables	AUD mn	3.542	3.457	6.413	8.635	4.343	6.591	7.000
DPO	d	n/a	n/a	n/a	n/a	792	n/a	6,528
Advance payments received	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other current liabilities	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Liabilities due to related parties	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Non-current liabilities</b>	<b>AUD mn</b>	<b>8.257</b>	<b>9.769</b>	<b>35.473</b>	<b>54.913</b>	<b>5.096</b>	<b>16.584</b>	<b>7.000</b>
Bank debt	AUD mn	4.762	5.507	17.486	33.392	0.000	13.000	0.000
Bond	AUD mn	3.495	4.262	16.781	21.217	5.096	3.584	7.000
Profit participation capital	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Silent participation	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Long-term lease liabilities	AUD mn	0.000	0.000	1.206	0.303	0.000	0.000	0.000
Other non-current liabilities	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Deferred taxes	AUD mn	11.219	12.085	12.317	11.283	12.290	12.754	15.000
Other deferred items	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total liabilities and shareholder's equity</b>	<b>AUD mn</b>	<b>86.836</b>	<b>86.667</b>	<b>107.182</b>	<b>110.979</b>	<b>130.333</b>	<b>140.455</b>	<b>151.379</b>

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST



## Balance Sheet (Liabilities), 2025e-2031e

Australian GAAP (30/06)		2025e	2026e	2027e	2028e	2029e	2030e	2031e
<b>Total shareholder's equity</b>	<b>AUD mn</b>	<b>102.186</b>	<b>102.816</b>	<b>129.379</b>	<b>183.115</b>	<b>259.680</b>	<b>346.165</b>	<b>435.746</b>
Equity ratio	%	62.4%	61.6%	77.1%	84.0%	86.5%	88.6%	90.1%
Share capital	AUD mn	199.338	199.338	199.338	199.338	199.338	199.338	199.338
Capital reserve after reverse acquisition	AUD mn	10.861	10.861	10.861	10.861	10.861	10.861	10.861
Capital reserve	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Currency adjustments	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Profit reserves	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other accumulated equity	AUD mn	-94.580	-107.773	-107.143	-80.579	-26.843	49.721	136.206
Profit/Loss of period	AUD mn	-13.193	0.630	26.564	53.736	76.565	86.485	89.581
Equity deficit	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Own shares	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Convertible bond	AUD mn	-0.240	-0.240	-0.240	-0.240	-0.240	-0.240	-0.240
Profit participation capital	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Profit participation capital	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Special items	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pension reserves	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other provisions	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Current liabilities</b>	<b>AUD mn</b>	<b>7.000</b>	<b>7.000</b>	<b>5.953</b>	<b>9.905</b>	<b>13.199</b>	<b>14.731</b>	<b>15.321</b>
Bank debt	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Bond	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Profit participation capital	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Silent participation	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Short-term lease liabilities	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Trade payables	AUD mn	7.000	7.000	5.953	9.905	13.199	14.731	15.321
DPO	d	1,832	147	29	29	29	29	29
Advance payments received	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other current liabilities	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Liabilities due to related parties	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Non-current liabilities</b>	<b>AUD mn</b>	<b>37.000</b>	<b>37.000</b>	<b>10.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Bank debt	AUD mn	30.000	30.000	10.000	0.000	0.000	0.000	0.000
Bond	AUD mn	7.000	7.000	0.000	0.000	0.000	0.000	0.000
Profit participation capital	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Silent participation	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Long-term lease liabilities	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other non-current liabilities	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Deferred taxes	AUD mn	17.500	20.000	22.500	25.000	27.500	30.000	32.500
Other deferred items	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total liabilities and shareholder's equity</b>	<b>AUD mn</b>	<b>163.686</b>	<b>166.816</b>	<b>167.832</b>	<b>218.020</b>	<b>300.379</b>	<b>390.896</b>	<b>483.567</b>

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

## Balance Sheet (Assets, Normalized), 2018-2024e

Australian GAAP (30/06)		2018	2019	2020	2021	2022	2023	2024e
<b>Non-current assets</b>	%	<b>82.1%</b>	<b>98.3%</b>	<b>98.2%</b>	<b>97.3%</b>	<b>96.9%</b>	<b>96.7%</b>	<b>95.2%</b>
<b>Intangible assets</b>	%	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Goodwill	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Intangible assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rights of use	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Others	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Long-term assets</b>	%	<b>74.0%</b>	<b>90.5%</b>	<b>98.0%</b>	<b>97.0%</b>	<b>96.8%</b>	<b>96.6%</b>	<b>95.1%</b>
Property	%	66.3%	85.8%	65.2%	70.1%	67.8%	72.4%	72.7%
Plant and equipment	%	7.6%	4.7%	6.0%	3.0%	6.7%	4.4%	4.1%
Other long-term assets	%	0.0%	0.0%	26.7%	23.9%	22.2%	19.8%	18.4%
Prepaid advances	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Financial assets</b>	%	<b>8.1%</b>	<b>7.8%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>
Participations	%	8.1%	7.8%	0.0%	0.0%	0.0%	0.1%	0.1%
Other long-term assets	%	0.0%	0.0%	0.3%	0.3%	0.1%	0.0%	0.0%
Loans to affiliated companies	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Prepaid advances	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred tax assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Current assets</b>	%	<b>17.9%</b>	<b>1.7%</b>	<b>1.8%</b>	<b>2.7%</b>	<b>3.1%</b>	<b>3.3%</b>	<b>4.8%</b>
Inventory	%	0.2%	0.1%	0.2%	0.6%	1.0%	2.1%	0.0%
Trade receivables	%	0.1%	0.4%	0.4%	0.4%	0.2%	0.1%	0.0%
Receivables from affiliated companies	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Receivables due from related parties	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other current assets	%	0.4%	0.6%	0.2%	0.3%	0.9%	1.1%	0.0%
Other financial assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other non-financial assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash and cash equivalents	%	17.2%	0.6%	0.9%	1.4%	1.0%	0.1%	4.8%
thereof collateralized	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other deferred items	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity deficit	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total assets</b>	%	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

## Balance Sheet (Assets, Normalized), 2025e-2031e

Australian GAAP (30/06)		2025e	2026e	2027e	2028e	2029e	2030e	2031e
<b>Non-current assets</b>	%	<b>97.2%</b>	<b>98.4%</b>	<b>92.8%</b>	<b>67.6%</b>	<b>46.3%</b>	<b>33.5%</b>	<b>25.4%</b>
<b>Intangible assets</b>	%	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Goodwill	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Intangible assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rights of use	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Others	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Long-term assets</b>	%	<b>97.1%</b>	<b>98.3%</b>	<b>92.7%</b>	<b>67.5%</b>	<b>46.3%</b>	<b>33.5%</b>	<b>25.4%</b>
Property	%	76.4%	77.9%	73.3%	53.2%	36.3%	26.1%	19.6%
Plant and equipment	%	3.8%	3.7%	3.7%	2.8%	2.0%	1.6%	1.3%
Other long-term assets	%	17.0%	16.7%	15.8%	11.5%	7.9%	5.8%	4.5%
Prepaid advances	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Financial assets</b>	%	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Participations	%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Other long-term assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Loans to affiliated companies	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Prepaid advances	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred tax assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Current assets</b>	%	<b>2.8%</b>	<b>1.6%</b>	<b>7.2%</b>	<b>32.4%</b>	<b>53.7%</b>	<b>66.5%</b>	<b>74.6%</b>
Inventory	%	0.0%	0.0%	4.4%	5.7%	5.5%	4.7%	4.0%
Trade receivables	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Receivables from affiliated companies	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Receivables due from related parties	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other current assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other financial assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other non-financial assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash and cash equivalents	%	2.8%	1.6%	2.8%	26.7%	48.2%	61.8%	70.6%
thereof collateralized	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other deferred items	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity deficit	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total assets</b>	%	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

## Balance Sheet (Liabilities, Normalized), 2018-2024e

Australian GAAP (30/06)		2018	2019	2020	2021	2022	2023	2024e
<b>Total shareholder's equity</b>	%	<b>73.4%</b>	<b>70.7%</b>	<b>48.5%</b>	<b>31.7%</b>	<b>77.3%</b>	<b>70.8%</b>	<b>76.2%</b>
Share capital	%	117.6%	117.8%	95.2%	92.0%	126.5%	121.0%	131.7%
Capital reserve after reverse acquisition	%	-2.6%	2.1%	2.3%	-2.7%	5.2%	7.7%	7.2%
Capital reserve	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Currency adjustments	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit reserves	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other accumulated equity	%	-11.6%	-46.3%	-40.4%	-42.2%	-49.0%	-52.8%	-53.6%
Profit/Loss of period	%	-30.0%	-2.8%	-8.6%	-15.4%	-5.3%	-5.0%	-8.9%
Equity deficit	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Own shares	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Convertible bond	%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.2%
Profit participation capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit participation capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special items	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pension reserves	%	0.1%	0.0%	0.1%	0.1%	0.1%	0.2%	0.0%
Other provisions	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Current liabilities</b>	%	<b>4.1%</b>	<b>4.0%</b>	<b>6.8%</b>	<b>8.6%</b>	<b>9.2%</b>	<b>8.2%</b>	<b>9.2%</b>
Bank debt	%	0.0%	0.1%	0.1%	0.1%	0.1%	2.9%	4.0%
Bond	%	0.0%	0.0%	0.0%	0.0%	5.8%	0.6%	0.7%
Profit participation capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Silent participation	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Short-term lease liabilities	%	0.0%	0.0%	0.7%	0.7%	0.0%	0.0%	0.0%
Trade payables	%	4.1%	4.0%	6.0%	7.8%	3.3%	4.7%	4.6%
Advance payments received	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other current liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liabilities due to related parties	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Non-current liabilities</b>	%	<b>9.5%</b>	<b>11.3%</b>	<b>33.1%</b>	<b>49.5%</b>	<b>3.9%</b>	<b>11.8%</b>	<b>4.6%</b>
Bank debt	%	5.5%	6.4%	16.3%	30.1%	0.0%	9.3%	0.0%
Bond	%	4.0%	4.9%	15.7%	19.1%	3.9%	2.6%	4.6%
Profit participation capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Silent participation	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term lease liabilities	%	0.0%	0.0%	1.1%	0.3%	0.0%	0.0%	0.0%
Other non-current liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	%	12.9%	13.9%	11.5%	10.2%	9.4%	9.1%	9.9%
Other deferred items	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total liabilities and shareholder's equity</b>	%	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

## Balance Sheet (Liabilities, Normalized), 2025e-2031e

Australian GAAP (30/06)		2025e	2026e	2027e	2028e	2029e	2030e	2031e
<b>Total shareholder's equity</b>	%	<b>62.4%</b>	<b>61.6%</b>	<b>77.1%</b>	<b>84.0%</b>	<b>86.5%</b>	<b>88.6%</b>	<b>90.1%</b>
Share capital	%	121.8%	119.5%	118.8%	91.4%	66.4%	51.0%	41.2%
Capital reserve after reverse acquisition	%	6.6%	6.5%	6.5%	5.0%	3.6%	2.8%	2.2%
Capital reserve	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Currency adjustments	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit reserves	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other accumulated equity	%	-57.8%	-64.6%	-63.8%	-37.0%	-8.9%	12.7%	28.2%
Profit/Loss of period	%	-8.1%	0.4%	15.8%	24.6%	25.5%	22.1%	18.5%
Equity deficit	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Own shares	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Convertible bond	%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	0.0%
Profit participation capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit participation capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special items	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pension reserves	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other provisions	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Current liabilities</b>	%	<b>4.3%</b>	<b>4.2%</b>	<b>3.5%</b>	<b>4.5%</b>	<b>4.4%</b>	<b>3.8%</b>	<b>3.2%</b>
Bank debt	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bond	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit participation capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Silent participation	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Short-term lease liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trade payables	%	4.3%	4.2%	3.5%	4.5%	4.4%	3.8%	3.2%
Advance payments received	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other current liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liabilities due to related parties	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Non-current liabilities</b>	%	<b>22.6%</b>	<b>22.2%</b>	<b>6.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Bank debt	%	18.3%	18.0%	6.0%	0.0%	0.0%	0.0%	0.0%
Bond	%	4.3%	4.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit participation capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Silent participation	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term lease liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other non-current liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	%	10.7%	12.0%	13.4%	11.5%	9.2%	7.7%	6.7%
Other deferred items	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total liabilities and shareholder's equity</b>	%	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

## Cash Flow Statement, 2018-2024e

Australian GAAP (30/06)		2018	2019	2020	2021	2022	2023	2024e
Net income	AUD mn	-26.038	-2.446	-9.258	-17.068	-6.911	-10.584	-13.414
Depreciation	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.500
Income from sale of assets	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Inventory	AUD mn	-0.204	0.097	-0.152	-0.374	-0.665	-1.600	2.899
Δ Trade receivables	AUD mn	-0.046	-0.327	-0.028	-0.048	0.200	0.114	0.136
Δ Other receivables	AUD mn	-0.310	-0.208	0.291	-0.119	-0.879	-0.272	1.497
Δ Deferred tax assets	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Provisions	AUD mn	0.086	-0.048	0.024	0.042	0.058	0.064	-0.226
Δ Other long-term provisions	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Other short-term provisions	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Trade payables	AUD mn	3.542	-0.085	2.955	2.223	-4.292	2.248	0.409
Δ Special items	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Deferred liabilities/deferred taxes	AUD mn	11.219	0.866	0.232	-1.033	1.006	0.465	2.246
Currency adjustments	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other operational adjustments	AUD mn	-17.725	-3.443	4.204	12.034	4.643	-4.900	0.000
<b>Operating cash flow</b>	<b>AUD mn</b>	<b>-3.601</b>	<b>-0.540</b>	<b>-1.732</b>	<b>-3.377</b>	<b>-7.309</b>	<b>-10.455</b>	<b>-2.955</b>
Investments in financial assets	AUD mn	-7.066	0.288	6.504	-0.036	0.188	-0.019	0.000
Investments in intangible assets	AUD mn	-25.875	-5.054	0.000	-0.965	0.468	-4.010	-3.000
Investments in tangible assets	AUD mn	-64.239	-14.160	-26.618	-2.631	-18.532	-9.444	-8.853
Other operational adjustments	AUD mn	79.613	4.817	4.779	-7.617	5.034	0.811	0.000
<b>Cash flow from investing</b>	<b>AUD mn</b>	<b>-17.567</b>	<b>-14.109</b>	<b>-15.335</b>	<b>-11.250</b>	<b>-12.841</b>	<b>-12.663</b>	<b>-11.853</b>
<b>Free cash flow</b>	<b>AUD mn</b>	<b>-21.168</b>	<b>-14.649</b>	<b>-17.067</b>	<b>-14.627</b>	<b>-20.150</b>	<b>-23.118</b>	<b>-14.807</b>
Δ Share capital	AUD mn	102.090	0.000	0.000	0.000	62.752	5.146	29.350
Δ Capital reserves	AUD mn	-2.236	4.013	0.671	-5.494	9.811	4.096	0.000
Δ Convertible	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Bank debt	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Bank debt	AUD mn	4.777	0.776	12.070	15.926	-33.395	16.911	-11.065
Δ Bond	AUD mn	3.495	0.767	12.519	4.436	-8.625	-8.217	3.625
Δ Profit participation (Debt)	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Silent participation	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ other interest-bearing debt	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Less prior-year dividend	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Less dividend payments to minority shareholders	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other operational adjustments	AUD mn	-73.088	-5.525	-10.073	1.113	-9.748	4.132	0.000
<b>Financing cash flow</b>	<b>AUD mn</b>	<b>35.039</b>	<b>0.032</b>	<b>17.158</b>	<b>15.062</b>	<b>19.746</b>	<b>22.064</b>	<b>21.909</b>
Net cash inflow	AUD mn	13.871	-14.617	0.091	0.435	-0.404	-1.054	7.102
Currency adjustments	AUD mn	0.032	0.138	0.420	0.154	0.070	-0.046	0.000
Net cash opening balance	AUD mn	1.068	14.970	0.491	1.003	1.592	1.258	0.158
<b>Net cash closing balance</b>	<b>AUD mn</b>	<b>14.970</b>	<b>0.491</b>	<b>1.003</b>	<b>1.592</b>	<b>1.258</b>	<b>0.158</b>	<b>7.260</b>

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

## Cash Flow Statement, 2025e-2031e

Australian GAAP (30/06)		2025e	2026e	2027e	2028e	2029e	2030e	2031e
Net income	AUD mn	-13.193	0.630	26.564	53.736	76.565	86.485	89.581
Depreciation	AUD mn	0.500	0.500	7.000	7.000	7.000	7.000	7.000
Income from sale of assets	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Inventory	AUD mn	0.000	0.000	-7.441	-4.941	-4.117	-1.915	-0.737
Δ Trade receivables	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Other receivables	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Deferred tax assets	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Provisions	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Other long-term provisions	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Other short-term provisions	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Trade payables	AUD mn	0.000	0.000	-1.047	3.953	3.294	1.532	0.589
Δ Special items	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Deferred liabilities/deferred taxes	AUD mn	2.500	2.500	2.500	2.500	2.500	2.500	2.500
Currency adjustments	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other operational adjustments	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Operating cash flow</b>	<b>AUD mn</b>	<b>-7.193</b>	<b>6.630</b>	<b>30.575</b>	<b>65.248</b>	<b>88.241</b>	<b>98.602</b>	<b>101.934</b>
Investments in financial assets	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Investments in intangible assets	AUD mn	-3.000	-3.000	-3.000	-3.000	-3.000	-3.000	-3.000
Investments in tangible assets	AUD mn	-15.500	-5.500	1.392	1.322	1.256	1.193	1.134
Other operational adjustments	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Cash flow from investing</b>	<b>AUD mn</b>	<b>-18.500</b>	<b>-8.500</b>	<b>-1.608</b>	<b>-1.678</b>	<b>-1.744</b>	<b>-1.807</b>	<b>-1.866</b>
<b>Free cash flow</b>	<b>AUD mn</b>	<b>-25.693</b>	<b>-1.870</b>	<b>28.967</b>	<b>63.570</b>	<b>86.498</b>	<b>96.796</b>	<b>100.068</b>
Δ Share capital	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Capital reserves	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Convertible	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Bank debt	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Bank debt	AUD mn	24.000	0.000	-20.000	-10.000	0.000	0.000	0.000
Δ Bond	AUD mn	-1.000	0.000	-7.000	0.000	0.000	0.000	0.000
Δ Profit participation (Debt)	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Silent participation	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ other interest-bearing debt	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Less prior-year dividend	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Less dividend payments to minority shareholders	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other operational adjustments	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Financing cash flow</b>	<b>AUD mn</b>	<b>23.000</b>	<b>0.000</b>	<b>-27.000</b>	<b>-10.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Net cash inflow	AUD mn	-2.693	-1.870	1.967	53.570	86.498	96.796	100.068
Currency adjustments	AUD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net cash opening balance	AUD mn	7.260	4.568	2.697	4.665	58.235	144.732	241.528
<b>Net cash closing balance</b>	<b>AUD mn</b>	<b>4.568</b>	<b>2.697</b>	<b>4.665</b>	<b>58.235</b>	<b>144.732</b>	<b>241.528</b>	<b>341.596</b>

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

## One View I, 2018-2024e

Australian GAAP (30/06)		2018	2019	2020	2021	2022	2023	2024e
<b>Key data</b>								
Sales	AUD mn	0.0	0.0	0.0	0.0	2.0	0.0	0.4
Gross profit	AUD mn	0.3	0.9	0.8	1.3	-0.3	0.5	-5.6
EBITDA	AUD mn	-1.5	-0.4	-1.4	-1.1	-7.3	-7.0	-9.4
EBIT	AUD mn	-27.4	-5.5	-1.4	-2.0	-6.8	-11.0	-12.9
EBT	AUD mn	-26.0	-2.4	-9.3	-17.1	-6.9	-10.6	-13.4
Net income	AUD mn	-26.0	-2.4	-9.3	-17.1	-6.9	-10.6	-13.4
Nr. of employees		0	0	0	0	0	0	0
<b>Per share data</b>								
Price high	AUD	n/a	n/a	n/a	n/a	n/a	0.28	
Price low	AUD	n/a	n/a	n/a	n/a	n/a	0.09	
Price average/last	AUD	n/a	n/a	n/a	n/a	n/a	0.14	
Price average/last	AUD	n/a	n/a	n/a	n/a	n/a	0.11	0.14
EPS	AUD	-8.57	-0.42	-1.59	-2.94	-1.03	-1.35	-1.43
BVPS	AUD	0.21	0.11	0.09	0.06	0.15	0.13	0.12
CFPS	AUD	-0.01	0.00	0.00	-0.01	-0.01	-0.01	0.00
Dividend	AUD	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Price target	AUD							
Performance to price target	%							
<b>Profitability ratios</b>								
EBITDA margin	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBIT margin	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pre-tax margin	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Net margin	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
FCF margin	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ROE	%	-40.9%	-4.0%	-17.8%	-48.6%	-6.9%	-10.6%	-11.6%
NWC/Sales	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Revenues per head	AUDk	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBIT per head	AUDk	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capex/Sales	%	n/a	n/a	n/a	n/a	938.5%	n/a	2293.4%
<b>Growth rates</b>								
Sales	%	n/a	n/a	n/a	n/a	n/a	-100.0%	n/a
Gross profit	%	n/a	265.7%	-9.0%	56.2%	n/a	n/a	n/a
EBITDA	%	n/a	-71.8%	237.0%	-25.9%	591.6%	-4.5%	35.1%
EBIT	%	n/a	-80.0%	-74.0%	42.0%	237.9%	60.9%	17.6%
EBT	%	n/a	-90.6%	278.5%	84.4%	-59.5%	53.1%	26.7%
Net profit	%	n/a	-90.6%	278.5%	84.4%	-59.5%	53.1%	26.7%
EPS	%	n/a	-95.1%	278.6%	84.4%	-64.9%	31.3%	5.3%
CFPS	%	n/a	-92.2%	221.1%	95.0%	87.7%	25.4%	-77.0%

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST



## One View I, 2025e-2031e

Australian GAAP (30/06)		2025e	2026e	2027e	2028e	2029e	2030e	2031e
<b>Key data</b>								
Sales	AUD mn	1.4	17.2	74.4	123.8	165.0	184.1	191.5
Gross profit	AUD mn	1.3	16.3	57.7	95.1	126.8	141.4	147.1
EBITDA	AUD mn	-9.7	5.1	45.4	81.6	112.1	125.3	129.4
EBIT	AUD mn	-13.2	1.6	35.4	71.6	102.1	115.3	119.4
EBT	AUD mn	-13.2	1.6	35.4	71.6	102.1	115.3	119.4
Net income	AUD mn	-13.2	0.6	26.6	53.7	76.6	86.5	89.6
Nr. of employees		0	0	0	0	0	0	0
<b>Per share data</b>								
Price high	AUD							
Price low	AUD							
Price average/last	AUD							
Price average/last	AUD	0.14	0.14	0.14	0.14	0.14	0.14	0.14
EPS	AUD	-1.40	0.07	2.82	5.71	8.14	9.19	9.52
BVPS	AUD	0.11	0.11	0.14	0.19	0.28	0.37	0.46
CFPS	AUD	-0.01	0.01	0.03	0.07	0.09	0.10	0.11
Dividend	AUD	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Price target	AUD							<b>0.47</b>
Performance to price target	%							<b>235.0%</b>
<b>Profitability ratios</b>								
EBITDA margin	%	n/a	29.6%	61.0%	65.9%	67.9%	68.1%	67.6%
EBIT margin	%	n/a	9.2%	47.6%	57.9%	61.9%	62.6%	62.4%
Pre-tax margin	%	n/a	9.2%	47.6%	57.9%	61.9%	62.6%	62.4%
Net margin	%	n/a	3.7%	35.7%	43.4%	46.4%	47.0%	46.8%
FCF margin	%	n/a	-10.9%	38.9%	51.3%	52.4%	52.6%	52.3%
ROE	%	-12.9%	0.6%	20.5%	29.3%	29.5%	25.0%	20.6%
NWC/Sales	%	n/a	-40.8%	2.0%	2.0%	2.0%	2.0%	2.0%
Revenues per head	AUDk	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBIT per head	AUDk	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capex/Sales	%	1126.5%	32.0%	-1.9%	-1.1%	-0.8%	-0.6%	-0.6%
<b>Growth rates</b>								
Sales	%	256.5%	n/a	333.3%	66.4%	33.3%	11.6%	4.0%
Gross profit	%	n/a	n/a	253.7%	64.8%	33.3%	11.5%	4.0%
EBITDA	%	3.0%	n/a	793.5%	79.8%	37.3%	11.8%	3.3%
EBIT	%	2.2%	n/a	n/a	102.3%	42.5%	13.0%	3.6%
EBT	%	-1.6%	n/a	n/a	102.3%	42.5%	13.0%	3.6%
Net profit	%	-1.6%	n/a	n/a	102.3%	42.5%	13.0%	3.6%
EPS	%	-1.6%	n/a	n/a	102.3%	42.5%	13.0%	3.6%
CFPS	%	143.4%	n/a	361.2%	113.4%	35.2%	11.7%	3.4%

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

## One View II, 2018-2024e

Australian GAAP (30/06)		2018	2019	2020	2021	2022	2023	2024e
<b>Balance sheet ratios</b>								
Fixed assets	AUD mn	71.3	85.2	105.3	108.0	126.3	135.8	144.1
Current assets	AUD mn	15.5	1.5	1.9	3.0	4.0	4.7	7.3
Equity	AUD mn	63.7	61.3	52.0	35.1	100.8	99.4	115.4
Liabilities	AUD mn	23.1	25.4	55.2	75.8	29.5	41.0	36.0
Equity ratio	%	73.4%	70.7%	48.5%	31.7%	77.3%	70.8%	76.2%
Gearing	%	0.0%	15.2%	64.2%	151.3%	11.4%	21.4%	5.8%
Working Capital	AUD mn	-3.3	-3.0	-5.8	-7.6	-2.8	-3.6	-7.0
Capital Employed	AUD mn	60.9	75.4	99.3	100.1	123.4	132.1	137.0
	x	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Enterprise Value</b>								
Nr. of shares	mn	303.7	581.3	581.3	581.3	670.2	764.3	940.7
Market cap.	AUD mn	n/a	n/a	n/a	n/a	n/a	214.0	n/a
Market cap.	AUD mn	n/a	n/a	n/a	n/a	n/a	68.8	n/a
Market cap.	AUD mn	n/a	n/a	n/a	n/a	n/a	107.0	n/a
Market cap.	AUD mn	n/a	n/a	n/a	n/a	n/a	84.1	131.7
Net debt	AUD mn	-6.7	9.3	33.4	53.2	11.5	21.3	6.7
Pension reserves	AUD mn	0.1	0.0	0.1	0.1	0.2	0.2	0.0
Minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	-0.2	-0.2
Excess Cash	AUD mn	7.1	6.8	0.0	0.0	0.0	0.1	0.1
EV high	AUD mn	n/a	n/a	n/a	n/a	n/a	235.4	n/a
EV low	AUD mn	n/a	n/a	n/a	n/a	n/a	90.1	n/a
EV average	AUD mn	n/a	n/a	n/a	n/a	n/a	128.4	n/a
Enterprise Value	AUD mn	n/a	n/a	n/a	n/a	n/a	105.4	138.3
<b>Valuation ratios</b>								
EV/sales high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales	x	n/a	n/a	n/a	n/a	n/a	n/a	358.3
EV/EBITDA high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBIT last	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E last	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/BV last	x	n/a	n/a	n/a	n/a	n/a	0.8	1.1
P/CF last	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
FCF yield	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dividend-yield	%	n/a	n/a	n/a	n/a	n/a	0.0%	0.0%

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

## One View II, 2025e-2031e

Australian GAAP (30/06)		2025e	2026e	2027e	2028e	2029e	2030e	2031e
<b>Balance sheet ratios</b>								
Fixed assets	AUD mn	159.1	164.1	155.7	147.4	139.1	131.0	122.8
Current assets	AUD mn	4.6	2.7	12.1	70.6	161.2	259.9	360.7
Equity	AUD mn	102.2	102.8	129.4	183.1	259.7	346.2	435.7
Liabilities	AUD mn	61.5	64.0	38.5	34.9	40.7	44.7	47.8
Equity ratio	%	62.4%	61.6%	77.1%	84.0%	86.5%	88.6%	90.1%
Gearing	%	31.7%	33.4%	4.1%	0.0%	0.0%	0.0%	0.0%
Working Capital	AUD mn	-7.0	-7.0	1.5	2.5	3.3	3.7	3.8
Capital Employed	AUD mn	152.0	157.0	157.1	149.7	142.3	134.5	126.5
	x	0.0	0.1	0.4	0.6	0.5	0.5	0.4
<b>Enterprise Value</b>								
Nr. of shares	mn	940.7	940.7	940.7	940.7	940.7	940.7	940.7
Market cap.	AUD mn	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Market cap.	AUD mn	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Market cap.	AUD mn	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Market cap.	AUD mn	131.7	131.7	131.7	131.7	131.7	131.7	131.7
Net debt	AUD mn	32.4	34.3	5.3	-58.2	-144.7	-241.5	-341.6
Pension reserves	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	AUD mn	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Excess Cash	AUD mn	0.1	0.1	0.1	0.1	0.1	0.1	0.1
EV high	AUD mn	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV low	AUD mn	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV average	AUD mn	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enterprise Value	AUD mn	164.0	165.9	136.9	73.3	-13.2	-110.0	-210.0
<b>Valuation ratios</b>								
EV/sales high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales	x	119.2	9.7	1.8	0.6	n/a	n/a	n/a
EV/EBITDA high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA	x	n/a	32.6	3.0	0.9	n/a	n/a	n/a
EV/EBIT last	x	n/a	104.8	3.9	1.0	n/a	n/a	n/a
P/E high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E last	x	n/a	2.1	0.0	0.0	0.0	0.0	0.0
P/BV last	x	1.3	1.3	1.0	0.7	0.5	0.4	0.3
P/CF last	x	n/a	0.0	0.0	0.0	0.0	0.0	0.0
FCF yield	%	n/a	n/a	22.0%	48.3%	65.7%	73.5%	76.0%
Dividend-yield	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

## Discounted Cashflow Valuation (Base Case Scenario)

Australian GAAP (30/06)		2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	2038e	2039e
<b>Revenues</b>	AUD mn	<b>0.4</b>	<b>1.4</b>	<b>17.2</b>	<b>74.4</b>	<b>123.8</b>	<b>165.0</b>	<b>184.1</b>	<b>191.5</b>	<b>212.7</b>	<b>273.0</b>	<b>284.0</b>	<b>295.3</b>	<b>307.1</b>	<b>309.0</b>	<b>309.3</b>	<b>321.7</b>
YoY	%	n/a	256.5%	1148.0%	333.3%	66.4%	33.3%	11.6%	4.0%	11.1%	28.3%	4.0%	4.0%	4.0%	0.6%	0.1%	4.0%
<b>EBIT</b>	AUD mn	<b>-12.9</b>	<b>-13.2</b>	<b>1.6</b>	<b>35.4</b>	<b>71.6</b>	<b>102.1</b>	<b>115.3</b>	<b>119.4</b>	<b>134.2</b>	<b>178.5</b>	<b>184.9</b>	<b>191.4</b>	<b>198.0</b>	<b>196.6</b>	<b>194.0</b>	<b>200.3</b>
EBIT margin	%	-3345.6%	-958.8%	9.2%	47.6%	57.9%	61.9%	62.6%	62.4%	63.1%	65.4%	65.1%	64.8%	64.5%	63.6%	62.7%	62.3%
Corporate taxes	AUD mn	0.0	0.0	-0.4	-8.9	-17.9	-25.5	-28.8	-29.9	-33.5	-44.6	-46.2	-47.8	-49.5	-49.2	-48.5	-50.1
Tax rate (τ)	%	0.0%	30.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NOPAT=EBIT(1-τ)	AUD mn	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reinvestment	AUD mn	-4.9	-15.0	-5.0	-0.1	7.3	7.4	7.8	8.0	7.7	6.8	7.8	7.7	7.6	7.8	7.8	7.5
<b>FCFF</b>	AUD mn	<b>-17.8</b>	<b>-28.2</b>	<b>-3.8</b>	<b>26.5</b>	<b>61.1</b>	<b>84.0</b>	<b>94.3</b>	<b>97.6</b>	<b>108.3</b>	<b>140.7</b>	<b>146.4</b>	<b>151.2</b>	<b>156.2</b>	<b>155.3</b>	<b>153.3</b>	<b>157.7</b>
WACC	%	13.4%	13.1%	13.9%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%
Discount multiplier	%	88.2%	78.0%	68.5%	60.4%	53.4%	47.1%	41.6%	36.7%	32.4%	28.6%	25.2%	22.3%	19.7%	17.4%	15.3%	13.5%
<b>Present value of free cash flows</b>	<b>AUD mn</b>	<b>-15.7</b>	<b>-22.0</b>	<b>-2.6</b>	<b>16.0</b>	<b>32.6</b>	<b>39.6</b>	<b>39.2</b>	<b>35.8</b>	<b>35.1</b>	<b>40.2</b>	<b>37.0</b>	<b>33.7</b>	<b>30.7</b>	<b>27.0</b>	<b>23.5</b>	<b>21.3</b>
		<b>2040e</b>	<b>2041e</b>	<b>2042e</b>	<b>2043e</b>	<b>2044e</b>											
<b>Revenues</b>	<b>AUD mn</b>	<b>334.5</b>	<b>347.9</b>	<b>327.6</b>	<b>217.4</b>	<b>120.3</b>											
YoY	%	4.0%	4.0%	-5.8%	-33.6%	-44.7%											
<b>EBIT</b>	<b>AUD mn</b>	<b>206.6</b>	<b>213.0</b>	<b>192.8</b>	<b>147.9</b>	<b>78.0</b>											
EBIT margin	%	61.8%	61.2%	58.9%	68.0%	64.8%											
Corporate taxes	AUD mn	-51.6	-53.2	-48.2	-37.0	-19.5											
Tax rate (τ)	%	0.0%	0.0%	0.0%	0.0%	0.0%											
NOPAT=EBIT(1-τ)	AUD mn	0.0%	0.0%	0.0%	0.0%	0.0%											
Reinvestment	AUD mn	7.5	7.4	8.1	9.8	9.5											
<b>FCFF</b>	<b>AUD mn</b>	<b>162.4</b>	<b>167.1</b>	<b>152.7</b>	<b>120.8</b>	<b>68.0</b>											
WACC	%	13.3%	13.3%	13.3%	13.3%	0.0%											
Discount multiplier	%	11.9%	10.5%	9.3%	8.2%	8.2%											
<b>Present value of free cash flows</b>	<b>AUD mn</b>	<b>19.4</b>	<b>17.6</b>	<b>14.2</b>	<b>9.9</b>	<b>5.6</b>											

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

## Discounted Cashflow Valuation (Base Case Scenario)

### Australian GAAP (30/06)

<b>Sum of present values</b>	AUD mn	437.3
Number of shares	mn	940.7
<b>Value per share</b>	AUD	0.46
Current share price	AUD	0.14
Share price potential	%	232.1%

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

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High	50-80%
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14 08 2024/14:20 h	AUD 0.47/AUD 0.14	Buy, 36 months	1, 2, 8

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