

## Core Acceleration

Rare Foods Australia (RFA) has continued to grow its core business in 1QFY23 with record prices and sales volumes achieved for the production of its greenlip abalone. Importantly, the outlook remains strong with forward non-binding supply orders almost equivalent to total FY22 sales already locked in.

### 1QFY23 results show core business strength

- **Record quarterly sales volume:** 1QFY23 sales were \$1.26m, +24% pcp, which was underpinned by 22.7 tonnes of Greenlip abalone sold. This is consistent with an annual run rate of 90 tonnes sold for FY23, vs 81.7 tonnes in FY22.
- **Harvest management:** 1QFY23 saw harvested volumes of 17 tonnes of abalone. This was down 16% pcp but justified given the ample stock already on hand to meet the sales pipeline and manage biomass growth. Non-binding forward orders in place already account for 96% of FY22 total sales volume.
- **Pricing strong:** Price per kg received was \$55.70 per kg, which was +8% on the average price in FY22 and +26% compared to FY21.
- **Sales and marketing:** RFA was named winner of the WA Exports Awards for sustainability and is now a finalist for the annual National award. This follows receipt of Marine Stewardship Council (MSC) accreditation for RFA's unique wild farming approach to greenlip abalone production.
- **Cost control:** Juvenile purchase costs remain locked in under existing supply agreements with 888 Abalone to June 2024, aiding RFA's future operational leverage.

### Juvenile deployment program update

RFA continues to optimise the core business. Improved deployment routines have led to increased number of juveniles deployed in one event. This lowers deployment events and shortens the deployment season. 662,290 juveniles have been deployed for the calendar year to date, of the 1.2m annual target, with the remainder to be deployed through Q2. Focus continues on reducing mortality rates to maximise biomass growth with deployment systems tracking water quality, water temperature and transportation cycle times. The core business remains cash flow neutral with government R&D funding continuing to support RFA's investment to define the best environmental characteristics to deliver consistent growth profiles for juveniles deployed.

### Valuation: DCF of \$0.33

Our base-case 12-month forward DCF valuation remains at \$0.33 (unchanged). A conservative cross-check, taking out growth from the Esperance Project (further detail on page 5), implies a valuation of A\$0.13. The key risks to our valuation include changes to plans for the Esperance Project and a deterioration of market conditions.

## RARE FOODS

AUSTRALIA

Rare Foods Australia (RFA) grows wild greenlip abalone through an aquaculture technique known as 'sea ranching'. With this method, hatchery-bred juvenile abalone are placed in the ocean onto RFA-designed artificial reefs ('ABITATs') and left to nature to grow for 2-3 years until they reach a marketable size. The company has the competitive advantages of providing year-round supply to meet market demand and a method that offers proven sustainability.

Stock	RFA.ASX
Price	A\$0.078
Market cap	A\$16m
Valuation (per share)	A\$0.33 (unchanged)

#### MST Access Live

[Video Link - webcast with Executive Management](#) (9 November 2022)

#### Catalysts

2QFY23	Opening of 'The Ocean Pantry'
3QFY23	Quarterly and half year results

#### RFA share price (A\$)



Source: FactSet.

#### Michael Youlden

michael.youlden@mstaccess.com.au

#### Michael Bentley, CFA

michael.bentley@mstaccess.com.au

**Exhibit 1 – Rare Foods Australia company summary (year-end 30 June)**

MARKET DATA					
Price	\$				0.078
DCF Valuation - 12 month	\$				0.33
Total return - 12 month	%				323%
52 week high / low	\$				0.045-0.088
Market capitalisation	\$m				15.7
Shares on issue (ordinary)	m				200.7
Options / rights	m				9.7
Shares on issue (diluted)	m				210.4

INVESTMENT FUNDAMENTALS						
	FY21A	FY22A	FY23E	FY24E	FY25E	
Reported NPAT	\$m	-1.7	-0.9	-0.2	1.4	-0.2
<b>Underlying NPAT</b>	<b>\$m</b>	<b>-1.7</b>	<b>-0.9</b>	<b>-0.2</b>	<b>1.4</b>	<b>-0.2</b>
Reported EPS (diluted)	¢	-0.8	-0.4	-0.1	0.7	-0.1
<b>Underlying EPS (diluted)</b>	<b>¢</b>	<b>-0.8</b>	<b>-0.4</b>	<b>-0.1</b>	<b>0.7</b>	<b>-0.1</b>
...Growth	%	nm	nm	nm	nm	nm
<b>Underlying PER</b>	<b>x</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>11.4</b>
Operating cash flow per share	¢	0.1	-0.9	0.4	0.5	0.7
Free cash flow per share	¢	0.0	-1.2	0.3	-9.0	-4.8
<b>Price to free cash flow per share</b>	<b>x</b>	<b>570.5</b>	<b>nm</b>	<b>24.2</b>	<b>nm</b>	<b>nm</b>
FCF yield	%	0.2%	-15.6%	4.1%	-116%	-61.9%
<b>Dividend</b>	<b>¢</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Payout	%	0%	0%	0%	0%	0%
<b>Yield</b>	<b>%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Franking	%	0%	0%	0%	0%	0%
<b>Enterprise value</b>	<b>\$m</b>	<b>13.4</b>	<b>15.6</b>	<b>14.9</b>	<b>23.7</b>	<b>34.2</b>
EV/Sales	x	2.6	2.6	2.2	2.8	3.4
EV/EBITDA	x	nm	nm	nm	nm	nm
EV/EBIT	x	nm	nm	nm	nm	nm
Price to book (NAV)	x	1.0	1.0	1.0	0.4	0.3
Price to NTA	x	1.0	1.0	1.0	0.4	0.3

KEY RATIOS incl FV adjustment						
	FY21A	FY22A	FY23E	FY24E	FY25E	
Gross margin	%	18.6	37.4	37.4	38.0	38.0
NPAT margin	%	nm	nm	nm	17.3	nm
ROE	%	nm	nm	nm	5.9	nm
ROA	%	nm	nm	nm	3.6	nm
Net tangible assets per share	¢	6.8	6.4	6.0	12.0	11.8
Book value per share	¢	7.8	8.2	7.9	19.8	25.7
Net debt /(cash)	\$m	-2.7	-0.1	-0.8	7.8	18.3
Gearing (net debt / EBITDA)	x	1.5	0.1	0.6	nm	nm
Leverage (net debt / (net debt + equity))	x	-0.2	0.0	-0.1	0.2	0.4

DUPONT ANALYSIS						
	FY21A	FY22A	FY23E	FY24E	FY25E	
Net Profit Margin	%	nm	nm	nm	17.3	nm
Asset Turnover	x	0.3	0.4	0.4	0.2	0.2
Return on Assets	%	nm	nm	nm	3.6	nm
Financial Leverage	x	1.1	1.3	1.3	1.7	2.2
<b>Return on Equity</b>	<b>%</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>5.9</b>	<b>nm</b>

KEY PERFORMANCE INDICATORS						
	FY21A	FY22A	FY23E	FY24E	FY25E	
Biological asset base	T	210.4	203.4	195.6	192.6	175.2
Biological asset base	\$m	6.3	7.6	7.5	7.9	7.8
Growth	%	-37%	21%	-1%	6%	-1%
Harvest	T	75.9	81.7	90.0	115.0	140.0
Sales	T	72.0	74.4	85.5	109.3	133.0
Sales Price, per KG	\$	44.2	51.9	54.5	57.3	60.1
Growth	%	-16%	18%	5%	5%	5%
Abalone revenue	\$m	3.2	3.9	4.7	6.3	8.0
Growth	%	72%	21%	21%	34%	28%

12 month relative performance versus S&P/ASX 200					

PROFIT AND LOSS						
	FY21A	FY22A	FY23E	FY24E	FY25E	
Abalone Revenue	\$m	3.2	3.9	4.7	6.3	8.0
Total Revenue	\$m	5.1	6.0	6.7	8.3	10.1
Operating Expenses	\$m	-6.9	-7.3	-8.0	-9.3	-11.0
<b>EBITDA</b>	<b>\$m</b>	<b>-1.8</b>	<b>-1.3</b>	<b>-1.2</b>	<b>-1.0</b>	<b>-0.9</b>
Depreciation & amortisation	\$m	-0.7	-0.6	-0.6	-0.4	-2.0
<b>EBIT</b>	<b>\$m</b>	<b>-2.5</b>	<b>-2.0</b>	<b>-1.8</b>	<b>-1.4</b>	<b>-2.8</b>
Net interest	\$m	0.0	0.0	0.0	0.0	-0.4
Fair value adjustment on biomass	\$m	0.7	2.0	1.6	2.8	3.0
Other non operating income	\$m	0.0	0.0	0.0	0.0	0.0
<b>PBT</b>	<b>\$m</b>	<b>-1.8</b>	<b>0.0</b>	<b>-0.2</b>	<b>1.4</b>	<b>-0.2</b>
Tax expense	\$m	0.1	-0.9	0.0	0.0	0.0
<b>Reported NPAT</b>	<b>\$m</b>	<b>-1.7</b>	<b>-0.9</b>	<b>-0.2</b>	<b>1.4</b>	<b>-0.2</b>
Adjustments to underlying	\$m	0.0	0.0	0.0	0.0	0.0
<b>Underlying NPAT</b>	<b>\$m</b>	<b>-1.7</b>	<b>-0.9</b>	<b>-0.2</b>	<b>1.4</b>	<b>-0.2</b>
Weighted average shares	m	200.7	200.7	200.7	202.2	203.7
Weighted average diluted shares	m	200.7	200.7	210.4	210.4	210.4

GROWTH PROFILE						
	FY21A	FY22A	FY23E	FY24E	FY25E	
Total Revenue	%	1.8	18.2	12.8	23.6	20.9
EBITDA	%	nm	nm	nm	nm	nm
EBIT	%	nm	nm	nm	nm	nm
Underlying NPAT	%	nm	nm	nm	nm	nm
Underlying EPS	%	nm	nm	nm	nm	nm
DPS	%	n/a	n/a	n/a	n/a	n/a

BALANCE SHEET						
	FY21A	FY22A	FY23E	FY24E	FY25E	
Cash	\$m	2.7	0.8	1.5	4.9	6.4
Receivables	\$m	1.3	2.1	1.8	2.2	2.6
Inventory	\$m	0.4	0.8	0.5	0.7	0.9
Biological assets	\$m	6.3	7.6	7.5	7.9	7.8
Property, plant & equip, ROUA	\$m	4.6	4.6	4.1	23.9	34.0
Goodwill and intangibles	\$m	0.1	0.1	0.1	0.1	0.1
Other	\$m	0.3	0.5	0.4	0.4	0.4
<b>Total assets</b>	<b>\$m</b>	<b>15.7</b>	<b>16.5</b>	<b>15.9</b>	<b>40.1</b>	<b>52.3</b>
Payables	\$m	0.8	0.8	1.0	1.3	1.5
Borrowings	\$m	0.0	0.7	0.7	12.7	24.7
Other	\$m	1.1	2.0	2.0	1.9	1.8
<b>Total liabilities</b>	<b>\$m</b>	<b>1.9</b>	<b>3.5</b>	<b>3.7</b>	<b>15.9</b>	<b>28.1</b>
<b>Net assets</b>	<b>\$m</b>	<b>13.7</b>	<b>13.0</b>	<b>12.2</b>	<b>24.3</b>	<b>24.2</b>
Equity	\$m	27.0	27.0	27.0	37.4	37.4
Retained earnings	\$m	-13.3	-14.0	-14.8	-13.2	-13.2
Minorities	\$m	0.0	0.0	0.0	0.0	0.0
<b>Shareholders' equity</b>	<b>\$m</b>	<b>13.7</b>	<b>13.0</b>	<b>12.2</b>	<b>24.3</b>	<b>24.2</b>

CASH FLOW						
	FY21A	FY22A	FY23E	FY24E	FY25E	
Net Income (Cashflow)	\$m	-2.5	-1.9	-1.7	-1.3	-2.8
Depreciation & Amortization	\$m	0.7	0.6	0.6	0.4	2.0
Change in Net Operating Assets	\$m	1.9	0.2	1.9	2.0	2.7
Other Non-Cash Items, Total	\$m	0.0	-0.7	0.0	0.0	-0.4
<b>Operating cash flow</b>	<b>\$m</b>	<b>0.2</b>	<b>-1.8</b>	<b>0.8</b>	<b>1.1</b>	<b>1.5</b>
Capital expenditure	\$m	0.0	-0.7	-0.1	-20.0	-12.0
Acquisitions/divestment/other	\$m	-0.1	0.0	0.0	0.0	0.0
<b>Investing cash flow</b>	<b>\$m</b>	<b>-0.1</b>	<b>-0.7</b>	<b>-0.1</b>	<b>-20.0</b>	<b>-12.0</b>
Equity	\$m	0.0	0.0	0.0	10.4	0.0
Increase / (decrease) in borrowings	\$m	0.0	0.7	0.0	12.0	12.0
Dividend/other	\$m	-0.1	-0.1	-0.1	-0.1	-0.1
<b>Financing cash flow</b>	<b>\$m</b>	<b>-0.1</b>	<b>0.6</b>	<b>-0.1</b>	<b>22.4</b>	<b>11.9</b>
Opening cash	\$m	2.6	2.7	0.8	1.5	4.9
<b>Net cash flow</b>	<b>\$m</b>	<b>-0.1</b>	<b>-1.9</b>	<b>0.7</b>	<b>3.4</b>	<b>1.5</b>
Closing cash	\$m	2.7	0.8	1.5	4.9	6.4
<b>Free cash flow</b>	<b>\$m</b>	<b>0.1</b>	<b>-2.5</b>	<b>0.8</b>	<b>-18.9</b>	<b>-10.5</b>

Source: RFA, MST Access estimates

## Momentum underpinned by strong outlook

The recent strength of RFA’s core greenlip abalone business is demonstrated by both record sales and pricing from 1Q23.

Exhibit 2 – Quarterly RFA sales volume (LHS) and average sales price / kg (RHS)



Source: RFA

### Sales strategy – targeting bulk sales through Master Distributors

This momentum in the business exhibited in the most recent quarter is well supported by existing agreements in place with buyers from Hong Kong, USA and the UK. In addition, negotiations are well advanced with other Master Distributors in Singapore, Japan and Vietnam. One advantage of established relationships with Master Distributors is the consistent and repeat demand they provide for high end wild abalone product. This creates economies of scale and reduces the logistical costs involved with selling to multiple smaller buyers. The master distributors ultimately service upmarket restaurants and retailers in their respective regions. Non-binding forward orders for FY23 already equate to 96% of FY22 greenlip abalone sales, which points towards a continued upward trend in sales volumes.

In terms of pricing, RFA’s market share and pricing power is expected to continue growing, particularly as the company grows harvest volumes unaffected by fishing quotas, while global quotas for wild abalone continue to decline. RFA’s MSC certification only adds to RFA’s high end premium product branding, allowing the company to continue promoting its product to a global customer base that increasingly values sustainability and marine ecosystem health, which fits well with the company’s premiumisation strategy.

### Premium offering & retail focus

RFA’s upcoming ‘Ocean Pantry’ retail and tourism site located in Augusta, WA, will further support the company’s retail focus and premium offering. While the site has been delayed from the first quarter of FY23 due to construction constraints affecting all industries in WA, the opening of the Ocean Pantry is expected in November before the Christmas holiday period. Retail pricing for RFA’s greenlip abalone is up to twice the bulk rate (more than \$100 per kg) and growth in this high-end retail channel is expected to aid RFA’s sales mix and margin growth going forward.

From a branding perspective, the Ocean Pantry will showcase the unique world first ranching operation, provide a hub for regional collaboration and food education, and be the first direct retail channel to the Rare Foods Australia product range.

The company continues to explore further opportunities for the premium retail offering as part of its organic growth strategy. Trials and an evaluation of new high end Ocean Cellared wines, that originate from the Margaret River region, have been completed. A formal business plan is expected to be presented to the Board in the current quarter. This

potential innovative use of the company’s unique ocean leases to enhance locally sourced wine will broaden RFA’s array of luxury products for high end retail.

### Other areas of organic growth

During the quarter, RFA engaged with approximately 40% of WA’s Wild Roei quota holders to secure supply for processing and sales, with sales expected from integrating wild Roei expected to commence in the current quarter. This is part of RFA’s ambition to maximise the potential of the of its world-class processing facility by improving utilisation and building scale through the provision of third-party processing and sales services.

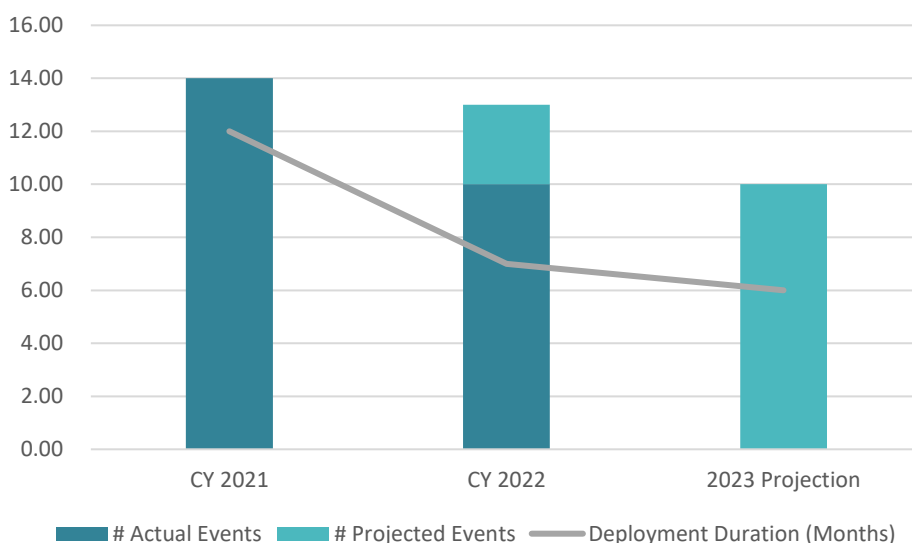
### Biomass growth and yields aided by subsidised R&D

RFA’s R&D work will continue to strengthen its unique position as a wild abalone producer particularly as it continues to pursue the company’s goal of achieving the best growth possible for the biomass through improving mortality rates.

Central to this aim is RFA’s data science approach to every process involved with the wild ocean farming of abalone. Data involving water temperature and quality, transport cycle times, dive routines, abitat block preparation and location, deployment mechanisms and post deployment survival rates (knowing most mortality occurs upon the first two weeks after deployment) are examples of key factors that influence yields achieved from juveniles initially placed on the abitats. Importantly, much of this investment is claimable as R&D expenditure (further detail on operating cash outflows is available below). Two major operational processes targeting biomass yields underway include:

- **The plan to move and seed 2k underperforming reefs** (20% of total abitats) to firmer areas of the ocean floor with improved natural food supply (largely dictated by ocean swells) is continuing and expected to be completed by the end of calendar year 2023. Use of the ocean floor remains a key barrier to entry for competitors given RFA holds the only two leases in WA, which allow the placement of ABITATs for the wild farming of greenlip abalone.
- **Maximising the number of deployments in one event** to minimise the number of separate deployments and reduce the deployment season.

Exhibit 3 – Decreasing number of deployment events and decreasing deployment duration demonstrates operational improvements in the way juveniles are placed on abitats, to minimise cost and optimise yield



Source: RFA

## Esperance Project

The Esperance project, which would add significant scale to RFA's abalone output, continues to be a part of the company's long term growth strategy, beyond the current core business. During the quarter, RFA completed a further document proposal, alongside JV partner Yumbah Aquaculture Ltd, to present to government.

As previously mentioned, the project involves a new hatchery and farmed abalone site in nearby Esperance, WA. This could see an additional 300T pa net to RFA (50% interest), lowering the cost of juveniles and increasing margins through scale. Yumbah is a very credible partner, being the largest abalone aquaculture producer in Australia. We assume the cost of this project is \$37m net to RFA, funded with both debt and equity.

## Financials: Current Operations Cash Neutral with R&D Support

RFA's net operating cash deficit for 1QFY23 was \$538k. Total operating cashflows for the quarter included \$1.26m in customer receipts and \$40k in other income, with operating cash outflows of \$1.842m and related party payments of \$160k (covering directors, employee expenses and cold storage fees).

The net operating cash deficit of \$538k was largely attributed to juvenile deployment activities (\$413k), which attract a 43.5% R&D tax incentive, as well as annual compliance and listing expenses of \$108k. RFA expects to receive \$1.83m for its FY22 R&D refund imminently. Working capital remains well supported by the current forward order book and \$1m overdraft facility with NAB. We expect strong sales growth, through a combination of volume and price, to lead to positive cash flow for the company over FY23.

## Valuation: Base-Case DCF Value of \$0.33

### Valuation - Our Base Case DCF

As per our previous update, following the new timeline for the potential Esperance project, our base case DCF valuation is \$0.33 which remains unchanged, implying significant upside from the current share price. For the core business alone ex Esperance, our valuation is \$0.13 which presents 67% upside.

As at end September 2022, RFA has secured sales for wild caught greenlip over the next 12 months equating to 96% of FY22 sales. As the mix of sales improves to a more premium level customer, aided by the new MSC Accreditation and premiumisation strategy, pricing should continue to improve from average levels of \$55.70/kg (FY22 pricing was \$51/kg). RFA expects to increase its sales volumes forecast in FY23 closer to 90 tonnes (up from 81.7 tonnes in FY22) to support the demand.

Importantly, the supply of 1.2m farmed juveniles per annum is locked in for the next two years with fixed pricing. With this, RFA stands to benefit from greater operating leverage as they continue to increase the survival rates and growth.

### Key assumptions of our DCF

- We assume that **prices** (and, in turn, **COGS**):
  - After rebounding strongly by 19% post Covid in FY22 to ~\$52/kg, increase 5% pa over FY23-FY25 as RFA benefits from its premiumisation strategy
  - continue to grow 3% pa long term.
- We assume that harvested **volumes**:
  - increase to hit the company's target of 140T pa by FY25
  - increase beyond this with Esperance to 440T pa by FY29 (previously FY28).
- We assume that the business benefits from **leverage at most cost lines** (excluding employee costs rising between 3-10% pa and corporate costs rising 2% pa). RFA has locked in juvenile supply agreements for the following two years at fixed prices, allowing the company to benefit from better pricing.

- **Tax losses** of \$15.2m imply that RFA will not be paying tax until FY29 on our estimates. These tax losses include the non-cash item of fair value adjustment on the biological assets, which has accumulated +\$9.7m in FY15–FY22. Therefore, this tax loss underestimates the true cash loss.

## Further Potential Valuation Upside

We see further upside potential to our valuation. Factors that could potentially further lift our valuation include:

- **Increased yield:** achievable through lower mortality and higher productive growth rates
- **Higher pricing:** our forecast of \$54.5/kg in FY23, growing to \$60/kg by FY25, may be conservative given current bulk pricing as well as RFA's strategic move towards higher levels of retail sales
- **Higher sales volumes**
- **Increased utilisation and increased revenue from in-house processing plant:** not only for in-house-sourced aquaculture but also for externally sourced product from third parties
- **Potential acquisitions, diversification and/or JV agreements.**

## Risks to our Valuation

- **Aquaculture-related operational risks:** these include the risks associated with safety of abalone diving, disease, theft, environmental changes, and severe weather events.
- **Incorrect biomass assessment:** given the assessment of biomass is carried out every 6 months using a sample, there is a risk the asset base is over or understated.
- **Greenlip abalone prices and industry supply/demand dynamics:** this can include additional unexpected supply domestically or offshore, through potential advanced technologies. It can include depressed demand from economic volatility or through government intervention with additional tariffs applied to the sector.
- **Further changes to the Esperance Project:** the Esperance project makes up \$A0.13 of our A\$0.33 valuation. Further delays due to extended labour shortages and other capex price increases may impact project expectations in the future.
- **Tariffs:** an increase in the Chinese trade tariff on abalone would lead to weaker sales and prices, as occurred with lobsters.
- **Forex risk:** with export abalone sold in US dollars.
- **Current concentration risk** on both the supplier and vendor side, and associated risk of dependency.
- **Government relationships** through lease and licence approvals.
- **Partner relationships** relating to various partnerships including Ocean King Fishing and Yumbah Aquaculture. Expansion plans depend on an effective relationship.
- **Key management risk:** key management could be a risk if they departed the business and took with them their business relationships that may impact RFA.
- **Funding:** in order to successfully execute their growth plans, RFA will require external funding. The equity markets may be closed to RFA for a variety of reasons, in which case it may have to seek alternative options.



## Disclaimers and Disclosures

MST Access is a registered business name of MST Financial Services Pty Ltd (ACN 617 475 180 "MST Financial") which is a limited liability company incorporated in Australia on 10 April 2017 and holds an Australian Financial Services Licence (Number: 500 557). This research is issued in Australia through MST Access which is the research division of MST Financial. The research and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by MST Access is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a financial product you should read any relevant Product Disclosure Statement or like instrument.

This report has been commissioned by Rare Foods Australia Ltd and prepared and issued by Michael Youlden of MST Access in consideration of a fee payable by Rare Foods Australia Ltd. MST Access receives fees from the company referred to in this document, for research services and other financial services or advice we may provide to that company.

MST Financial also provides equity capital markets ("ECM") and corporate advisory services through its capital markets division, MST Capital Markets ("MST Capital"). MST Capital provides these services to a range of companies including clients of the MST Access service. As such, MST Capital may in future provide ECM and/or corporate advisory services to the company that is the subject of this research report and, accordingly, may receive fees from the company for providing such services. However, MST Financial has measures in place to ensure the independence of its research division is maintained, including information barriers between its Capital Markets and Research teams. In addition, neither MST Access, nor any of its research analysts, receive any financial benefit that is based on the revenues generated by MST Capital Markets or any other division of MST Financial.

The analyst has received assistance from the company in preparing this document. The company has provided the analyst with communication with senior management and information on the company and industry. As part of due diligence, the analyst has independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in the report. Diligent care has been taken by the analyst to maintain an honest and fair objectivity in writing this report and making the recommendation. Where MST Access has been commissioned to prepare content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid will either directly or indirectly impact the content provided.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently certified. Opinions contained in this report represent those of MST Access at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results and estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of liability: To the fullest extent allowed by law, MST Access shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained in this report. No guarantees or warranties regarding accuracy, completeness or fitness for purpose are provided by MST Access, and under no circumstances will any of MST Financials' officers, representatives, associates or agents be liable for any loss or damage, whether direct, incidental or consequential, caused by reliance on or use of the content.

## General Advice Warning

MST Access Research may not be construed as personal advice or recommendation. MST encourages investors to seek independent financial advice regarding the suitability of investments for their individual circumstances and recommends that investments be independently evaluated. Investments involve risks and the value of any investment or income may go down as well as up. Investors may not get back the full amount invested. Past performance is not indicative of future performance. Estimates of future performance are based on assumptions that may not be realised. If provided, and unless otherwise stated, the closing price provided is that of the primary exchange for the issuer's securities or investments. The information contained within MST Access Research is published solely for information purposes and is not a solicitation or offer to buy or sell any financial instrument or participate in any trading or investment strategy. Analysis contained within MST Access Research publications is based upon publicly available information and may include numerous assumptions. Investors should be aware that different assumptions can and do result in materially different results.

MST Access Research is distributed only as may be permitted by law. It is not intended for distribution or use by any person or entity located in a jurisdiction where distribution, publication, availability or use would be prohibited. MST makes no claim that MST Access Research content may be lawfully viewed or accessed outside of Australia. Access to MST Access Research content may not be legal for certain persons and in certain jurisdictions. If you access this service or content from outside of Australia, you are responsible for compliance with the laws of your jurisdiction and/or the jurisdiction of the third party receiving such content. MST Access Research is provided to our clients through our proprietary research portal and distributed electronically by MST to its MST Access clients. Some MST Access Research products may also be made available to its clients via third party vendors or distributed through alternative electronic means as a convenience. Such alternative distribution methods are at MST's discretion.

## Access and Use

Any access to or use of MST Access Research is subject to the [Terms and Conditions](#) of MST Access Research. By accessing or using MST Access Research you hereby agree to be bound by our Terms and Conditions and hereby consent to MST collecting and using your personal data (including cookies) in accordance with our [Privacy Policy](#) (<https://mstfinancial.com.au/privacy-policy/>), including for the purpose of a) setting your preferences and b) collecting readership data so we may deliver an improved and personalised service to you. If you do not agree to our Terms and Conditions and/or if you do not wish to consent to MST's use of your personal data, please do not access this service.

Copyright of the information contained within MST Access Research (including trademarks and service marks) are the property of their respective owners. MST Access Research, video interviews and other materials, or any portion thereof, may not be reprinted, reproduced, sold or redistributed without the prior written consent of MST.

Level 13, 14 Martin Place, Sydney, NSW 2000  
Main +61 2 8999 9988  
[www.mstfinancial.com.au](http://www.mstfinancial.com.au)