BELL POTTER

Speculative

See key risks on page 9, and early stage company risk warning on page 12.
Speculative securities may not be suitable for Retail clients.

4 October 2022

Analyst
Stuart Howe 613 9235 1856

Authorisation
Joseph House 613 9235 1624

Alpha HPA Ltd (A4N)

Stage 1 commissioning underway

Recommendation
Buy (unchanged)
Price
$0.44
Valuation
$0.95 (previously $0.90)
Risk
Speculative

GICS Sector

Materials

Expected Return	
Capital growth	**116%**
Dividend yield	**0%**
Total expected return	**116%**

Company Data & Ratios	
Enterprise value	**$341m**
Market cap	**$357m**
Issued capital	**812m**
Free float	**90%**
Avg. daily val. (52wk)	**$1.0m**
12 month price range	**$0.37-$0.735**

Price Performance

	(1m)	(3m)	(12m)
Price (A$)	0.47	0.40	0.48
Absolute (%)	-5.4	10.0	-8.3
Rel market (%)	-1.1	9.9	-1.1

Absolute Price

SOURCE: IRESS

Stage 1 commissioning underway for ramp-up this quarter

A4N has announced mechanical completion and commencement of commissioning it its HPA First Project Stage 1 precursor production facility (PPF) in Gladstone, Queensland. This milestone involves testing key facility components prior to the scheduled delivery of first reagents in mid-October 2022 for the ramp-up of aluminium precursor production and sales later this quarter. Separately, A4N recently confirmed around $60m in federal government grants to fund the remaining PPF and support full scale Stage 2 HPA First Project financing. The confirmation followed a review period after the Australian federal election and change of government in May this year.

Multiple value catalysts over next two quarters

Sales from the PPF are expected to provide valuable end-user product qualification in support of offtake for A4N's Stage 2 facility. Over the coming quarters we expect material news flow relating to updated Stage 2 scope, product offtake agreements, debt finance and the potential for additional government grants, all leading to A4N's Board making a final investment decision and commencing Stage 2 construction. These developments are key to de-risking the HPA First Project and ultimately have flow on to A4N's value.

Investment view: Speculative Buy, Valuation $0.95/sh

A4N's propriety HPA First process is expected to disrupt incumbent production of high purity aluminium and high purity alumina (HPA) products, and supporting these products value-adding application across lithium ion battery, micro-LED and semiconductor manufacturing. These technologies are at the forefront of the global decarbonising and reshoring themes. Over the next two quarters we expect material value-accretive news flow relating to de-risking A4N's HPA First Project. This report provides an update of recent company announcements, with no material changes to our earnings estimates or valuation.

A4N is a development company with prospective operations and cash flows only. Our Speculative risk rating recognises this higher level of risk and volatility of returns.

Earnings Forecast

Year ending 30 June	2022a	2023e	2024e	2025e
Sales (A$m)	2	8	142	353
EBITDA (A$m)	(7)	(3)	85	254
NPAT (reported) (A$m)	(7)	(10)	63	157
NPAT (adjusted) (A$m)	(7)	(10)	63	157
EPS (adjusted) (¢ps)	(0.9)	(1.1)	6.1	15.2
EPS growth (%)	na	na	na	150%
PER (x)	-47.3x	-39.7x	7.3x	2.9x
FCF Yield (%)	-10%	-33%	-30%	23%
EV/EBITDA (x)	-47.4x	-123.2x	4.0x	1.3x
Dividend (¢ps)	-	-	-	-
Yield (%)	0%	0%	0%	0%
Franking (%)	-	-	-	-
ROE (%)	-15%	-9%	30%	49%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Stage 1 commissioning underway

Precursor Production Facility ramp-up this quarter

A4N has announced mechanical completion and commencement of commissioning at its HPA First Project Stage 1 precursor production facility (PPF). This milestone involves test running key facility components prior the scheduled delivery of first reagents in mid-October 2022 for the ramp-up of aluminium precursor production and sales later this quarter.

The HPA First Project is located in Queensland's Gladstone State Development Area and involves a two stage build:

- **Stage 1 PPF:** Design capacity of 350tpa of 5N purity aluminium precursor products and a budgeted capital cost of around $36m; and
- **Stage 2 full-scale HPA First Project:** A March 2020 definitive feasibility study (DFS) outlined production of 10ktpa HPA at an estimated capital cost of $308m which could generate annual free cash flow of $133-280m under various pricing outlooks.

PPF FULLY FUNDED; FEDERAL GOVERNMENT GRANTS CONFIRMED

Last month, A4N announced that around $60m in federal government grants had been confirmed. A review of these previously announced grants was conducted following the Australian federal election in May 2022 and subsequent change in government.

The grants include:

- **Critical Minerals Accelerator Initiative grant of $15.5m:** Funds to be applied towards the Stage 1 PPF and available following completion of grant agreements, expected in October 2022; and
- **Modern Manufacturing Initiative grant of $45m:** Available on A4N reaching a FID on Stage 2 of the HPA First Project.

At 30 June 2022, A4N had cash of $17m having spent $20-25m on Stage 1 of the project.

Timeline & value catalysts

We expect that A4N will be in a position to make announcements relating to the following value catalysts over the next two quarters:

- Initial sales and cash flow from the Stage 1 PPF as production is ramped up;
- Feasibility level design of a re-configured HPA First Project scope which allows for an updated product mix and volume assumptions as determined by recent marketing activities;
- Initial commercial HPA offtake agreements with end users;
- Debt financing arranged, conditional upon adequate offtake agreements;
- A4N Board take HPA First Project Final Investment Decision; and
- Commencement of construction for the full scale Stage 2 HPA First Project.

HPA First Project final scope nearing completion

In parallel to the PPF development, A4N is reworking the March 2020 DFS to accommodate an increased product suite as driven by the group's market outreach and expected customer demand. We expect a lift in margins as a result of A4N pivoting the project to the emerging aluminium precursor market.

The HPA First Project was initially designed with essentially one to two products and applications. A4N now has over five products with more than 14 potential applications across six technology categories as outlined in the table on the following page.

Margin expansion opportunities for the HPA First project are the result of:

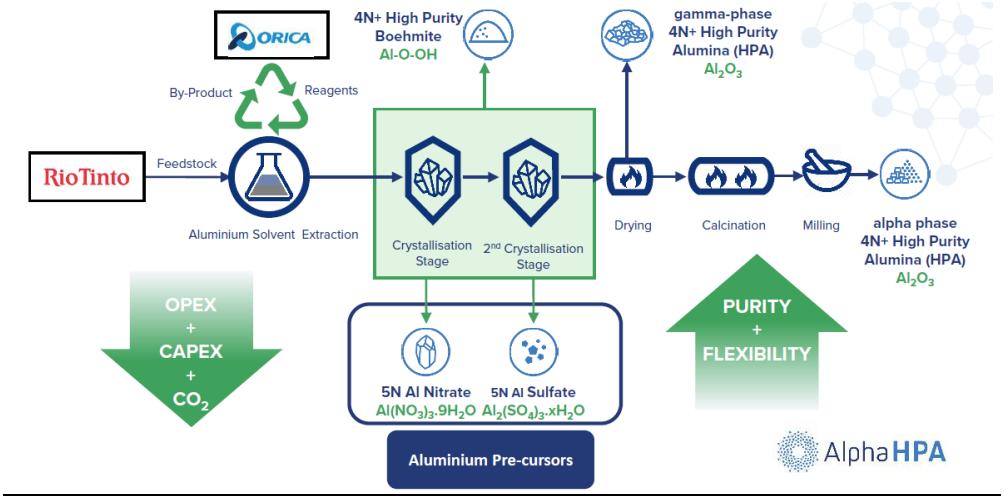
- The aluminium precursor products are drawn from the HPA First process at an earlier stage in the flow sheet, reducing the requirement for energy-intensive drying and calcination.
- Overall product volumes will be materially higher than a HPA-only plant. Around 7 tonne of aluminium precursor is required to produce 1 tonne of HPA. As such, the upstream end of the HPA First plant as outlined in the DFS had capacity for some 70ktpa of precursor product. This capacity and the emergence of aluminium precursors as key markets provides A4N the ability to optimise a higher volume and value maximising product mix across aluminium precursor and HPA products compared with 10ktpa of HPA products alone.
- Early indications are that precursor pricing is just as strong as, or stronger than, HPA pricing when this 7:1 conversion is accounted for.

Potential offtake customers seeking supply chain security

A4N has provided profiles of some of the potential offtake customers where discussions are advanced. Non-disclosure agreements prevent the naming of these counterparties.

- **Lithium ion battery sector:** Major European, U.S. and Japanese battery component (cathode, anode, separator) manufacturers; global chemicals distributors; large EV manufacturer.
- **LED lighting sector:** Global lighting, LED and micro LED component (phosphors, metal nitrides) manufacturers.
- **Sapphire glass sector:** Global and regional (U.S., EU, South Korea and Japan) sapphire glass manufacturers focussing on optical, LED lighting, and watch-making end-industries.
- **Semiconductor sector:** US based semiconductor manufacturers.
- **High-value catalyst applications:** EU based catalyst end-user.

Figure 1 - HPA First process flow sheet



SOURCE: A4N

Table 1 - A4N's product suite & applications

KEY APPLICATION	Lithium ion batteries			LEDs		Other
A4N PRODUCT	**Cathode**	**Separator**	**Anode**	**LED lights**	**Micro-LEDs (displays)**	
Aluminium Precursors						
Aluminium nitrate	HPA particle coating		HPA particle coating	Phosphors for white LEDs	Nano-size phosphors	Catalysts & YAG laser crystals
Aluminium sulphate	Sulphate blending (NCA & NCMA) & HPA particle coating		HPA particle coating			
High Purity Alumina						
HPA powder		HPA layer coating		Phosphors for white LEDs		Speciallty ceramics
HPA tablets				Saphire glass wafers (substrate)	Saphire glass wafers (substrate)	
Boehmite		Boehmite layer coating				Speciality ceramics

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Earnings capability: EBITDA of ~$250m/year at steady state

We estimate that the HPA First Project, in its current March 2020 DFS form, could generate annual EBITDA of more than $250m at steady state. This assumption is supported by production of 10ktpa at average prices of US$25/kg for annual revenue of $350m. At costs of around US$8.50/kg (consistent with A4N's March 2020 DFS), EBITDA margins are around 70%.

In June 2021, the Stage 1 PPF was estimated to have revenues of $10-15m and generate free cash flow of $1.5-5.0m from aluminium precursor production of 200tpa. When integrated into the HPA First Project, this free cash flow increases to $8-11m. The project was subsequently up-scaled to 350tpa.

Future capital requirements & funding options

A4N's March 2020 HPA First Project DFS estimated capital costs of $308m, including $27m over-run contingency.

The HPA First Project's location (Gladstone, Queensland) and end products (inputs into key decarbonising technologies) make it a candidate for Government backed concessional debt finance. We expect that the Northern Australia Infrastructure Facility and Clean Energy Finance will consider extending debt facilities to support the project. We also expect that commercial banks diversifying away from carbon intensive projects will have an interest in extending debt and working capital finance.

The following table outlines the HPA First Project's capital requirements and the sources of funding which we assume. We factor in a $90m equity raising over the next twelve months to support the project's development and working capital ahead of debt draw-down.

Table 2 - Future capital requirements

Capital costs		**A$m**
Processing plant		173
Utilities		19
Infrastructure		39
Indirects		44
Owners costs		7
Total excluding contingency		**281**
Contingency		27
Total		**308**
Funding requirements	**% est.**	**A$m**
Debt finance	65%	200
Equity	35%	108
Total	**100%**	**308**

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Valuation & methodology

Risked & diluted valuation summary

Our risked and diluted A4N valuation is based on:

- 4N HPA prices of US$25,000/t (consistent with CRU Group's market outlook);
- A4N's March 2020 Definitive Feasibility Study HPA First Project capital and operating costs; and
- A4N's published Precursor Production Facility (June 2021) capital and operating cost estimates.

Risk and dilution to calculated NPV:

- Project risk discount of 25% to take into account project stage (DFS completed, pre-development stage); and
- Dilution from an assumed $90m equity raising prior to commencement of full scale construction in mid-2022, at a 15% discount to A4N's current share price.

Table 3 - Risked & diluted valuation summary

Product price scenario		**1**	**2**	**3 Preferred**
Price - 4N HPA (US$/t)		**15,000**	**20,000**	**25,000**
HPA First Project				
Unrisked NPV (10% discount rate)		303	744	**1,184**
Risk discount	25%			
Risked NPV (10% discount rate)		227	558	**888**
Corporate costs	-40			
Enterprise value		187	518	**848**
Net debt / (cash)	-26			
Equity valuation (risked, undiluted)		204	535	**865**
Assumed capital raise $m	90			
Assumed raise price $/sh	0.374			
Government grant $m	60			
Current shares on issue m	812			
In the money options m	31			
Assumed capital raising dilution m	241			
Diluted shares on issue m	**1,084**			
Net debt / (cash) (including options, assumed raising & grants)	-178			
Equity valuation (risked, diluted)		365	696	**1,026**
Equity valuation (risked, diluted) $/sh		0.34	0.64	**0.95**
Current share price	0.44			
Valuation / price		0.8x	1.5x	2.2x

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Preferred valuation at high end of product price range

Our preferred HPA product pricing assumption is at the high end of A4N's published definitive feasibility study price ranges, which we believe is justified:

- Since the DFS, A4N has identified a number of precursor high purity aluminium and alumina products which have the potential to add further value to the project. These precursor products are produced mid-stream of the project's flow-sheet, are expected to be higher margin and have the potential to provide increased return on capital invested.
- The global decarbonisation and reshoring themes have accelerated in recent months as developed economies look to address climate change targets in the context of a post-pandemic economic recovery. A4N's HPA First Project products have applications in technologies directly linked to these themes; the manufacturing of lithium ion batteries, LED lighting and semiconductors.
- There is potential for A4N's products to have applications in the manufacture of micro-LEDs. Micro LED technology is expected to be the next generation of display technology, superseding OLED and black-lit LCDs.
- Commercialisation of A4N's HPA First Project technology could step beyond the proposed Gladstone project development. With A4N's propriety technology, HPA First Project could be scaled up or replicated elsewhere.
- A4N has announced the HPA First Project has received a Federal Government funding grant of $45m ($40.5m to A4N) to support the project through the Modern Manufacturing Initiative programme. Subsequently, a further grant of up to $15.5m from the Critical Minerals Accelerator Initiative was awarded.

Alpha HPA Ltd summary

Company description

A4N's HPA First Project is aiming to supply high-purity alumina (HPA) at a purity of greater than 99.99% (or 4N) to the lithium ion battery and light emitting diode (LED) manufacturing sectors. The project's proprietary technology is expected to disrupt incumbent HPA production through significantly lower unit costs. Results of a March 2020 DFS outlined a 10,000tpa 4N HPA project with a capital cost of $308m and pre-tax annual cash flow of $133-280m at 4N HPA prices ranging US$15,000-25,000/t.

The HPA First Project is a solvent extraction process using an aluminium chemical feedstock purchased on globally traded markets. Orica Ltd (ORI) and A4N have executed a definitive agreement for ORI's supply of process reagents and for by-product offtake. This agreement has required significant third party due diligence of the HPA First Project process.

Investment view: Speculative Buy, Valuation $0.95/sh

A4N's propriety HPA First process is expected to disrupt incumbent production of high purity aluminium and high purity alumina (HPA) products, and supporting these products value-adding application across lithium ion battery, micro-LED and semiconductor manufacturing. These technologies are at the forefront of the global decarbonising and reshoring themes. Over the next two quarters we expect material value-accretive news flow relating to de-risking A4N's HPA First Project. This report provides an update of recent company announcements, with no material changes to our earnings estimates or valuation.

A4N is a development company with prospective operations and cash flows only. Our Speculative risk rating recognises this higher level of risk and volatility of returns.

Valuation methodology

We have modelled the HPA First Project using assumptions consistent with the March 2020 DFS. We assume:

- 4N HPA prices of US$25,000/t (consistent with CRU Group's market outlook);
- A4N's March 2020 Definitive Feasibility Study HPA First Project capital and operating costs; and
- A4N's published Precursor Production Facility (June 2021) capital and operating cost estimates.

Risk and dilution to calculated NPV:

- Project risk discount of 25% to take into account project stage (DFS completed, pre-development stage); and
- Dilution from an assumed $90m equity raising prior to commencement of full scale construction in mid-2022, conservatively at a 15% discount to A4N's current share price.

Risks

Risk to an investment in A4N include, but are not limited to:

- **Commodity price and exchange rate fluctuations.** The future earnings and valuations of development and operating assets and companies are subject to fluctuations in underlying commodity prices and foreign currency exchange rates.
- **Technology:** Projects may be reliant on commercialisation of new production processes and methodologies which have yet been proven on a large scale. Technology may be replicated by competitors resulting in a loss of market share.
- **Infrastructure access.** Projects are reliant upon access to transport and pipeline infrastructure. Access to infrastructure is often subject to contractual agreements, permits and capacity allocations. Agreements are typically long-term in nature. Infrastructure can be subject to outages as a result of weather events or the actions of third party providers.
- **Operating and capital cost fluctuations.** Markets for raw material inputs and labour can fluctuate and cause significant differences between planned and actual operating and capital costs. Key operating costs are linked to commodity and labour markets. Companies are also exposed to costs associated with future land rehabilitation.
- **Sovereign risks.** Companies' assets are subject to the sovereign risk of the country of location and may also be exposed to the sovereign risks of major offtake customers.
- **Regulatory changes.** Changes to the regulation of infrastructure and taxation (among other things) can impact the earnings and valuations of companies.
- **Environmental risks.** Companies are exposed to risks associated with environmental degradation as a result of their production processes.
- **Operating and development risks.** Companies' assets are subject to risks associated with their operation and development. Development assets can be subject to approvals timelines or weather events, causing delays to commissioning and commercial production.
- **Occupational health and safety (OH&S) risks.** Companies are exposed to OH&S risks.
- **Funding and capital management risks.** Funding and capital management risks can include access to debt and equity finance, maintaining covenants on debt finance, managing dividend payments and managing debt repayments.
- **Merger/acquisition risks.** Risks associated with value transferred during merger and acquisition activity.
- **Impact of pandemic infection such as Coronavirus disease (COVID-19).** This may have an adverse impact on the macro economic factors, including the mobility of labour, which can impact asset valuations.

Alpha HPA Ltd
as at 4 October 2022

Recommendation	Buy, Speculative
Price	$0.44
Valuation	$0.95

Table 4 - Financial summary

Date		**4/10/22**
Price	**A$/sh**	**0.440**
Valuation	**A$/sh**	**0.95**

Bell Potter Securities
Stuart Howe (showe@bellpotter.com.au, +61 3 9235 1856)

PROFIT AND LOSS

Year ending 30 June	Unit	2021a	2022a	2023e	2024e	2025e
Revenue	$m	1	2	8	142	353
Expenses	$m	(15)	(9)	(11)	(56)	(99)
EBITDA	$m	**(14)**	**(7)**	**(3)**	**85**	**254**
Depreciation & amortisation	$m	(2)	(0)	(1)	(10)	(18)
EBIT	$m	(16)	(7)	(4)	76	236
Net interest expense	$m	(0)	0	(6)	(9)	(12)
Profit before tax	$m	(16)	(7)	(10)	67	224
Tax expense	$m	-	-	-	(4)	(67)
NPAT (reported)	$m	**(16)**	**(7)**	**(10)**	**63**	**157**
NPAT (adjusted)	$m	**(16)**	**(7)**	**(10)**	**63**	**157**

CASH FLOW STATEMENT

Year ending 30 June	Unit	2021a	2022a	2023e	2024e	2025e
OPERATING CASH FLOW						
Receipts from customers	$m	-	-	10	115	311
Payments to suppliers and employe	$m	(3)	(4)	(17)	(52)	(94)
Tax paid	$m	-	-	-	(4)	(67)
Net interest	$m	0	0	(6)	(9)	(12)
Other	$m	1	-	-	-	-
Operating cash flow	$m	**(2)**	**(4)**	**(13)**	**50**	**137**
INVESTING CASH FLOW						
Capex	$m	(7)	(31)	(169)	(187)	(33)
Acquisitions	$m	-	0	-	-	-
Other	$m	-	-	50	-	-
Investing cash flow	$m	**(7)**	**(31)**	**(119)**	**(187)**	**(33)**
FINANCING CASH FLOW						
Debt proceeds/(repayments)	$m	(0)	(0)	100	100	-
Dividends paid	$m	-	-	-	-	-
Proceeds from share issues (net)	$m	51	1	90	-	-
Other	$m	0	-	-	-	-
Financing cash flow	**$m**	51	1	190	100	-
Change in cash	**$m**	**42**	**(34)**	**58**	**(36)**	**104**
Free cash flow	$m	(8)	(35)	(132)	(136)	104

BALANCE SHEET

Year ending 30 June	Unit	2021a	2022a	2023e	2024e	2025e
ASSETS						
Cash	$m	50	17	74	38	142
Receivables	$m	1	3	2	28	71
Inventories	$m	-	0	1	6	10
Capital assets	$m	1	28	196	373	388
Other assets	$m	0	6	6	6	6
Total assets	**$m**	**52**	**55**	**279**	**451**	**617**
LIABILITIES						
Creditors	$m	2	7	2	11	20
Borrowings	$m	-	-	100	200	200
Provisions	$m	-	-	-	-	-
Other liabilities	$m	0	1	1	1	1
Total liabilities	**$m**	**2**	**8**	**103**	**212**	**220**
NET ASSETS	**$m**					
Share capital	$m	100	102	242	242	242
Reserves	$m	8	10	10	10	10
Accumulated losses	$m	(57)	(64)	(75)	(12)	145
Non-controlling interest	$m	-	-	-	-	-
SHAREHOLDER EQUITY	**$m**	**50**	**47**	**177**	**239**	**397**
Weighted average shares	m	694	794	916	1,036	1,036

FINANCIAL RATIOS

Year ending 30 June	Unit	2021a	2022a	2023e	2024e	2025e
VALUATION						
EPS	Ac/sh	(2)	(1)	(1)	6	15
EPS growth (Acps)	%	na	na	na	na	150%
PER	x	-18.8x	-47.3x	-39.7x	7.3x	2.9x
DPS	Ac/sh	-	-	-	-	-
Franking	%	0%	0%	0%	0%	0%
Yield	%	0%	0%	0%	0%	0%
FCF/share	Ac/sh	(1.2)	(4.4)	(14.5)	(13.1)	10.0
FCF yield	%	-3%	-10%	-33%	-30%	23%
EV/EBITDA	x	-24.3x	-47.4x	-123.2x	4.0x	1.3x
LIQUIDITY & LEVERAGE						
Net debt / (cash)	$m	(50)	(17)	26	162	58
Net debt / Equity	%	-100%	-36%	14%	68%	15%
Net debt / Net debt + Equity	%	82517%	-56%	13%	40%	13%
Net debt / EBITDA	x	3.6x	2.3x	-9.3x	1.9x	0.2x
EBITDA /net int expense	x	-148.6x	432.5x	-0.5x	9.5x	21.2x
PROFITABILITY RATIOS						
EBITDA margin	%	-1446%	-352%	-33%	60%	72%
EBIT margin	%	-1676%	-362%	-49%	53%	67%
Return on assets	%	-52%	-14%	-6%	17%	29%
Return on equity	%	-54%	-15%	-9%	30%	49%

ASSUMPTIONS - Prices (nominal)

Year ending 30 June	Unit	2021a	2022a	2023e	2024e	2025e
4N HPA price	US$/t	25,000	25,000	25,000	25,000	25,000
4N HPA price	A$/t	33,787	34,014	34,014	33,784	33,784
FX	US$/A$	0.74	0.74	0.74	0.74	0.74

ASSUMPTIONS - Sales (equity)

Year ending 30 June	Unit	2021a	2022a	2023e	2024e	2025e
4N HPA sales	t	-	-	-	3,740	10,000
5N Al-Precursor #1 - Al-Nitrate	t	-	-	98	175	175
5N Al-Precursor #2 - Al-Sulfate	t	-	-	98	175	175

VALUATION

Product price scenario		1	2	Preferred 3
4N HPA price US$/t		**15,000**	**20,000**	**25,000**
HPA First project $m				
Unrisked NPV (10% discount rate)		303	745	1,186
Risk discount	25%			
Risked NPV		228	559	890
Corporate costs $m	(40)			
Enterprise value $m		188	519	850
Net debt / (cash) $m	(17)			
Equity valuation (risked, undiluted) $m		**204**	**535**	**867**
Assumed capital raise $m	90			
Assumed raise price $/sh	0.37			
Current shares on issue m	812			
In the money options m	31			
Assumed capital raising dilution m	241			
Diluted shares on issue m	**1,084**			
Net debt / (cash) (including options & assumed raising) $m	(178)			
Equity valuation (risked, diluted) $m		365	696	1,027
Equity valuation (risked, diluted) $/sh		**0.34**	**0.64**	**0.95**

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

Research Team

Staff Member	Title/Sector	Phone	@bellpotter.com.au
Chris Savage	Head of Research/Industrials	612 8224 2835	csavage
Analysts			
John Hester	Healthcare	612 8224 2871	jhester
Anubhav Saxena	Healthcare	612 8224 2846	asaxena
Tara Speranza	Healthcare	612 8224 2815	tsperanza
Michael Ardrey	Industrials	613 9256 8782	mardrey
Marcus Barnard	Industrials	618 9326 7673	mbarnard
Sam Brandwood	Industrials	612 8224 2850	sbrandwood
Olivia Hagglund	Industrials	612 8224 2813	ohagglund
Daniel Laing	Industrials	613 8224 2886	dlaing
Chami Ratnapala	Industrials	612 8224 2845	cratnapala
Jonathan Snape	Industrials	613 9235 1601	jsnape
David Coates	Resources	612 8224 2887	dcoates
Stuart Howe	Resources	613 9235 1856	showe
Brad Watson	Resources	618 9326 7672	bwatson
Regan Burrows	Resources	618 9326 7677	rburrows
Joseph House	Resources	613 9235 1624	jhouse
Associates			
Thomas Sima	Associate Analyst	612 8224 2843	tsima
James Williamson	Associate Analyst	613 9235 1692	jwilliamson

Research Coverage & Policies

For Bell Potter Securities' Research Coverage Decision Making Process and Research Independence Policy please refer to our company website: https://bellpotter.com.au/research-independence-policy/.

Authoring Research Analyst's Certification

The Authoring Research Analyst is responsible for the content of this Research Report, and, certifies that with respect to each security that the Analyst covered in this Report (1) all the views expressed accurately reflect the Analyst's personal views about those securities and were prepared in an independent manner and (2) no part of the Analyst's compensation was, is or will be, directly or indirectly, related to specific recommendations or views expressed by that Research Analyst in the Research Report.

Research Analyst's Compensation

Research Analyst's compensation is determined by Bell Potter Securities Research Management and Bell Potter Securities' Senior Management and is based upon activities and services intended to benefit the investor clients of Bell Potter Securities Ltd. Compensation is not linked to specific transactions or recommendations. Like all Company employees Research Analysts receive compensation that is impacted by overall Company profitability.

Prices

The Price appearing in the Recommendation panel on page 1 of the Research Report is the Closing Price on the Date of the Research Report (appearing in the top right hand corner of page 1 of the Research Report), unless a before midday (am) time appears below the Date of the Research Report in which case the Price appearing in the Recommendation panel will be the Closing Price on the business day prior to the Date of the Research Report.

Availability

The completion and first dissemination of a Recommendation made within a Research Report are shortly after the close of the Market on the Date of the Research Report, unless a before midday (am) time appears below the Date of the Research Report in which case the Research Report will be completed and first disseminated shortly after that am time

Disclosure: Bell Potter Securities acted as Joint Lead Manager for A4N's $50m placement in June 2021 and received fees for that service.

Dissemination

Bell Potter generally disseminates its Research to the Company's Institutional and Private Clients via both proprietary and non-proprietary electronic distribution platforms. Certain Research may be disseminated only via the Company's proprietary distribution platforms; however such Research will not contain changes to earnings forecasts, target price, investment or risk rating or investment thesis or be otherwise inconsistent with the Author's previously published Research. Certain Research is made available only to institutional investors to satisfy regulatory requirements. Individual Bell Potter Research Analysts may also opt to circulate published Research to one or more Clients by email; such email distribution is discretionary and is done only after the Research has been disseminated. The level and types of service provided by Bell Potter Research Analysts to Clients may vary depending on various factors such as the Client's individual preferences as to frequency and manner of receiving communications from Analysts, the Client's risk profile and investment focus and perspective (e.g. market-wide, sector specific long term and short term etc.) the size and scope of the overall Client relationship with the Company and legal and regulatory constraints.

Disclaimers

This Research Report is a private communication to Clients and is not intended for public circulation or for the use of any third party, without the prior written approval of Bell Potter Securities Limited.

The Research Report is for informational purposes only and is not intended as an offer or solicitation for the purpose of sale of a security. Any decision to purchase securities mentioned in the Report must take into account existing public information on such security or any registered prospectus.

This is general investment advice only and does not constitute personal advice to any person. Because this Research Report has been prepared without consideration of any specific client's financial situation, particular needs and investment objectives ('relevant personal circumstances'), a Bell Potter Securities Limited Broker (or the financial services licensee, or the representative of such licensee, who has provided you with this report by arrangement with Bell Potter Securities Limited) should be made aware of your relevant personal circumstances and consulted before any investment decision is made on the basis of this Research Report.

While this Research Report is based on information from sources which are considered reliable, Bell Potter Securities Limited has not verified independently the information contained in this document and Bell Potter Securities Limited and its directors, employees and consultants do not represent, warrant or guarantee expressly or impliedly, that the information contained in this Research Report is complete or accurate.

Nor does Bell Potter Securities Limited accept any responsibility for updating any advice, views, opinions or recommendations contained in this Research Report or for correcting any error or omission which may have become apparent after the Research Report has been issued.

Bell Potter Securities Research Department has received assistance from the Company referred to in this Research Report including but not limited to discussions with management of the Company. Bell Potter Securities Policy prohibits Research Analysts sending draft Recommendations, Valuations and Price Targets to subject companies. However, it should be presumed that the Author of the Research Report has had discussions with the subject Company to ensure factual accuracy prior to publication.

All opinions, projections and estimates constitute the judgement of the Author as of the Date of the Research Report and these, plus any other information contained in the Research Report, are subject to change without notice. Prices and availability of financial instruments also are subject to change without notice.

Notwithstanding other departments within Bell Potter Securities Limited advising the subject Company, information obtained in such role is not used in the preparation of the Research Report.

Although Bell Potter Research does not set a predetermined frequency for publication, if the Research Report is a fundamental equity research report it is the intention of Bell Potter Research to provide research coverage of the covered issuers, including in response to news affecting the issuer. For non-fundamental Research Reports, Bell Potter Research may not provide regular updates to the views, recommendations and facts included in the reports.

Notwithstanding that Bell Potter maintains coverage on, makes recommendations concerning or discusses issuers, Bell Potter Research may be periodically restricted from referencing certain Issuers due to legal or policy reasons. Where the component of a published trade idea is subject to a restriction, the trade idea will be removed from any list of open trade ideas included in the Research Report. Upon lifting of the restriction, the trade idea will either be re-instated in the open trade ideas list if the Analyst continues to support it or it will be officially closed.

Bell Potter Research may provide different research products and services to different classes of clients (for example based upon long-term or short term investment horizons) that may lead to differing conclusions or recommendations that could impact the price of a security contrary to the recommendations in the alternative Research Report, provided each is consistent with the rating system for each respective Research Report.

Except in so far as liability under any statute cannot be excluded, Bell Potter Securities Limited and its directors, employees and consultants do not accept any liability (whether arising in contract, in tort or negligence or otherwise) for any error or omission in the document or for any resulting loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of the document or any other person.

In the USA and the UK this Research Report is only for institutional investors. It is not for release, publication or distribution in whole or in part in the two specified countries. In Hong Kong this Research Report is being distributed by Bell Potter Securities (HK) Limited which is licensed and regulated by the Securities and Futures Commission, Hong Kong. In the United States this Research Report is being distributed by Bell Potter Securities (US) LLC which is a registered broker-dealer and member of FINRA. Any person receiving this Research Report from Bell Potter Securities (US) LLC and wishing to transact in any security described herein should do so with Bell Potter Securities (US) LLC.

Early Stage Company Risk Warning:

The stocks of early stage companies without regular revenue streams from product sales or ongoing service revenue should always be regarded as speculative in character. As A4N is yet to establish a regular income stream capable of producing net cash inflows from operations it is regarded as speculative in nature. Stocks with 'Speculative' designation are prone to high volatility in share price movements. Investors are advised to be cognisant of these risks before buying such a stock including A4N (of which a list of specific risks is highlighted within).

Bell Potter Securities Limited
ABN 25 006 390 772
Level 29, 101 Collins Street
Melbourne, Victoria, 3000
Telephone +61 3 9256 8700
www.bellpotter.com.au

Bell Potter Securities (HK) Limited
Room 1701, 17/F
Prosperity Tower, 39 Queens Road Central, Hong Kong, 0000
Telephone +852 3750 8400

Bell Potter Securities (US) LLC
Floor 39
444 Madison Avenue, New York
NY 10022, U.S.A
Telephone +1 917 819 1410

Bell Potter Securities (UK) Limited
16 Berkeley Street London, England
W1J 8DZ, United Kingdom
Telephone +44 7734 2929