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Zacks Small-Cap Research

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Novonix Ltd (NVX-NASDAQ)

NVX: Positive Takeaways - Grant Funding, Cathode Pilot

Novonix is positioning itself to benefit from anticipated growth in North American demand for battery technologies and supplies, which is expected to be robust. The company is developing a U.S.-based lithium-ion battery materials supply chain. By comparison, manufacturers in China currently control a roughly 80% share of the market for synthetic graphite. NVX sees its production capacity in Tennessee as a competitive advantage in terms of proximity to the market of the supply of competitive and high-performing materials.

Current Price (12/8/22)	$5.25
Valuation	**$14.00**

OUTLOOK

Novonix Anode Materials expects to receive US$150M in grant funding from the DOE to expand domestic production. We believe this validates the company's strategy to establish a North American production and supply presence and underscores the company's prospects. In addition, last month NVX launched a new pilot production facility for Novonix Cathode Materials, which, along with Novonix Anode Materials, is expected to play a key role in the satisfying growing demand for batteries. Separately, the company recently added the former Chairman and CEO of General Motors to its board. We view this as another positive in NVX's strategy to establish infrastructure and expertise as North American lithium-ion battery demand rises.

SUMMARY DATA

52-Week High	**24.00**
52-Week Low	**4.40**
One-Year Return (%)	**-78**
Beta	**1.65**
Average Daily Volume (sh)	**34,725**
ADSs Outstanding (mil)	**121**
Market Capitalization ($mil)	**652**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**48**
Insider Ownership (%)	**22**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2022 Estimate	**N/A**
P/E using 2023 Estimate	**N/A**

Risk Level	**Above average**
Type of Stock	**Growth**
Industry	**Materials**

ZACKS ESTIMATES

Revenue
(in millions of US$)

	Q1 (Sep)	Q2 (Dec)	Q3 (Mar)	Q4 (Jun)	Year (Jun)
2020		$2.1 A			$3.7 A
2021		$2.0 A			$3.8 A
2022		$3.8 A			$5.7 A
2023		$6.0 E			$7.8 E

EPS or Loss Per Share

	Q1 (Sep)	Q2 (Dec)	Q3 (Mar)	Q4 (Jun)	Year (Jun)
2020		-0.04 A			-0.11 A
2021		-0.03 A			-0.04 A
2022		-0.05 A			-0.10 A
2023		-0.10 E			-0.14 E

Quarters might not sum due to rounding & share counts

Aus$ / US$ exchange rate 0.68 - 0.73 Disclosures pg 14

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KEY POINTS

- Novonix is positioning itself to benefit from expected growth in North American demand for battery technologies and supplies. The company's strategy has a positive sector tailwind, in our opinion, in terms of regulatory actions and rising consumer awareness of the need to transition to renewable technologies.

- Novonix is developing a U.S.-based lithium-ion battery materials supply chain, as demand in North America is expected to be robust. The company has anode materials production capacity located in Tennessee to facilitate its goal of becoming a leading global supplier of key battery material. By comparison, manufacturers in China currently control a roughly 80% share of the market for synthetic graphite. The company views its proximity to the market as a competitive advantage. Moreover, Novonix material has also demonstrated a roughly 30% to 60% decrease in GWP (global warming potential) when compared to synthetic graphite produced in China.

- Novonix Anode Materials was recently selected to enter negotiations to receive US$150 million in grant funding from the Department of Energy (DOE) to expand its domestic synthetic graphite anode materials production. We believe this validates the company's strategy to establish a North American production and supply presence and underscores the company's prospects. The grant is earmarked for the construction of a 30,000 tonnes per annum (tpa) U.S. manufacturing facility.

- Novonix Cathode Materials is also expected to play a key role in the growing demand for batteries. Last month NVX launched a new pilot production facility for cathode materials in a new 35,000-square-foot facility. The facility enables Novonix to demonstrate the feasibility of large-scale production.

- Novonix has expanded its board to include advisors with significant expertise in battery technology and / or adjacent sectors. Recently, the company appointed two new directors to its board who have extensive relevant industry expertise, including Daniel Akerson, who served as Chairman and CEO of General Motors from 2010 to 2014.

- NVX has formed several important agreements and relationships to further its growth strategy. The company has support from Phillips 66, which acquired a 16% stake in Novonix, and interest from Sanyo and Samsung SDI and Kore Power, among others. We believe these relationships underscore the company's broad range of opportunities.

- We also believe the Inflation Reduction Act (IRA) and other measures underscore and potentially expand prospective opportunities for Novonix. The IRA includes an estimated $369 billion earmarked for investments related to climate change and ensuring U.S. energy security, including renewable energy technologies. Also encouraging is rising consumer adoption of EVs.

ESTABLISHING INFRASTRUCTURE TO SUPPORT GROWTH

Company positioning to benefit from ramping growth in target verticals…

Novonix (NVX-NASDAQ) is positioning itself to benefit from expected growth in North American demand for battery technologies and supplies. The company's strategy has a positive sector tailwind, in our opinion, in terms of regulatory actions and rising consumer awareness of the need to transition to renewable energy technologies. Novonix is an integrated developer and supplier of high-performance materials, equipment and services for the global lithium-ion battery industry. The company is advancing a strategy to develop a U.S.-based lithium-ion battery materials supply chain. Demand for lithium-ion battery materials in North America is expected to be robust. Novonix's initial primary target niches within

the battery space include the electric vehicle (EV) and ESS (energy storage systems) and other key verticals.

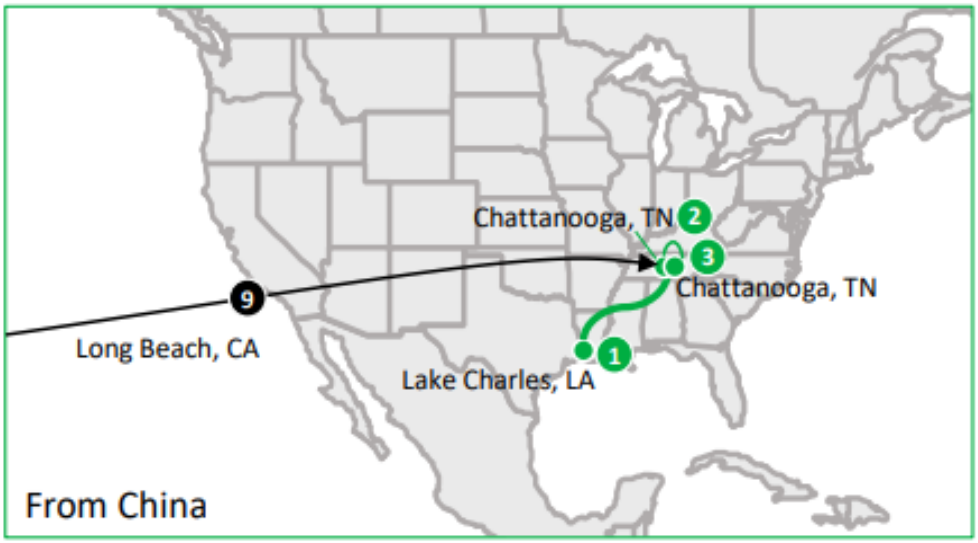
Through operating units Novonix Anode Materials, Novonix Cathode Materials and the Novonix Battery Technology Solutions (BTS) divisions, Novonix is leveraging proprietary R&D to develop critical materials for the battery sector. The company's initial primary concentration has been on the Novonix Anode Materials business, as NVX anticipates significant growth in the need for graphite – including synthetic graphite – as battery demand continues to rise. The company has also taken recent steps to advance the Novonix Cathode Materials unit.



Source: Company presentation

…Production facilities - North American manufacturer of synthetic graphite

The company has production capacity located in a Tennessee to facilitate its goal of becoming a leading global supplier of key battery material. Currently, manufacturers in China control a roughly 80% share of the market for synthetic graphite, according to Avicenne Energy, a consulting firm specializing in high growth technology markets. Importantly, Novonix believes it has first mover advantage as the only manufacturer of synthetic graphite in North America.



Source: Company presentation

Novonix Anode Material – DOE grant funding to support expansion plans

Novonix Anode Materials is expected to be the chief engine for the company's near-term growth. Importantly, Novonix has developed an efficient, low-cost process to produce *synthetic* graphite anode material that is designed to be competitive with the current supply sourced primarily from China. Moreover, not only does the company believes the location of its plant and proximity to end markets is a competitive advantage, NVX also recently announced that in a study comparing its synthetic anode graphite material to that supplied from China, the Novonix material demonstrated a roughly 30% to 60% decrease in GWP (global warming potential) when compared to synthetic graphite produced in two key regions in China. The two regions account for a combined 79% of global production of synthetic anode material, according to the study.

In 4Q22, Novonix Anode Materials was selected to enter negotiations to receive US$150 million in grant funding from the Department of Energy (DOE) to expand its domestic synthetic graphite anode materials production. Funding is expected to facilitate the expanded domestic manufacturing of batteries for EVs and the electrical grid, with a focus on reducing reliance on imported materials and components. The grant is earmarked for the construction of a 30,000 tonnes per annum (tpa) U.S. manufacturing facility.

This would be a key step in the company's strategy to have 40,000 tpa production capacity by 2025. Phase 1 of the company's growth strategy entails ramping up production capacity of synthetic graphite. The company believes the increased production capacity will enable it to advance its goal of becoming a leading global supplier of key battery material.

Novonix Anode Material's proprietary manufacturing process transitions the material from precursor powder into battery-ready anode material used to produce cells with high capacity and long life. The company produces critical battery material at a lower cost than that of the synthetic graphite materials derived primarily from Asia. In testing, the company believes Novonix Anode materials have outperformed materials produced by competitors.

Novonix Cathode Materials - another critical component of lithium-ion batteries

Novonix Cathode Materials is also expected to play a key role in the growing demand for batteries. Last month NVX launched a new pilot production facility for cathode materials in a new 35,000-square-foot facility. The facility enables Novonix to demonstrate the feasibility of large-scale production, with the production target of up to 10,000 tonnes per annum. Just as with the production capacity of the anode materials business, the company has leveraged grant and other funding. The development of the cathode materials facility was supported by C$1 million funding from the Canadian government and C$1.675 million from Next Generation Manufacturing Canada.

Cathode materials, as well as anode materials, are a critical component of lithium-ion batteries. The lithium-ion battery generates electricity through chemical reactions within the battery and requires both anode and cathode materials in order to work. The cathode element is crucial in determining the battery's capacity and voltage. A greater portion of lithium in the cathode implies greater capacity, for instance. Growing demand for batteries is therefore expected to also stimulate demand for cathode, as well as anode materials. The focus of the company's cathode unit is complementary to its anode material unit, as each group focuses on enhancing battery performance and life in order to provide viable and economically produced batteries for EV and ESS manufacturers and share a common end customer base of these cell manufacturers. Early testing results show that the company's cathode technology produces comparable – or better – results than competitive technologies.

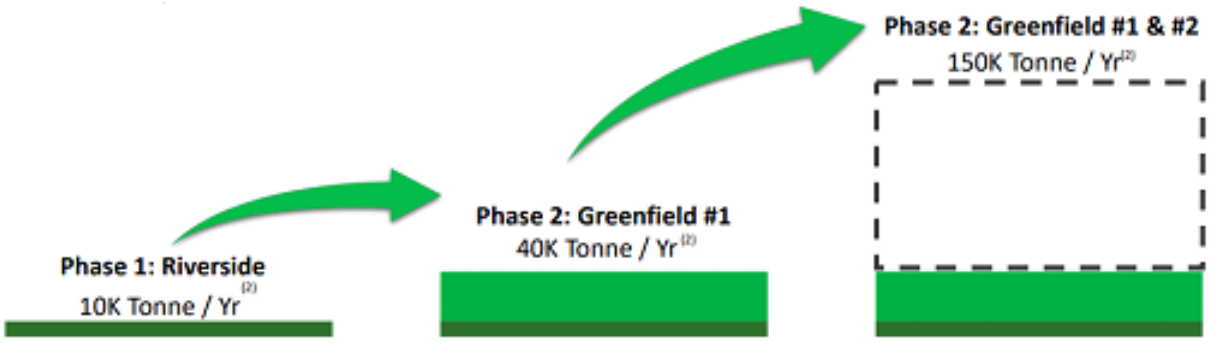
Novonix is leveraging its proprietary dry particle microgranulation (DPMG) technology to process and develop cathode materials. This business extension is not as advanced yet as the anodes material business. Nevertheless, NVX expects the cathode business to become an important contributor to its strategy to become a supplier of a full range of advanced materials and services to the battery industry.

RAMPING AND SCALING PRODUCTION CAPACITY

North American Manufacturing: Proximity to target market

In November 2021, NVX official opened its Novonix Riverside facility, which is intended to satisfy the Kore (see below) supply agreement. NVX formed a strategic alliance with Buffalo, NY-based Harper International Corporation to develop specialized furnace technology to enhance its synthetic graphite manufacturing process. Management expects the relationship to enable Novonix to contain manufacturing costs and obtain operational cost savings. The company also expects to benefit from relatively low energy costs at the Tennessee facility. According to the Tennessee Valley Authority, the Tennessee Valley enjoys electric rates that are lower than rates in about 70% of the U.S. The pending award of grant funding is another positive, we believe, to facilitate Novonix's production expansion strategy. The company's plan is to ramp production in three phases.

Expected Growth Plan for Novonix Anode Materials



Source: Company presentation Phase 1 2023 Phase 2 2025 Phase 3 2030

Lithium-ion batteries consist primarily of a cathode (positive electrode), an anode (negative electrode) and electrolyte architecture, as well as a separator. When the battery is charging, lithium ions are moved from the cathode and stored in the anode while corresponding electrons are moved through the charger. When the battery is discharging, lithium ions are released form the anode and return to the cathode. The features of graphite, including reaction potential with lithium and stable layered crystal structure, make graphite suitable as the anode component.

Synthetic graphite is purer in terms of carbon content and "tends to behave more predictably," according to Graphite Investing News. This means that among the important benefits of synthetic graphite, it is expected to be more stable than natural graphite. Across the graphite market, synthetic graphite is capable of withstanding high temperatures and corrosion. In the lithium-ion battery space, synthetic graphite has been shown to be more stable than natural graphite and thus lead to longer cycle life. For this reason, synthetic graphite is expected to grow market share relative to natural graphite for lithium-ion batteries because many verticals, such as the company's two target ones – EV and ESS – will require longer life and stability that synthetic graphite can provide. Demand for synthetic graphite for batteries is expected to outpace demand for natural graphite.

… Management and board expertise…

Novonix has expanded its board to include advisors with significant expertise in battery technology and / or adjacent sectors. In 2021, Novonix added Zhanna Golodryga to its board, as Phillips 66 nominated Director. She is the SVP, Chief Digital and Administrative Officer for Phillips 66. Recently, the company appointed two new directors to its board who have extensive expertise relevant to the battery supply chain: Daniel Akerson and Ron Edmonds. Daniel Akerson has extensive experience across automotive,

finance, and information services. He served as Chairman and CEO of General Motors from 2010 to 2014. Ron Edmonds currently is Chief Accounting Officer at Dow, a multibillion global materials science company, where he oversaw Dow's merger with DuPont.

… and Strategic partnerships…

NVX also has formed several important agreements and relationships to further its growth strategy. We believe interest from **Sanyo** and **Samsung SDI** and relationships with **Phillips 66** and **Kore Power** underscore the company's broad range of opportunities. It is relatively early in this emerging space, in our view, and Novonix is positioning itself to be a strong beneficiary as the sector develops, offering a range of solutions for the lithium-ion space. The company has support from Phillips 66, which made an investment in Novonix. Phillips 66 acquired a 16% stake in Novonix. The investment is consistent with Phillips 66's commitment to pursue lower-carbon solutions, while leveraging its leadership position and expertise in the specialty coke market. Novonix management believes it represents a signal of Phillips 66's confidence in the company's opportunities and outlook. The investment added capital for NVX to fund its growth objectives.

RELATIONSHIPS WITH MAJOR PLAYERS …

… underscore positives of company's business plan & growth strategy

The company's above noted strategic relationships with Phillips 66, Kore, Sanyo, Samsung and others underscore the positives of Novonix's business plan and growth strategy, in our view. The Phillips 66 relationship is expected to provide Novonix access to key materials required to produce synthetic graphite. Specifically, Phillips 66 is one of the world's leading manufacturers of specialty coke, which is a critical precursor in the production of batteries and which Novonix processes to produce its high-performance anode material. Philips 66 operates facilities in the U.S. and U.K. that produce materials Philips 66 sells to manufacturers of synthetic graphite based in China and other markets. The two companies signed a technology development agreement to advance the production and commercialization of anode materials for lithium-ion batteries. They will collaborate to accelerate development of next-gen materials for the U.S. battery supply chain.

Novonix and Kore Power have formed a strategic relationship and signed investment and supply agreements. NVX will be the exclusive supplier of graphite anode materials to Kore Power's U.S. operations. The initial term of the supply agreement is for five years, with automatic renewal for a five-year term. In addition, the company has taken a roughly 5% stake in Kore Power. Headquartered in Idaho, with offices in Europe, Canada and India, Kore is a leading U.S.-based developer of battery cell technology for the clean energy industries. Under the supply agreement, Novonix will be the exclusive supplier to Kore Power's U.S. battery cell manufacturing facility. In July 2021, Kore unveiled its plans to construct Koreplex, a one million square foot manufacturing facility intended to support up to 12 gigawatt hours (GWh) of battery cell production. Kore's goal is to commence production in early 2023.

Novonix will begin supplying 3,000 tonnes per annum (tpa) of graphite anode material beginning in 2024. The supply is intended to ramp up to about 12,000 tpa in 2027, depending on customer demand. This agreement represents a milestone as Novonix's first commitment for sales of significant volumes of material. It is particularly important as Novonix moves forward with its plant expansion plan. Kore pointed to Novonix's role as "the leading U.S. domestic supply of synthetic graphite anode materials and related technology" as a key driver of the agreement.

Novonix and **Samsung SDI** forged an agreement for Novonix to supply Samsung SDI with synthetic graphite anode material for lithium-ion batteries. In December 2020, Novonix and Samsung SDI signed an agreement for Novonix to supply Samsung SDI with 500 tons of synthetic graphite anode material for lithium-ion batteries, subject to quality testing. Management believes this offers proof of concept about

the competitive advantages of Novonix's graphite. Samsung SDI represents Novonix's first major customer on the materials side. The company also expects that this agreement likely will be expanded as a result of the quality testing of the material.

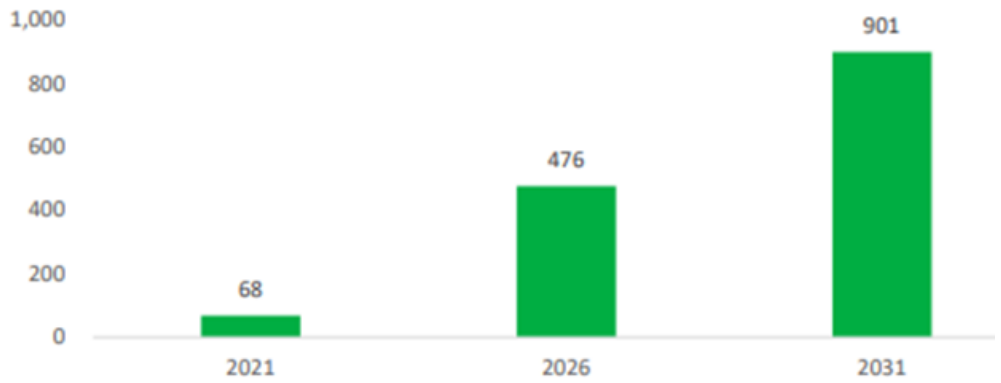
Novonix also signed a non-binding agreement with **Sanyo** to assess production materials from its production facility. Sanyo, a subsidiary of Panasonic Corporation, is a leading battery producer and supplier to Tesla. Together, Samsung SDI and Sanyo account for a combined estimated 30% of the global lithium-ion market.

NVX has an agreement with **Emera Inc.** to develop and manufacture ESS. NVX and Emera Technologies intend to jointly develop battery pack systems to support microgrids that are designed to provide solar power to homes. Emera Technologies launched BlockEnergy in 2020. BlockEnergy is the first utility-owned community microgrid platform. Together, NVX and Emera Technologies intend to develop battery pack systems to support microgrids that are designed to provide solar power to homes. Emera and Novonix recently delivered the first custom designed microgrid battery prototype to support BlockEnergy, in its operations of a residential pilot project located near Tampa, Florida. The BlockEnergy system connects residences in a shared energy network and enables solar energy to be stored and distributed throughout the network. Novonix is optimistic that this can create opportunities to provide cleaner energy sources. The two partners expect to test the battery prototype later in 2022 and to make the system available commercially in 2023.

NORTH AMERICA KEY MARKET

Management believes the bulk of battery requirements in its two target verticals will experience significant growth in North America, which is consistent with forecasts from the U.S. DOE and the World Economic Forum. The DOE notes that "the largest markets for stationary energy storage in 2030 are projected to be in North America (41.1 GWh), China (32.6 GWh), and Europe (31.2 GWh)." The U.S. has the third-largest EV market, according to the World Economic Forum, but EV sales are expected to grow substantially as government incentives continue and the charging infrastructure to support EV driving builds. Lithium-ion batteries are critical to power EVs and energy storage systems (ESS). Not surprisingly, therefore, the U.S. Department of Energy (DOE) notes that lithium-ion batteries are "the fastest-growing rechargeable battery segment." In turn, this has fueled the need for greater production of batteries and battery components. NVX's strategy is to create a North American source of competitively priced, high-quality synthetic anode material for the battery industry.

Implied North American Graphite Anode Demand (kt)



Source: Company presentation

Rising EV adoption & improving performance and support infrastructure

In 2021, global EV sales appear to have accelerated in terms of volume and market share, according to Green Car Reports, citing a report from the International Energy Agency (IEA). Some 6.6 million plug-in vehicles were sold in 2021, which represented a greater than 100% increase compared to three million sold in 2020 and 2.2 million in 2019. Including hybrids, EV sales represented about 9% of the global new-car market in 2021, up from 4.1% in 2020 and 2.5% in 2019. The report cites favorable government policies, including subsidies, as a key driver behind EV sales growth, combined with introduction of new EV models. As McKinley notes, "the tipping point in passenger EV adoption occurred in the second half of 2020, when EV sales and penetration accelerated in major markets despite the economic crisis caused by the COVID-19 pandemic." BloombergNEF forecasts that 50+% of all new car sales will be EVs by fiscal 2030.

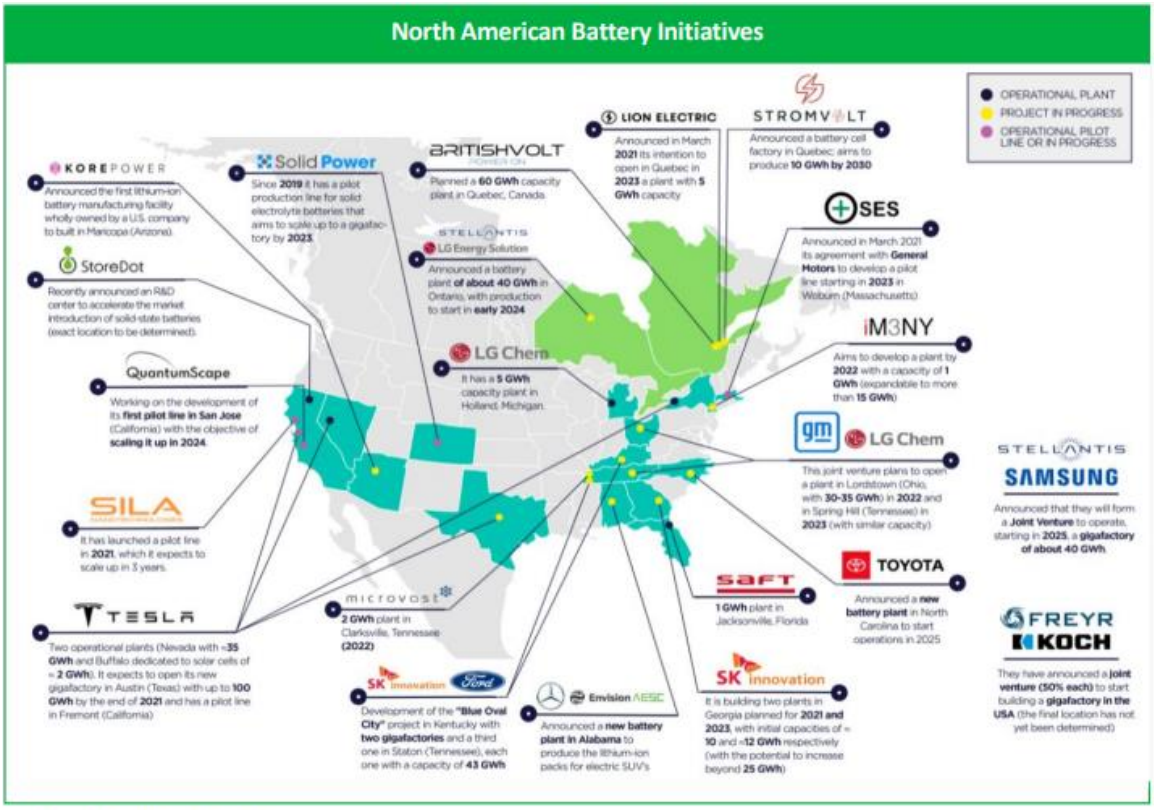
Inflation Reduction Act & other government measures…

We also believe the Inflation Reduction Act (IRA) and other measures underscore and potentially expand prospective opportunities for Novonix. The IRA includes an estimated $369 billion earmarked for investments related to climate change and securing U.S. energy security, including renewable energy technologies. The U.S. federal government has incentivized consumer purchase of EVs using tax credits since 2010. Most EVs and even hybrids have been eligible for a federal tax credit of up to $7,500, depending on the total number of EVs the OEM manufacturer has sold. (Tesla and GM cumulative EV sales to-date make their vehicles ineligible for the federal incentive program, but proposed legislative revisions might make future GM EV sales eligible). In addition to federal credits, many states also offer incentives for purchasing a new EV. For example, California has been particularly active about offering financial incentives to stimulate EV sales.

Also encouraging in terms of consumer adoption is continued improvements in EV performance and regulatory restrictions on automobile emissions. On average, the minimum performance on electric range increased to 150 kilometers (km) in 2018, from 100 km the prior year, according to McKinsey. McKinsey also notes that "governments and cities have introduced regulations and incentives to accelerate the shift to sustainable mobility. Regulators worldwide are defining more stringent emissions targets… In line with EV uptake, the buildup of charging infrastructure needs to accelerate to avoid becoming a potential bottleneck and limiting consumer-driven EV adoption."

… and initiatives by many industry leaders

Focus on green automotive options and optimism about the EV space is leading to development of infrastructure to support EVs. For example, Kore Power, a leading U.S.-based developer of battery cell technology for the clean energy industries that has a partnership with Novonix, announced plans to develop what it calls the KOREPlex in Arizona. It is expected to become operational in early 2023. Automotive OEMs such as GM and Tesla, among others, have also announced planned battery initiatives in North America, as illustrated below.



Source: Company presentation

We view these initiatives as positives that underscore the potential demand for batteries and could serve as a catalyst for Novonix growth as it builds a North American ecosystem for EV batteries. Construction of charging infrastructure to support EV adoption has also been increasing. The Biden administration, U.S. Department of Transportation (DOT) and U.S. Department of Energy (DOE) recently announced their agreement to deploy about $5 billion over 5-years to support the development of a national EV charging network along what they refer to as “designated alternative fuel corridors, particularly along the interstate highway system.” They refer to this as “an important step towards making electric vehicle (EV) charging accessible to all Americans.”

VALUATION

The shares have come under pressure in 2022, which we believe primarily reflects general market volatility. Although we believe it will be transient if the company successfully executes on its strategy, we expect the general market volatility and uncertain economic outlook could weigh on the shares longer than we originally anticipated.

We are lowering our near-term valuation expectations for NVX ADRs to reflect overall multiple compressions in appropriate benchmark sectors. This move does not reflect a reduced outlook for the company. As Novonix moves closer to commercializing its North American materials businesses, we expect the shares to begin to reflect the value of the anode and cathode initiatives. As the company hits certain milestones, we believe it could be a catalyst for multiple expansion and share price appreciation.

The revenue arc for NVX is somewhat unclear at this stage. Nevertheless, although pricing for synthetic graphite fluctuates, depending on market conditions, it is not unreasonable to expect that the company could deliver revenue of US$3 to US$4 per ADR by 2025-27, based on expected production capacity and anticipated product demand. The company has already secured sales to Kore beginning in 2024 and interest from Samsung SDI and Sanyo, as noted, and demand is expected from additional sources. By

2025, Novonix expects to have capacity to produce 40,000 tons of material per annum (Phase 2) on its way to 150,000 tons by 2030 (Phase 3).

If NVX can reach the above noted revenue per ADR by 2025-27, as we anticipate, applying a 4.2x multiple and discounting back at 5.0% per annum implies a price per ADR of about US$14. After recent pull-backs, share price multiples in the clean tech space average about 3x and significantly higher multiples for renewable energy players, down from substantially higher levels pre-pandemic. While there are no true direct comparisons for Novonix, in our view, these sectors provide a benchmark. We believe as the company hits additional milestones, it could serve as catalysts for further share price appreciation.

We believe the risk / reward ratio could be attractive for investors who have a higher than average risk tolerance and longer time horizon. We think the current share price level does not reflect the fundamental value of the company's prospects and expect them to begin to reflect future prospects, as the company continues to advance its strategy. In success, we would anticipate multiple and share price expansion. Any delay or failure in successful execution of the strategy could cause the share price to decline and represent a potential risk to our valuation.

RISKS

We believe risks to Novonix achieving its goals, and to our valuation, include the following, among others.

- Among the biggest risks, in our view, is that the NVX anode material does not gain market share as quickly as the company expects, which leads to slower than anticipated revenue ramp. However, we believe the expected cost competitiveness of the product mitigates this risk.
- The timing of expanding production capacity at the Tennessee plant could be delayed, which would also delay sales ramp.
- The company could incur unanticipated costs associated with its growth strategy.
- The price of synthetic graphic could come under pressure if substitute materials are shown to be effective or if other producers price irrationally to protect market share.
- Additional commercial deals, such as the one with Samsung, might take longer than expected to close or might not materialize at all.
- Competition could increase.
- Technology could evolve that makes the company's advanced materials less important to the global battery sector than management currently anticipates.
- NVX might need to raise additional capital to support its strategy that could be dilutive to current shareholders.

RECENT NEWS

- On November 8, 2022, NVX launched a new pilot production facility for cathode materials.
- Novonix appointed two new directors to its board who have extensive expertise relevant to the battery supply chain – Daniel Akerson and Ron Edmonds – on October 26, 2022.
- NVX announced the results of an anode material comparative study on June 29, 2022.
- On June 6, 2022, NVX announced that with Emera Technologies, it had launched a microgrid battery prototype.
- NVX appointed Jean Oelwang to its board on March 2, 2022. She is the founding CEO and Trustee for Virgin Unite, a non-profit foundation under the Virgin Group umbrella of companies, and a senior partner at the B Team.
- Novonix shares began trading on the Nasdaq on February 2, 2022.
- NVX closed an investment and supply agreement with Kore Power on February 1, 2022.
- Zhanna Golodryga joined the NVX board on October 20, 2021.
- NVX and Phillips 66 closed the transaction on September 24, 2021.
- Phillips 66 announced its strategic Investment in the company on August 10, 2021.

PROJECTED FINANCIALS

Novonix Income Statement & Projections ($ Aus)

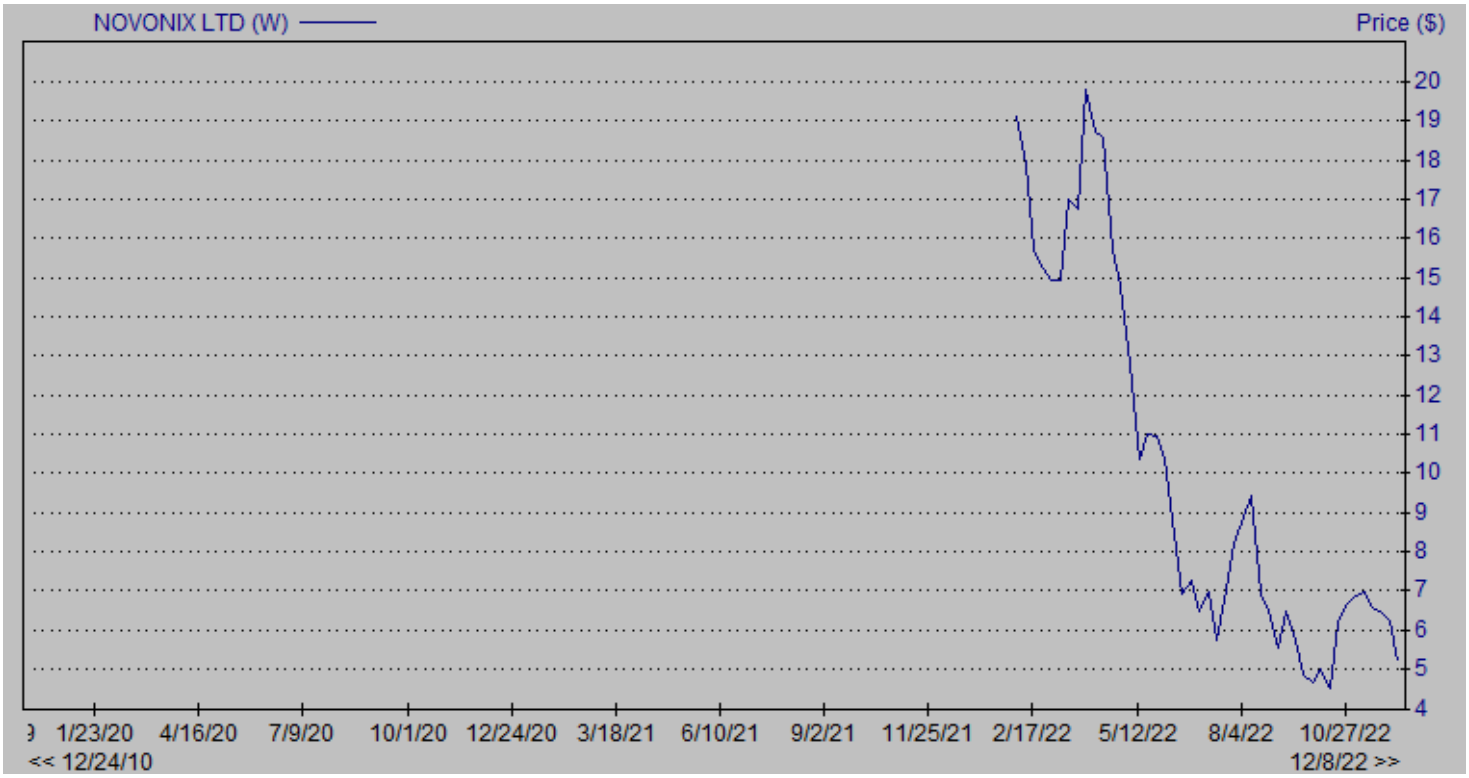
	June 2018	June 2019	Dec 2019	June 2020	Dec 2020A	June 2021A	Dec 2021A	June 2022A	Dec 2022E
Revenue from contracts with customers	2,171,895	1,817,049	2,675,392	4,253,435	2,325,541	5,227,347	4,001,117	8,417,763	8,838,651
Other income	231,522	3,024,684	227,652	844,877	408,759	-	1,080,827	-	-
Total	2,403,417	4,841,733	2,903,044	5,098,312	2,734,300	5,227,347	5,081,944	8,417,763	8,838,651
COGS	(957,832)	(741,280)	(885,263)	(1,245,187)	(301,195)	(969,774)	(821,197)	(3,005,977)	(3,358,687)
Gross profit / (loss)	1,445,585	4,100,453	2,017,781	3,853,125	2,433,105	4,257,573	4,260,747	5,411,786	5,479,964
Gross margin	60.1%	84.7%	69.5%	75.6%	89.0%	81.4%	83.8%	64.3%	62.0%
Administrative & other expenses	(1,169,031)	(1,565,032)	(1,230,004)	(3,115,665)	(1,418,169)	(3,945,829)	(5,020,953)	(16,736,023)	(17,405,464)
Borrowing costs	(662,693)	(1,536,897)	(1,651,871)	(5,330,961)	(101,473)	(229,394)	(863,938)	(2,086,863)	(542,584)
Impairments		(15,918,925)	-	-	(2,738,138)	(2,764,940)	-	-	-
D&A	(154,251)	(494,948)	(468,372)	(1,380,303)	(782,396)	(1,697,754)	(2,452,465)	(5,814,905)	(5,931,203)
Marketing & project dev costs, R&D	(354,312)	(1,560,551)	(915,562)	(2,423,546)	(1,683,953)	(2,809,984)	(2,766,375)	(7,040,367)	(7,181,174)
Share based compensation	(6,315,899)	(6,673,510)	(3,179,681)	(7,558,953)	(3,628,805)	(5,948,532)	(11,777,421)	(20,190,538)	(20,594,349)
Employee benefits expense	(1,656,613)	(2,104,176)	(1,517,778)	(4,072,223)	(1,871,571)	(5,837,926)	(5,449,619)	(17,572,673)	(17,924,126)
Other	(1,442,770)	(751,981)	(88,186)	-	(976,335)	900,709	(4,777,389)	(7,411,441)	(5,558,581)
Total expense	(11,755,569)	(30,606,020)	(9,051,454)	(23,881,651)	(13,200,840)	(22,333,650)	(33,108,160)	(76,852,810)	(75,137,482)
Pretax income / (loss)	(10,309,984)	(26,505,567)	(7,033,673)	(20,028,526)	(10,767,735)	(18,076,077)	(28,847,413)	(71,441,024)	(69,657,518)
Taxes	(13,398)	383,655	-	-	-		-	-	-
Net income	(10,323,382)	(26,121,912)	(7,033,673)	(20,028,526)	(10,767,735)	(18,076,077)	(28,847,413)	(71,441,024)	(69,657,518)
FX	140,644	809,396	66,527	550,243	(3,318,445)	(2,101,097)	2,169,511	9,167,212	5,500,327
Net loss	(10,182,738)	(25,312,516)	(6,967,146)	(19,478,283)	(14,086,180)	(20,177,174)	(26,677,902)	(62,273,812)	(64,157,191)
LPS	($0.09)	($0.21)	($0.06)	($0.15)	($0.04)	($0.05)	($0.06)	($0.15)	($0.14)
Average shares out	114,412,787	120,535,790	125,195,505	129,855,220	351,615,637	366,289,024	443,702,029	464,437,628	482,437,628

Source: Company reports, Zacks estimates

Fiscal year ends June 30.

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