EDISON

KEFI Minerals

Status update

Tulu Kapi project started and financings improved

Metals & mining

Since our last note, KEFI Minerals has achieved a number of key development milestones and prepared the TKGM consortium and its own balance sheet for: 1) triggering project development in January 2020 starting with government funded off-site works; 2) the full repayment and cancellation of all convertible loan facilities through a set of financings announced on 17 December 2019; and 3) receipt of all permits and internal government administrative requirements required to trigger offsite development. It has also selected a more attractive bank loan proposal to fund capex compared to the previous bond lease proposal, closed first project equity (from the government) and started development offsite. The next milestones for Tulu Kapi are the closing of private sector project equity and starting on-site development activities. On 17 February 2020, KEFI announced the approval of the TKGM shareholders for these two steps to now proceed to the next steps of closing.

Year end	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
12/17	0.0	(3.6)	(1.2)	0.0	N/A	N/A
12/18	0.0	(4.6)	(1.0)	0.0	N/A	N/A
12/19e	0.0	(3.6)	(0.5)	0.0	N/A	N/A
12/20e	0.0	(0.3)	(0.0)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Initial exploration success at Hawiah

The results of 45 drill holes at the Hawiah deposit in Saudi Arabia indicate the discovery of a large, polymetallic (mainly copper-gold) deposit. Drilling continues to intersect massive sulphides in a large VMS system (see page 6 below) and KEFI expects to delineate a maiden mineral resource there within the next six months.

Valuation: 3.54p rising to 5.71p; potentially 7.57p

We calculate that Tulu Kapi is capable of generating free cash flow of c £48.8m a year for seven years, from 2022 to 2028 inclusive. This, in turn, drives average (maximum potential) dividends of 1.51p/share for the five years from 2025 to 2029, which values KEFI at 3.54p/share when discounted back to FY20 at a 10% discount rate. This confirms a current value for KEFI of £46m, or US$59m (cf US$58m previously), based on the dividend potential of Tulu Kapi alone. However, this ignores the exploration and development of the pipeline of targets in the KEFI portfolio. In the event that KEFI is ultimately successful in leveraging its cash flow from the open pit mine into the underground deposit and its other assets in the region, our valuation increases to 7.57p/share. Stated alternatively, we estimate an investment in KEFI shares currently at a price of 1.25p could generate an internal rate of return to investors equivalent to 30.1% per year over nine years to 2029 in sterling terms. However, this rises to 47.1% (and our valuation to 6.43p/share) in the event that the gold price remains at US$1,600/oz. Saudi Arabian and other non-core assets potentially add at least a further 3.4c (2.7p) to this. In the meantime, investors can purchase shares in KEFI at a price that equates to just US$10.64 per resource ounce (before minority partners' investment into the asset).

4 March 2020

Price	**1.25p**
Market cap	**£16m**
	US$1.2808/£
Net debt (£m) at 30 June 2019	0.7
Shares in issue	1,297.9m
Free float	94.8%
Code	KEFI
Primary exchange	AIM
Secondary exchange	N/A

Share price performance

%	1m	3m	12m
Abs	(11.0)	(15.2)	(26.7)
Rel (local)	(26.7)	(3.3)	(10.2)
52-week high/low		2p	1p

Business description

KEFI Minerals is an exploration and development company focused on gold and copper deposits in the highly prospective Arabian-Nubian Shield – principally the Tulu Kapi project in Ethiopia and, to a lesser extent, the Jibal Qutman project in Saudi Arabia.

Next events

Community resettlement	March 2020
Engineering & procurement	H120
Construction start	Mid-2020
Start of commissioning	Early 2021

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Edison profile page

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Tulu Kapi launched

Since our last update note (see Convertible loan note restructuring, published on 21 August 2019), KEFI has achieved a number of key milestones, including:

- By the end of 2019:
  - Full repayment of all convertible and other loans.
  - Receipt of all permits required to develop Tulu Kapi.
  - Receipt of all independent consultants' reports required to trigger project finance closings.
  - Selection of bank-loan based project finance proposal in preference to the previous, more expensive bond-lease proposal.
- As a result, so far in 2020, the following actions have taken place:
  - Project equity closing has occurred with KEFI's government sector partner and offsite development commenced.
  - On 17 February 2020, KEFI announced that the Tulu Kapi Gold Mines Share Company (TKGM) general meeting approved that ANS Mining (KEFI's private sector project partner) could proceed to closing its investment, so onsite development activities can commence.
  - The project consortium action plan has been agreed and the local community, contractors and stakeholders have been asked to prepare for the commencement of project development.

In addition to achieving these milestones, KEFI has also updated the market on its capital expenditure estimates – revealing only very small changes relative to our prior estimates – and announced that it has selected a bank loan proposal to fund capex, rather than the previously assumed bond lease proposal.

Bank loan financing

In addition to its capex update, on 2 December, KEFI announced that it had selected a bank loan proposal to fund capex, rather than the previously assumed bond lease proposal, and that a preliminary term sheet to this effect has already been signed and is subject to credit approval. The bank loan proposal is said to be more attractive and more straightforward to execute than the bond lease alternative. In addition, the proposed bank lenders are reported to be already working in Ethiopia and to be familiar with the local market and many of the Tulu Kapi project's stakeholders. Hence, it is considered to be more compatible with the project consortium. Full finance close and drawdown is anticipated at the start of the local dry season and after the Ethiopian election in September (now rescheduled from May). There are no charges for KEFI's rejection of the bond lease proposal. However, material savings are expected in the cost of debt servicing, administration and other charges, especially during the project development and start-up period.

This tactical adjustment reflects the fact that Ethiopia is now back on bankers' radar screens having lifted its state of emergency in 2018 and delivered rapid and very positive reforms since then. KEFI management considers the banking proposal to be more conventional, with the added benefit that it is with parties committed to Ethiopia.

Exhibit 1: Tulu Kapi sources of funding

Item	Previous		Current	
	US$m	£m	US$m	£m
Infrastructure finance	160.0	124.9	110.0–120.0	85.9–93.7
Ethiopian government participation at project level	20.0	15.6	20.0	15.6
ANS Mining (minority interest partner)	38.0	29.7	38.0	29.7
Subordinated working capital (ore stockpile) facility	10.0–20.0	7.8–15.6	17.7–27.7	13.8–21.6
Mezzanine (eg streaming)	7.7	6.0	0.0	0.0
Working capital convertible loan facility	5.1	4.0	0.0	0.0
Total	**240.8–250.8**	**188.0–195.8**	**185.7–205.7**	**145.0–160.6**

Source: KEFI Minerals, Edison Investment Research. Note: US$1.2808/£ (previously US$1.2807/£, see our note Final government approvals granted, published on 7 June 2019); totals may not add up owing to rounding.

Note that a further US$10m equity contribution into Tulu Kapi is budgeted for KEFI, although this is intended to be funded from cash, a working capital facility being introduced and refunds on closing of full funding. It is expected to require minimal additional issues of shares of KEFI equity. Hence, for modelling purposes, we have assumed no more dilution than the 298m placing, settlement and remuneration shares (and 149m warrants) that have now been issued pursuant to KEFI's announcement of 17 December. Once all of the contributions from 'minority' partners have been made, KEFI's interest in the project will drop from 100% currently to an effective 45% stake.

Effects and consequences

Compared with our previous analysis in August 2019, the major changes in our valuation inherent to the above considerations are as follows:

- Updated for minor (US$6.3m, or 3.2%) reduction in underlying initial capex.
- Improved financing terms and costs. Note that, for the purposes of the valuation below, and in the absence of any more detail for the moment, we have assumed an effective 9% all-up cost of finance (fees and interest charges) for the bank loan proposal. This contrasts with our prior assumption that the bond lease would have carried a 7% coupon and would have been repaid via quarterly lease payments of US$9.0m per quarter between Q122 (after a grace period of 30 months, during which no lease payments would have been made) and Q428 (by which time all of the outstanding notes would have been redeemed). As a consequence, KEFI anticipates c US$15.5m in interest savings during the grace period and other finance effects for the bank loan proposal relative to the bond lease proposal.
- The three- to six-month delay in the timing of the project.

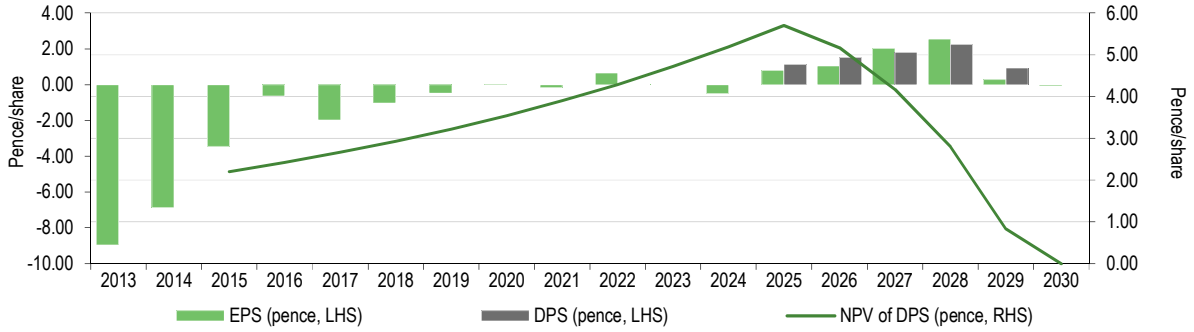
Additional, exogenous factors include:

- KEFI's share price between August 2019 and November 2019. Investors will recall that, under the terms of the 5 August facility, the loan was convertible into new KEFI shares at the lower of 90% of the lowest volume-weighted average share price of KEFI shares over the preceding three days, or 2p. In our previous valuation we assumed that KEFI's 5 August loan facility would be converted into KEFI shares at a price based on the prevailing equity price at the time of the note, which was 0.9p/share. In the event, 73% of the facility was converted at prices below that implied by a share price of 0.90p/share and, in one case, the conversion price was as low as 0.594p/share – in aggregate leading to 14.8% more shares in issue than we had originally estimated, which, all other things being equal, would alone imply a 12.9% decline in KEFI's per share valuation.
- The recovery in the cable rate, from US$1.2112/£, to US$1.2808/£ currently – a 5.7% increase in the rate of exchange.

Valuation

On the basis of the above assumptions, we calculate that Tulu Kapi is capable of generating free cash flow of c £48.8m per year (cf £53.9m previously) for seven years, from 2022 to 2028 (inclusive) – although we note that most of the decline is attributable to the change in the cable rate. With average (maximum potential) dividends of 1.51p/share (cf 1.11p/share previously; see below) for the five years from 2025 to 2029 inclusive (after deduction of a 55% 'minority' interest), this implies a valuation for KEFI of 3.54p/share (cf 5.50p/share previously) when discounted back to FY20 at a rate of 10% per year. This valuation then rises to a maximum of 5.71p/share in FY25, when we estimate that the first potential dividend could be paid to shareholders after all bank loans have been repaid.

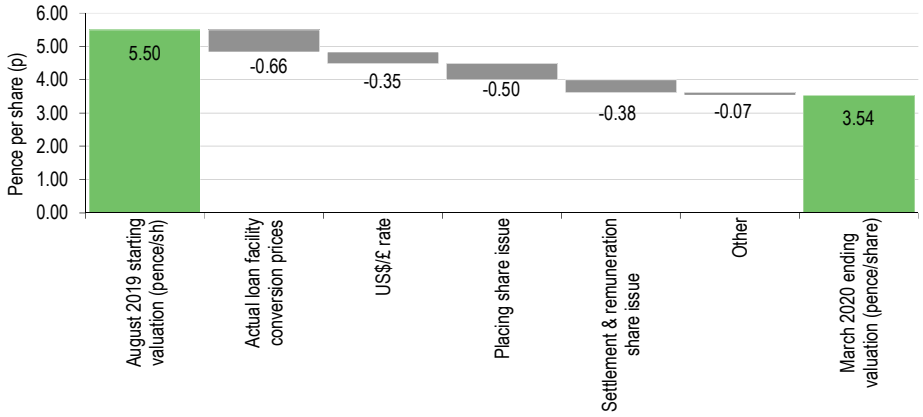
Exhibit 2: Edison estimate of life of mine KEFI EPS and maximum potential DPS (pence/share), FY13–30e



Source: Edison Investment Research

Readers should note that the change in assumptions, from bond lease financing to bank loan financing (plus the absence of a stream), alters the timing of potential cash flows to KEFI shareholders quite materially (albeit to a much more conventional pattern), with the result that direct comparison with (maximum potential) dividends payable in previous notes should not be made. The bond lease option, in particular, would not have required so much debt to have been repaid before allowing distributions to shareholders. As a matter of interest for readers, had it done so, it would have reduced our prior valuation of 5.50p/share to 4.67p/share, even before adjusting for forex and the conversion price of shares between August and November 2019. Notwithstanding the apparent decline in our headline valuation of KEFI therefore, it is worth noting that the majority of the negative variance effectively arises from external factors (in this case, the cable rate and the rate at which the 5 August loan note was converted into KEFI shares), which were, to all intents and purposes, beyond management's control. A summary, showing the major effects contributing to our altered valuation of KEFI (in sterling terms), is as follows:

Exhibit 3: KEFI valuation changes, March 2020 cf August 2019



Source: Edison Investment Research

Note, however, that this valuation is based on the projected dividend flow resulting from the execution of the Tulu Kapi project alone and ignores the exploration and development of the pipeline of targets in KEFI's portfolio. If KEFI is successfully able to leverage its cash flow from the mine into its other assets in the region, then our updated valuation of 3.54p/share rises to 7.57p/share.

On this basis alone (ie excluding any non-core assets – see below), we estimate that an investment in KEFI shares on 1 January 2020 at a price of 1.25p could generate an internal rate of return to investors of 30.1% over the nine years to 2029 in sterling terms.

Valuation sensitivities: Upside potential

Notwithstanding our valuation of KEFI based on its primary asset, there are a number of considerations that could cause this to increase, which are briefly summarised as follows:

Gold price

Our long-term gold price forecasts were set out in our report Portents of economic weakness: Gold – doves in the ascendant, published on 14 August 2019, and are summarised in the table below:

Exhibit 4: Updated Edison gold price forecasts*

Calendar year	CY20	CY21	CY22	CY23 & beyond
Real gold price forecast (US$/oz)	1,572	1,395	1,387	1,350

Source: Edison Investment Research. Note: *See *Portents of economic weakness: Gold – doves in the ascendant*, published on 14 August 2019.

Trading above US$1,600/oz currently under the influence of both a re-expansion of the US total monetary base plus the perceived threat from the coronavirus, the price of gold is self-evidently above our forecast real prices for all of the years from CY22 onwards when KEFI is expected to enter production (note that all of Edison's valuations in the mining sector are conducted on the basis of real prices, costs and interest rates). In the event that the gold price were to remain at US$1,600/oz, our valuation of KEFI rises by 81.6%, from 3.54p/share to 6.43p/share, in which case an investment in KEFI shares at 1.25p on 1 January 2020 would generate an internal rate of return to its investor of 47.1% in sterling terms over the nine years to 2029 (cf 30.1% above).

Hawiah (Saudi Arabia)

In addition to developments at Tulu Kapi, KEFI has also reported the results of 29 drill holes (out of a total of 45 drilled to date – results from the balance being awaited) at its Hawiah deposit in Saudi Arabia.

The 95km^2 Hawiah exploration licence is located in the south-west of the Arabian Shield on the 120km Mamilah-Wadi Bidah Volcanogenic Mineral belt (which is three times as long as the Bisha belt in Eritrea), on which BRGM and the USGS documented approximately 24 volcanogenic massive sulphide (VMS) deposits and historical workings. The Wadi-Bidah Mineral District is almost unique among the world's VMS belts in that it remains, to all intents and purposes, undrilled.

In its most recent two phases of exploration, KEFI determined that the Hawiah mineralisation is entirely open at depth, that the VMS style of mineralisation is continuously present directly beneath 4km of the gossanous ridgeline and that it is the source of an extensive and exceptionally strong geophysical anomaly. The massive sulphides intersected in its drill programme are reported to comprise a polymetallic blend of copper, zinc, gold and silver. Highlights of the drilling include:

- A maximum downhole interval of 12.65m of mineralisation.
- A maximum copper grade of 4.4%.
- A maximum zinc grade of 3.6%.
- A maximum gold grade of 3.9g/t.
- A maximum silver grade of 29.17g/t.

In addition, there was reported to be very limited apparent structural offset or deformation.

After the most recent phase of 19 drill holes (for which assay results are pending), sufficient drilling has now been completed to identify three separate zones, which may be summarised as follows:

- The 'Camp Lode': 1,200m long, with an average width of 6m and confirmed to a depth of 300m below surface.
- The 'Crossroads Lode': 700m long, with an average width of 4m and confirmed to a depth of 385m below surface.
- The 'Crossroads Extension Lode': 1,000m long, with an average width of 4m and confirmed to a depth of 130m below surface.

In total, KEFI has completed 45 drill holes at Hawiah and estimates that it needs to do another 20 holes in order to define a resource there, which will take until (approximately) the end of April. While it is still very early stage – and self-evidently not JORC code-compliant – on the basis of the information provided to date, Edison offers the following order-of-magnitude estimate of the resource that might be represented by the drilling completed so far by KEFI at Hawiah.

Exhibit 5: Hawiah* drilling summary and estimates

Zone	Length (m)	Est true width (m)	Depth (m)	Estimated volume (m^3)	Est density (t/m^3)	Est tonnage (kt)	Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Zn (kt)	Au (oz)	Ag (oz)
Camp lode	1,200	5.31	300	1,913,082	4.50	8,609	1.13	1.20	0.77	9.60	97	103	213,368	2,656,037
Crossroads lode	700	5.53	135	522,900	4.50	2,353	2.32	0.16	0.92	15.67	55	4	69,920	1,185,208
Crossroads Extension	1,000	4.00	130	520,000	4.50	2,340	1.50	1.12	0.77	14.40	35	26	57,930	1,083,360
Total				**2,955,982**		**13,302**	**1.40**	**1.00**	**0.80**	**11.51**	**187**	**133**	**341,217**	**4,924,605**

Source: Edison Investment Research, KEFI Minerals. Note: *KEFI beneficial interest of 37%.

At prevailing metals prices, the resource has a value equivalent to 343kt of contained copper or 1.2Moz of contained gold. Past experience suggests that the accuracy of such estimates is ±75%.

Nevertheless, as stated previously, there remains considerable blue-sky potential at Hawiah. Massive sulphides were reported to have been intersected in a drill hole 150m to the north of the

Hawiah ridgeline, for example, confirming that the mineralised horizon continues at depth even beyond the northern surface exposure (in the 'Crossroads extension area'). Geochemical analysis and volcaniclastic textures within the lodes have also indicated increasing proximity with depth to a potential vent source (primary feeder) for mineralisation yet to be identified where typically thicker massive sulphides and stockwork-style mineralisation may also be posited.

Similar potential also exists in the upper levels of the deposit, where the gossan portion of the mineralised zone is challenging to sample by drilling by virtue of the weathering patterns and the numerous cavity zones encountered. BRGM drilled these gossans in the 1980s, which resulted in the delineation of a resource of 1.2Mt at a grade of 6.4g/t, containing 254koz gold, and management confirms that this oxidised portion of the deposit, which has demonstrated high levels of gold mineralisation, will also be further investigated.

Based on published literature, KEFI management believes that the Hawiah deposit appears analogous to the Al Masane polymetallic VMS mine in southern Saudi Arabia, which has reported proven and probable reserves of 7.21Mt at grades of 1.42% copper, 5.31% zinc, 1.19g/t gold and 40.2g/t silver, and a similar metal composition and structural and geological settings.

Scoping economics

The resource estimated by Edison in Exhibit 5 is the equivalent of 13.3Mt at a grade of 2.58% copper equivalent or 2.91g/t gold equivalent, such that each tonne of ore contains US$147 worth of combined metals. After mining dilution and metallurgical recoveries, this might reduce to c US$110 per tonne (75% of its in-situ value). At a posited all-in sustaining cost of US$70/t, this implies a margin of US$40/t and, at a mining rate of 1.0–1.3Mtpa over 10 years, this in turn could imply a cash margin of US$40-52m pa or US$400–520m over the life of operations (undiscounted etc). Within this context, KEFI anticipates that Hawiah could be advanced to a development decision at relatively low cost, owing to the continuous nature of the mineralisation, to which end it is seeking to delineate an initial mineral resource estimate over the course of the next six months.

Other assets

In addition to the assets considered hitherto in this report, KEFI has a number of other assets that we estimate could add a further c 3.4c (2.7p) in value to its shares and are summarised below.

Guji-Komto (parallel to Tulu Kapi)

An area of over 1,000km^2 adjacent to Tulu Kapi has been reserved for exploration by KEFI upon commencement of development, with a view to adding satellite deposits to development and production plans. Within this, KEFI has two major, immediate exploration targets: the Guji-Komto belt (a parallel structure to Tulu Kapi) and a separate gold-copper project to its north.

The Guji-Komto belt represents a series of old gold workings on a parallel strike to Tulu Kapi extending continuously for over 9km to the west of the Tulu Kapi pit. The most extensive historical workings are located at the Komto 1 prospect and prior exploration drilling by Nyota had already extended the limits of mineralisation by up to 4km. At 1.3–1.5g/t in-situ, the grade of this mineralisation was considered too low to be included in the development plan for the mine. However, impressive widths and their oxide nature potentially qualify it as the basis of an incremental heap leach operation via the exploitation of a series of open pits in the style of a 'string of pearls'. Preliminary estimates by management indicate that c 250koz of gold could be amenable to exploitation, with low-grade material being directed to heap leach pads and high-grade material to the existing carbon-in-leach (CIL) plant at Tulu Kapi. Such an operation, based on preliminary management estimates, could produce c 40koz gold a year over five years for a relatively small incremental capital outlay of c US$30.4m (on account of infrastructure already being in place to service Tulu Kapi) and could have a net present value in the order of US$26–47m at the gold prices

shown below (note that these are illustrative numbers and are subject to the results of exploration and development studies:

Exhibit 6: Guji-Komto indicative financials

Gold price (US$/oz)	1,100	1,200	1,250	1,300
NPV_{10} (US$m)	26.9	36.8	41.8	46.8
NPV_{10} per KEFI share (US cents)*	1.97	2.69	3.06	3.43
IRR (%)	45	57	63	69

Source: KEFI management estimates. Note: *Based on assumed 95% ownership.

Jibal Qutman

Jibal Qutman comprises four licences covering c 100km^2 in the central southern region of Saudi Arabia, on the Nabitah-Tathlith fault zone of the Arabian-Nubian Shield (a 300km-long structure with multiple outcrops at surface) and along which BRGM mapped over 40 mineral occurrences and/or ancient mines. KEFI's management likens the area to Western Australia and, in particular, Kalgoorlie, before it was pegged, but without the attendant problems of a settled population and private land ownership. G&M (the local operating company in which KEFI has a 37% beneficial interest) was granted the Jibal Qutman exploration licence in June 2013 and it has subsequently lodged a mining licence application.

Gold mineralisation at Jibal Qutman itself is hosted in a series of quartz veins in six separate ore bodies, denoted the Main Zone, the South Zone, the West Zone, 3K Hill, 5K Hill and Pyrite Hill. The main vein dips to the east at an angle of c 45°, surrounded by parallel veins that form stringer zones around it. Jibal Qutman has now been drilled out and, during this process, the sulphide portion of its resource was found to be refractory on account of the presence of carbon. As a result, KEFI focused its exploration activities on the oxide portion of the resource and delineated a potential mineable resource of 6.6Mt at a grade of 0.95g/t, containing c 200koz gold, at a stripping ratio of 2.2 (cf grades of c 0.8g/t at comparable, nearby assets). Column leach metallurgical tests conducted by ALS indicated gold recoveries of c 73%, as a result of which KEFI envisages developing the area via a string of pits mining oxidised material for heap leach processing.

In May 2015, a preliminary economic assessment (PEA) on the deposit was completed on the basis of a 1.5Mtpa heap leach operation, producing 139koz gold over an initial 4.5-year mine life (average 30.9koz pa) at an average metallurgical recovery of 69% and capex and opex of US$30m and US$597/oz, respectively. A summary of the results of the PEA is as follows:

Exhibit 7: Jibal Qutman May 2015 preliminary economic assessment outcomes

	Existing resource		Trebled resource	
Gold price (US$/oz)	1,150	1,300	1,250	1,300
NPV_5 (US$m)	47.7	64.3	145.0	159.0
NPV_5 per KEFI share (US cents)*	1.36	1.83	4.13	4.53
IRR (%)	41	52	25	30

Source: KEFI Minerals. Note: *37% basis.

In due course, it is anticipated that the addition of adjoining licences could support a proportionally larger production base using a modular development model (eg 2–4x that currently assessed) as well as reducing operational risk.

Note that the above analysis on the basis of a trebled resource also assumed a similar factor applied to capex whereas, in reality, there would probably be scope for capex savings as well as higher grades from alternative ore sources. In the immediate future, KEFI's objectives at Jibal Qutman include completing a pre-feasibility study as well as investigating the potential to develop heap leach operations to fund construction of a CIL processing plant for the deeper (albeit refractory) sulphide ore.

Financials

KEFI had £0.7m in net debt on its balance sheet at 30 June 2019, after £2.2m in operating and investing cash outflows before working capital in H119. This cash burn rate compares to a comparable £5.6m and £6.9m for the full 2017 and 2018 financial years, respectively.

As stated previously, KEFI now plans to finance its US$188.4m capex funding requirement principally via a bank loan of US$110–120m and project-level equity (US$58m in addition to the US$60m equity already invested) and a subordinated working capital (ore stockpile) banking facility (US$17.7–27.7m). If all funding sources are considered, we forecast a materially reduced maximum immediate aggregate net debt funding requirement overall of £99.1m (US$127.0m) cf US$144.9m previously in FY21, which (in our estimation) equates to a net debt:equity ratio of approximately 54:46 at the project level.

Exhibit 8: Financial summary

£000s	2013	2014	2015	2016	2017	2018	2019e	2020e
Year end 31 December	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS								
Revenue	0	0	0	0	0	0	0	0
Cost of Sales	(927)	(2,071)	(1,634)	(2,260)	(3,522)	(4,145)	(3,210)	(1,000)
Gross Profit	(927)	(2,071)	(1,634)	(2,260)	(3,522)	(4,145)	(3,210)	(1,000)
EBITDA	(927)	(2,071)	(1,634)	(2,260)	(3,522)	(4,145)	(3,210)	(1,000)
Operating Profit (before amort. and except.)	(927)	(2,189)	(1,724)	(2,315)	(3,546)	(4,155)	(3,220)	(1,010)
Intangible Amortisation	0	0	0	0	0	0	0	0
Exceptionals	(442)	(379)	(428)	1,944	(2,359)	(180)	(77)	0
Other	0	0	0	0	0	0	0	0
Operating Profit	(1,369)	(2,568)	(2,152)	(371)	(5,905)	(4,335)	(3,297)	(1,010)
Net Interest	4	(413)	(319)	(136)	(75)	(459)	(374)	672
Profit Before Tax (norm)	(923)	(2,602)	(2,043)	(2,451)	(3,621)	(4,614)	(3,593)	(338)
Profit Before Tax (FRS 3)	(1,365)	(2,981)	(2,471)	(507)	(5,980)	(4,794)	(3,670)	(338)
Tax	0	0	0	0	0	0	0	0
Profit After Tax (norm)	(923)	(2,602)	(2,043)	(2,451)	(3,621)	(4,614)	(3,593)	(338)
Profit After Tax (FRS 3)	(1,365)	(2,981)	(2,471)	(507)	(5,980)	(4,794)	(3,670)	(338)
Minority interests	0	115	0	0	0	0	0	186
Net income (normalised)	(2,151)	(3,469)	(2,778)	(3,177)	(3,907)	(4,775)	(3,965)	(152)
Net income (FRS3)	(1,365)	(2,866)	(2,471)	(507)	(5,980)	(4,794)	(3,670)	(152)
Average Number of Shares Outstanding (m)	29.0	56.0	92.8	194.9	315.3	476.1	860.3	1,223.4
EPS - normalised (p)	(7.4)	(6.2)	(3.0)	(1.6)	(1.2)	(1.0)	(0.5)	(0.0)
EPS - normalised and fully diluted (p)	(7.4)	(6.2)	(3.0)	(1.5)	(1.1)	(0.9)	(0.4)	(0.0)
EPS - (IFRS) (p)	(4.7)	(5.1)	(2.7)	(0.3)	(1.9)	(1.0)	(0.4)	(0.0)
Dividend per share (p)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross Margin (%)	-	-	-	-	-	-	-	-
EBITDA Margin (%)	-	-	-	-	-	-	-	-
Operating Margin (before GW and except.) (%)	-	-	-	-	-	-	-	-
BALANCE SHEET								
Fixed Assets	7,152	9,299	11,926	14,053	16,275	18,795	20,583	104,037
Intangible Assets	6,900	9,139	11,845	13,992	16,232	18,757	20,237	20,237
Tangible Assets	252	160	81	61	43	38	28	83,482
Investments	0	0	0	0	0	0	318	318
Current Assets	4,014	1,061	1,012	3,561	1,047	284	45,618	201
Stocks	0	0	0	0	0	0	0	0
Debtors	655	335	358	3,056	94	115	120	120
Cash	3,279	640	562	410	466	88	45,417	0
Other	80	86	92	95	487	81	81	81
Current Liabilities	(3,363)	(3,202)	(1,995)	(2,067)	(2,852)	(3,727)	(4,294)	(4,294)
Creditors	(3,363)	(3,202)	(1,995)	(2,067)	(2,852)	(3,112)	(3,679)	(3,679)
Short term borrowings	0	0	0	0	0	(615)	(615)	(615)
Long Term Liabilities	0	0	0	0	0	0	0	(36,661)
Long term borrowings	0	0	0	0	0	0	0	(36,661)
Other long term liabilities	0	0	0	0	0	0	0	0
Net Assets	7,803	7,158	10,943	15,547	14,470	15,352	61,907	63,283
CASH FLOW								
Operating Cash Flow	(1,424)	(2,006)	(2,729)	(2,211)	(51)	(3,291)	(2,652)	(1,000)
Net Interest	4	(413)	(319)	(136)	(75)	115	(374)	672
Tax	0	0	0	0	0	0	0	0
Capex	(877)	(3,133)	(3,507)	(3,014)	(2,625)	(2,835)	(2,170)	(83,464)
Acquisitions/disposals	(1,083)	(750)	0	16	0	0	0	0
Financing	4,735	3,663	6,480	5,192	2,807	5,128	50,525	1,714
Dividends	0	0	0	0	0	0	0	0
Net Cash Flow	1,355	(2,639)	(75)	(153)	56	(883)	45,329	(82,078)
Opening net debt/(cash)	(1,924)	(3,279)	(640)	(562)	(410)	(466)	527	(44,802)
HP finance leases initiated	0	0	0	0	0	0	0	0
Other	0	0	(3)	1	0	(110)	0	0
Closing net debt/(cash)	(3,279)	(640)	(562)	(410)	(466)	527	(44,802)	37,276

Source: Company sources, Edison Investment Research

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