

SunMirror AG

Reuters: ROR.DU

Bloomberg: ROR:GR

Value enhancing takeover of Lat66

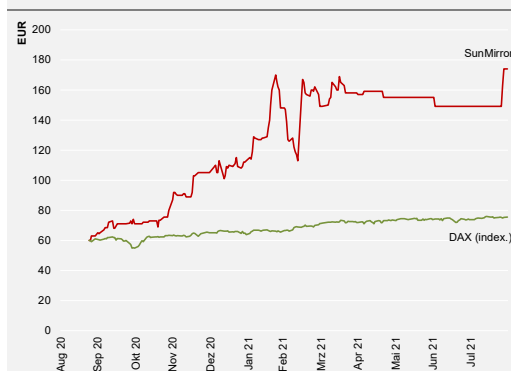
SunMirror has expanded into Finland, announcing the acquisition of Latitude 66 Cobalt Oy (“Lat66”). Lat66, which started operations in 2017, is an Australian-Finnish mineral exploration company with a first mover project portfolio of more than 9,000 square kilometres within the most prospective greenstone belts in northern Finland, making the company one of the largest tenure holders in a region with high statistical probability of major discoveries, according to company information. Lat66 is developing a cobalt-gold mine in the Juusasuo mining area of Kuusamo and a cobalt-copper mine in the Haarakumpu area of Posio. Of particular value, in our view, is K-camp, the largest cobalt resource in Europe not owned by a mining or processing major, the fourth largest known cobalt deposit in the EU, and the second largest not yet mined, based on company information.

We view the acquisition of Lat66 positively as it provides diversity for SunMirror outside the existing lithium and gold activities in Australia, adding another mining friendly jurisdiction as well as promising resources to its existing portfolio of assets. With the acquisition, SunMirror will eventually be able to supply the European economy with cobalt, sourced from sustainable and stable jurisdictions in compliance with applicable laws, regulations, and ESG requirements.

We believe the market should continue to price in SunMirror's existing resources and their long-term growth potential. We maintain our Buy rating for the shares of SunMirror and increase our fully diluted price target to EUR 194.70 per share from EUR 174.30 following the acquisition of Lat66. We value the equity of the Dusseldorf Stock Exchange-listed company using a sum-of-the-parts valuation based on a Net Present Value (NPV) entity model, in-situ values, and peer group multiples. We did not model any future acquisitions. Our valuation is primarily driven by royalty schemes the company intends to generate from Cape Lambert North, for which we calculated an equity value of EUR 101.70 per share (base-case-scenario). We value Moolyella with EUR 50.80 per share, Lat66 with EUR 30.40 per share, and Kingston-Keith with EUR 8.30 per share. Higher grade potential at Kingston-Keith and Moolyella represent further upside to our price target, in our view.

Rating: Buy	Risk: Very high
Price: EUR 165.00	
Price target: EUR 194.70 (previously EUR 174.30)	

German Security Number / ISIN: A2JCKK / CH0396131929				
Indices: -				
Transparency level: Dusseldorf Stock Exchange				
Weighted number of shares: 2,000,000				
Market capitalization: EUR 330.0 mn				
Trading volume/day: 1,250				
AGM: 17 December 2021				
P&L (EUR mn)	20/21e	21/22e	22/23e	23/24e
Sales	0.0	0.0	11.6	23.2
EBITDA	-0.7	-8.7	10.8	22.4
EBIT	-0.8	-8.8	10.7	22.3
EBT	-0.8	-8.8	10.7	22.3
EAT	-0.8	-8.8	10.7	17.8
% of sales	20/21e	21/22e	22/23e	23/24e
EBITDA	n/a	n/a	92.6%	96.2%
EBIT	n/a	n/a	91.8%	95.8%
EBT	n/a	n/a	91.8%	95.8%
EAT	n/a	n/a	91.8%	76.7%
Per share (EUR)	20/21e	21/22e	22/23e	23/24e
EPS (basic)	-0.42	-4.39	5.33	8.91
Dividend	0.00	0.00	0.00	0.00
Book value	6.95	2.56	7.89	16.80
Cash flow	4.27	-2.88	5.88	2.96
B/S ratios (%)	20/21e	21/22e	22/23e	23/24e
Equity ratio	59.9%	29.5%	53.3%	93.3%
Gearing	n/a	n/a	n/a	n/a
Multiples (x)	20/21e	21/22e	22/23e	23/24e
P/E ratio	n/a	n/a	31.0	18.5
EV/sales	n/a	n/a	27.29	13.39
EV/EBITDA	-382.6	-37.5	29.7	14.0
P/B ratio	23.7	64.5	20.9	9.8
Guidance (EUR mn)	21/22e	22/23e	23/24e	
Sales	n/a	n/a	n/a	
EBIT	n/a	n/a	n/a	



SOURCE: COMPANY DATA, SPHENE CAPITAL ESTIMATES

Peter Thilo Hasler, CEFA

+ 49 (89) 74443558 / +49 (152) 31764553

peter-thilo.hasler@sphene-capital.de

Takeover of Latitude 66 Cobalt Ltd. (“Lat66”)

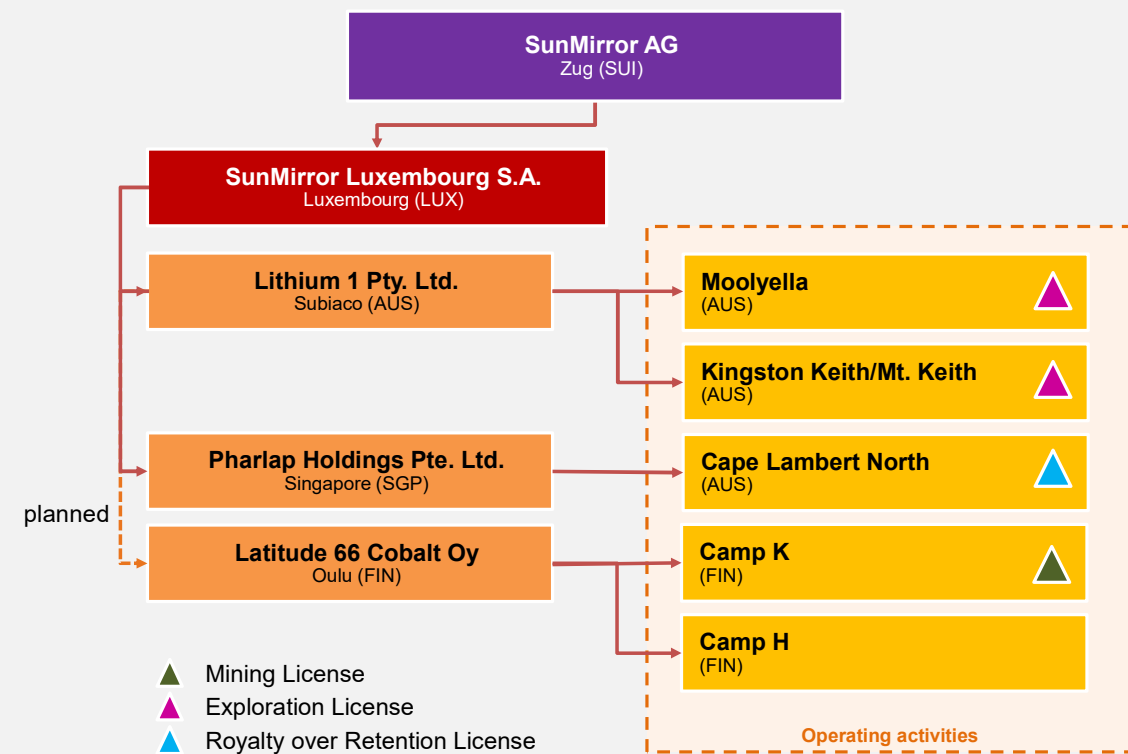
SunMirror has signed a conditional binding agreement to take over Australian-Finnish Latitude 66 Cobalt Oy (“Lat66”) through its wholly owned subsidiary SunMirror Luxembourg S.A. Debt-free Lat66 is the 100% owner of a first mover diversified exploration portfolio of more than 100 exploration targets on more than 9,000 square kilometres of tenure. According to the management, the portfolio comprises feasibility-stage gold and cobalt deposits, several discovery-stage exploration prospects, and large belt-scale reconnaissance opportunities. With JORC compliant (2021) mineral resources of 725,000 oz of gold (2.7 g/t, cut-off grade 0.5 g/t) and approximately 16,500 tonnes of cobalt (644 ppm), Lat66 offers one of the largest gold and cobalt resources in Europe. The purchase price for Lat66 amounts to EUR 45 million, payable in cash at closing, plus a 2% net royalty on future production. The acquisition will be subject to SunMirror implementing a capital increase of EUR 70 million.

First mover project portfolio in Finland

Founded 2017, Latitude 66 Cobalt Oy (the company name is a reference to the 66th line of latitude, where most of the firm’s resources are located) is an Australian-Finnish company with a first mover project portfolio of more than 9,000 square kilometres within the most prospective greenstone belts in northern Finland, making Lat66 one of the largest tenure holders in a region with high statistical probability of major discoveries.

Lat66 will continue to operate as a separate entity after the takeover.

FIGURE 1: SUNMIRROR ORGANIGRAM (AS PER AUGUST 2021)



SOURCE: COMPANY INFORMATION, SPHENE CAPITAL

NOTE: ALL HOLDINGS 100%

A ready-made company in a tier-one jurisdiction with attractive project pipeline

Since its inception in 2017, the company has acquired mining development projects in Kuusamo and Posio, which have previously been owned by Australia based Dragon Mining Ltd. and the Canadian Belvedere Resources Ltd. The ownership in all resources is 100%. The tenement holdings are registered and secured through applications and approvals under three different licences, from mining permits giving the right to develop a mine, and exploration permits giving the right to engage in exploration activities, to reservations, giving the company the sole right to apply for an exploration permit. Mining licenses are in place for the most advanced deposits in the Kuusamo Schist Belt (KSB) allowing for potential acceleration of mine development.

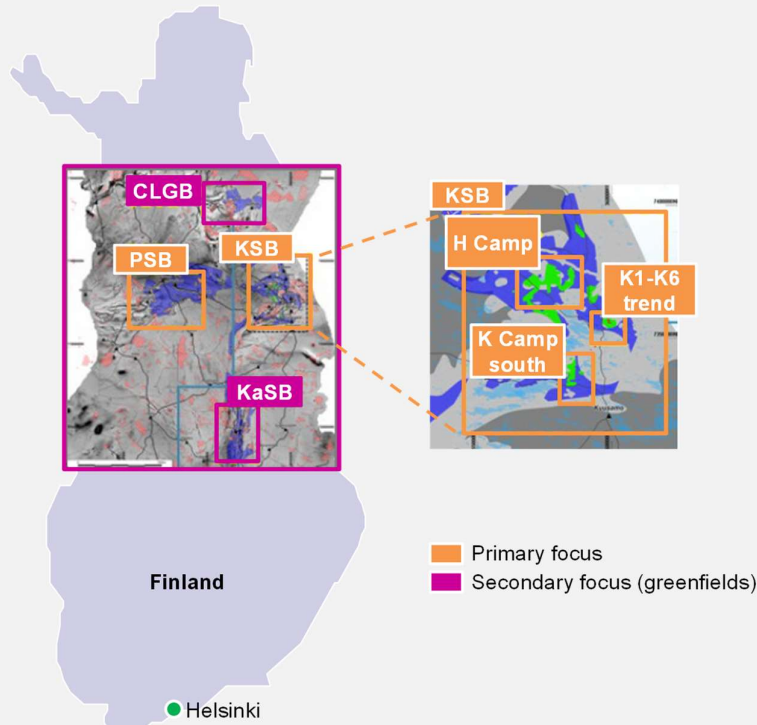
The Paleoproterozoic greenstone belts of northern Finland are highly prospective, but underexplored due to glacial overburden obscuring bedrock.

TABLE 1: CURRENT LAND HOLDINGS OF LAT66

Kuusamo Schist Belt ("KSB")	km2	>1,180
Peräpohja Schist Belt ("PSB")	km2	>2,950
Central Lapland Greenstone Belt ("CLGB")	km2	>2,900
Kainuu Schist Belt ("KaSB")	km2	>2,000
Total	km2	>9,030

SOURCE: COMPANY DATA

FIGURE 2: LOCATION OF LAT66 ASSETS



Northern Finland is an emerging metallogenic province that hosts major deposits, among them Kittila, with approximately 10 moz the largest gold mine in Europe, Sakatti (1.8 mt Co eq), or Kevitsa (500+ kt Ni).

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL

K-camp of particular value ...

Being an asset in the most advanced phase, “K-camp” is of particular value, in our view. According to Lat66, K-camp is the largest cobalt resource in Europe not owned by a mining or processing major, the fourth largest known cobalt deposit in the EU and the second largest not yet mined.

While H camp can be considered a typical brownfield asset, K-camp is already in the study phase.

Lat66 has commissioned a reserve assessment of the occurrence of the Juomasuo mining district in North Kuusamo. The reserve estimate is based on a re-analysis of the drill cores drilled by the companies previously operating in the Juomasuo mining district, the results of drilling by Lat66, and a re-modelling of the structure of the deposit based on geological surveys. The estimates are for the parts of the deposit with a cobalt content above 200 ppm. JORC compliant (2021) resource estimates indicate that the indicated and inferred resources of K1, K2, and K3 in the Juomasuo mining district contain a total of approximately 16,500 tonnes of cobalt, assuming a cut-off grade of 200 ppm cobalt or 0.5 g/t Au (see table 2).

TABLE 2: COBALT RESOURCE ESTIMATES IN K-CAMP (K1-K3)

	Category	Tonnes (mn tonnes)	Co grade (ppm)	Cobalt (tonnes)
K1	Indicated	9.60	840	8,064
	Inferred	14.60	520	7,592
K2	Indicated	0.96	520	499
	Inferred	0.09	540	49
K3	Indicated	0.34	640	218
	Inferred	0.12	560	67
Total/Average		25.71	640	16,489

SOURCE: COMPANY DATA

... due to high cobalt grades of 0.064%, one of the highest in the industry

What is even more important with respect to an economical exploitation of the resource, in our view, is the average cobalt grade of 0.064%, which is the highest of the five largest known cobalt resources in the EU. Details of the resource estimates can be seen in the following table 3.

TABLE 3: COBALT RESOURCE ESTIMATES IN THE EU

Nr	Deposit	Country	Ore (tonnes)	Cobalt content (%)	Cobalt quantity* (tonnes)
1	Terrafame (Sotkampos)	FIN	1.525	0,019	289.750
2	Kevitsa	FIN	307,5	0,010	30.750
3	Sakatti	FIN	44,4	0,046	20.424
4	K-camp (Juomaso)	FIN	25,7	0,064	16.500
5	Ronnbaken	SWE	332,1	0,003	9.963
6	Calatrava	ESP	4,4	0,130	5.720
7	Rajapalot	FIN	9	0,057	5.130
8	Rautavaara	FIN	34,3	0,012	4.116
9	Hautalampi	FIN	3,2	0,114	3.648
10	Lappvattnet	SWE	37,6	0,009	3.384
11	Saramaki	FIN	3,4	0,090	3.060
12	Kiskama	SWE	7,7	0,040	3.080
13	Kuhmo	FIN	11,5	0,014	1.610
14	Vuonos	FIN	0,8	0,140	1.120
15	Kylylahti	FIN	0,5	0,160	800
16	Lainejaur	SWE	0,5	0,150	750
17	Kotalahti	FIN	1,6	0,030	480
18	Sahakoski	FIN	1,6	0,030	480
19	Hitura	FIN	4,7	0,020	940
20	Njuggraskliden	SWE	0,6	0,040	240

SOURCE: COMPANY DATA

* assuming a cut-off grade of 0.5 g/t

Significant gold resource estimates

The JORC compliant (2021) gold resource estimates are 647,000 ounces. The average gold grade is 2.7 g/t at a cut-off grade 0.5 g/t (meaning that the gold content limit has been set at 0.5 grams per tonne). Even without consideration of the remaining greenfield assets of secondary focus, the gold resource estimates of K1-K3 where Lat66 has a mining permit (i. e. the right to develop a mine) could be significant, as seen in the following table 4. These mining licences for the most advanced deposits allow for potential acceleration of mine development.

TABLE 4: GOLD RESOURCE ESTIMATES IN K-CAMP (K1-K3)

	Tonnes (mn tonnes)	Au grade (ppm)	Gold (oz)
K1	5.80	2.70	510.000
K2	1.05	3.10	105.000
K3	0.45	2.20	32.000
Total	7.30	2.70	647,000

SOURCE: COMPANY DATA

Highly experienced management

Lat66's management team is uniquely positioned to execute on its portfolio strategy, in our view, given the company's combined more than 100 years of experience within the board and the team of technical consultants.

The board of directors consists of the following executives:

- ⑤ Leading the team is Managing Director **Thomas Hoyer**, who has more than 20 years of experience in the commodity sector. Prior to Lat66, he was MD/CEO of Afarak Group and Tantalus Rare Earths. In 2016, Thomas Hoyer was awarded with the Finnish National Award for Cultural Heritage.
- ⑤ Chairman of the board is **Jeffrey Foster**. Jeffrey Foster has over 30 years of experience in corporate governance, geology, exploration, evaluation, and discovery. He was co-founding director of Sirius Resources, which has assets of approximately AUD 100 million.
- ⑤ **Russel Delroy** is one of the founders of Lat66. In addition, Russel Delroy is founder and investment manager of Nero Resource Fund, where he had approximately AUD 100 million in assets under management.
- ⑤ **Steffen Hagemann** is also founder of Lat66. He is professor for Economic Geology at Centre for Exploration Targeting at the University of Western Australia. Steffen Hagemann has more than 30 years of geological experience in applied mineral system analysis.

Acquisition price of EUR 45 million

The purchase price to be paid to Lat66's parent company, the Australian based Latitude 66 Ltd., amounts to EUR 45 million, payable in cash upon closing of the transaction, as well as a 2% net royalty on future production. The Board of Directors of SunMirror and of Latitude 66 Ltd. have already approved the transaction. However, the transaction is among other things subject to SunMirror implementing a capital increase of EUR 70 million.

The transaction is expected to be completed no later than 30 November 2021.

The conditional binding agreement for the transaction contains an alternative completion model that allows SunMirror, subject to the satisfaction of certain conditions, to make a takeover offer for the Australian parent company in accordance with applicable Australian corporate law.

Valuation of Lat66

Peers can be recruited from two different angles: Firstly, one could compare Lat66 with other Finnish mineral explorers, secondly with other pre-resource companies. The Finnish peer group contains five companies, none of which owns anywhere near as much land as Lat66.

TABLE 5: FINNISH PEER GROUP

	Ccy	Share price	Nr of shares (million)	Market cap (million)	Net debt (million)	Enterprise Value (million)	Area of tenure (km2)
Aurion Resources	AUD	0.72	98.9	71.2	-15.0	56.2	900
Endomines	SEK	2.87	211.1	605.9	226.7	832.6	414
Mawson Gold	AUD	0.23	255.9	58.9	-11.4	47.5	1,614
Rupert Resources	AUD	5.68	175.0	994.0	-14.7	979.3	451
Sotkamo Silver	SEK	2.35	200.4	470.9	237.4	708.3	450
Lat66							>9,000

SOURCE: BLOOMBERG, SPHENE CAPITAL

Valuation of Lat66 using Finnish peers

In cases where the resources are available, we have calculated an EV/resource multiple which can be seen in the following table 6.

TABLE 6: FINNISH PEER GROUP

	Resources (Au eq oz)	EV/resource AUD/oz)
Aurion Resources	n/a	n/a
Endomines	465,000	1,790
Mawson Gold	605,000	78
Rupert Resources	565,000	1,733
Sotkamo Silver	2,000,000	354
Average		1,044

SOURCE: COMPANY DATA, SPHENE CAPITAL

Pre-resource peer group

In the next table, we compare Lat66 with other pre-resource companies. All peers selected are listed in Canada.

TABLE 7: PRE-RESOURCE PEER GROUP

	Share price (CAD)	Nr of shares (million)	Market cap (CAD million)	Net debt (CAD million)	Enterprise Value (CAD million)	Area of tenure (km2)
Amex Exploration	2.49	88.2	219.6	-21.2	198.4	74
Azimut Exploration	2.19	81.7	178.9	-4.8	174.1	37
Blackrock Silver	0.88	142.3	125.2	-4.1	121.1	77
Fosterville South Expl.	1.29	86.9	112.1	-27.1	85.0	48
Great Bear Resources	13.51	57.1	771.4	-85.5	685.9	9
Irving Resources	1.44	61.9	89.1	-13.8	75.3	5
Minaurum Gold	0.32	364.3	116.6	-4.7	111.9	19
New Found Gold	8.61	152.7	1,314.7	-64.1	1,250.6	180
Wallbridge Mining	0.62	813.7	504.5	-71.7	432.8	29

SOURCE: BLOOMBERG, SPHENE CAPITAL

In-situ value of the K-camp EUR 60.8 million

At current LME spot market prices of USD 52,000 per tonne of cobalt, the in-situ potential of the cobalt resources is equivalent to USD 858 million. However, this amount does not take into account the cost of mining or purifying the resource, neither does an in-situ value consider whether the resources are economically viable.

For Lat66, we ascribed an in-situ value of USD 2,000 per tonne, resulting in an in-situ value of EUR 27.9 million for the cobalt resources. For the gold resources, we applied an in-situ value of USD 60 per gold equivalent ounce multiple, resulting in a gold value estimate of USD 32.9 million. In total, the in-situ value of K-camp is EUR 60.8 million.

TABLE 8: IN-SITU VALUE OF LAT66 K-CAMP

Gold		
Resources	Ounces	647,000
Applied in-situ value	USD/ounce	60
In-situ value of gold	USD mn	38.8
In-situ value of gold	EUR mn	32.9
Cobalt		
Resources	Tonnes	16,489
Applied in-situ value	USD/tonne	2,000
In-situ value of cobalt	USD mn	33.0
In-situ value of cobalt	EUR mn	27.9
Total in-situ value	EUR mn	60.8

SOURCE: SPHENE CAPITAL ESTIMATES

Strengths and Weaknesses

In our opinion, the following are SunMirror's **opportunities and strengths** as a company:

Strengths

- ⑤ **Potentially attractive assets:** Within a short period of time, SunMirror was able to acquire several potentially attractive companies with mineral assets in areas, where geology is similar to that of nearby producing mines. For investors, the main attraction of exploration companies like SunMirror is the potentially massive increase in share price in case the company succeeds in discovering and developing new deposits.
- ⑤ **No specific country risk premium:** Strategy of SunMirror is the acquisition of projects in developed countries like Australia and now Finland. Following this risk-averse strategy, SunMirror avoids insecure and politically unstable regions like the Congo and Venezuela, or countries with low respect for property rights and the rule of law, like Russia or Mongolia. The political risk of a government introducing or increasing royalties or ownership, and banning exports of a specific ore is negligible, in our view. Therefore, no specific valuation country risk premium needs to be applied, in our view.
- ⑤ **Access to investors:** One of the key strengths of SunMirror' management is its access to investors. Since 2020, SunMirror raised a total of CHF 10 million through a placement of a convertible (CHF 10 million). In addition, a letter of intent to the subscription of new shares in a private placement from a capital increase (CHF 70 million) with Barracuda Group Ltd. has been signed.
- ⑤ **Solid gearing:** With an equity ratio of 91.9% (year-end 2019), SunMirror has a solid balance sheet structure. In addition, there are no interest-bearing debt obligations.
- ⑤ **Experienced management:** SunMirror's team of founders, which has worked together successfully in the past, has many years of experience in establishing and positioning companies in new niches. In addition, the current management team is highly incentivized through own shareholdings, offering investors "skin in the game".

In our opinion, the following are SunMirror's **weaknesses and risks** as a company:

Weaknesses

- ⑤ **Typical junior mining risks:** In the mineral exploration business, significantly less than 1% of prospective mines eventually reach production. Typically, it takes 7 to 10 years from mineral showings to the start of a new mine. Therefore, SunMirror will depend on capital markets to obtain funds for their projects for some time.
- ⑤ **Limited evaluation reports:** For Moolyella and Kingston-Keith, SunMirror has published only limited evaluation reports which should therefore be considered with caution. In addition, since no exploration work has been completed so far, no Mineral Resource Estimates is available either, let alone a Preliminary Economic Assessment (PEA), Pre-Feasibility Study (PFS) or Bankable Feasibility Study (BFS).
- ⑤ **Resource conversion:** While as of today no drilling has been done on the Moolyella and Kingston-Keith projects, there is no guarantee that future drill programs will be able to achieve the expected conversion rates as those modelled within our valuation model. This means that there is a substantial risk that drilling

may outline a lower tonnage or grade resource, which would negatively impact our valuation.

- ⑤ **No revenues or cash flows:** According to the business plan of the company, SunMirror will not generate any revenues until 2023e. We expect the company to generate pre-tax losses of EUR -8.8 million in the current financial year, before turning into profit. Even after 2023e, SunMirror will not generate cash flows from an existing mine, neither will it generate cash flows that will be sufficient to cover the development costs of other mines.
- ⑤ **Delay in timeline:** For Moolyella and Kingston-Keith, we model a project commissioning date of 2027e and 2028e, respectively. Given that none of the projects have been operational, there is a significant risk for a delay in the timeline, in our view.
- ⑤ **Risks in diversification:** SunMirror's strategy is to acquire assets and projects in different countries, continents, and (base and precious) metals. However, splitting management attention on many different projects, each with different circumstances and geological attributes, comes at a price, in our view.
- ⑤ **Risk of external growth:** SunMirror's corporate strategy focuses on takeovers and mergers which require tying up management resources and making large integration investments. In our opinion, although SunMirror can point to the previous projects Lithium 1 Pty. Ltd. and Pharlapp Holdings Pte. Ltd., no assurance can be given that future takeovers will not negatively affect day-to-day business.
- ⑤ **Currency translation risk:** SunMirror is exposed to currency risks: SunMirror's foreign subsidiaries expose it to exchange rate risks from currency translation between its reporting currency, EUR, and currently mainly the Australian Dollar. According to the company, SunMirror does not engage in currency hedging.
- ⑤ **Lack of long-term history:** SunMirror has existed in its current business structure only for a short time. Short- and medium-term financial forecasts are therefore marked by considerable uncertainty, particularly regarding further project acquisition, expected sales and revenue performance, as well as the company's future strategic direction.
- ⑤ **Low trading volume:** Average daily trading volumes are still low. For junior mining companies like SunMirror, trading volume is highly important, since the more liquid a stock is, the easier it is for investors to dispose of the stocks when it is time to take profits.
- ⑤ **Risks of a potential stock overhang:** From our point of view, SunMirror is exposed to the risk of a stock overhang by existing shareholders. In our view, some principal shareholders may not consider acquiring an equity investment in SunMirror to be strategically important. In addition, there is no hard lock-up agreement for the existing shareholders.
- ⑤ **Dependence on management:** In our opinion, SunMirror is dependent on the current Board of Directors finding geologists and mining experts with winning track records (previous discoveries, successful company exits in the past), since this know-how does not exist within the current management team.

- ⑤ **Sentiment towards the overall sector and the specific commodity:** Junior mining companies are cyclical in nature and highly dependent on market sentiment. When commodities lose their appeal, related junior mining stocks might come under significant pressure, because they do not generate cash flows during their exploration and development phases.

We value the equity of the Dusseldorf Stock Exchange-listed junior mining investment company SunMirror AG by calculating a sum-of-the-parts value of the existing mineral projects using a Net Present Value (NPV), in-situ values, and peer group multiples. Our sum-of-the-parts valuation of the assets calculates an equity value of EUR 389.4 million or EUR 194.70 per share for SunMirror.

Valuation assumptions

Given the cash flow characteristic of the Cape Lambert royalty asset, our assessment indicates that, coupled with our assumed exploration scenario, a long-term standardized net present value (NPV) model is the most suitable valuation method for this asset. For the valuation of the two assets Moolyella (lithium) and Kingston-Keith (gold), we use peer group multiples. We value the latest acquisition Lat66 using an in-situ method.

In valuing SunMirror, we did not model any further acquisitions.

Our forecasts are based on the current group of companies consolidated; we did not consider additional acquisitions by SunMirror.

Valuation of Cape Lambert (royalty)

Applying a 8% discount rate (base-case scenario), our discounted cash flow model indicates a present equity value of EUR 203.4 million.

Equity value of EUR 101.70 per share (base-case-scenario).

At 2.0 million shares, this corresponds to an equity value of EUR 101.70 per SunMirror share.

Expanded scenario analysis using alternative discount rates

In the following Table 9, we have applied different discount rates ranging from 3% (best-case-scenario) to 13% (worst-case-scenario). Our findings indicate that equity values of under EUR 136.1 million and over EUR 330.7 million, or under EUR 68.10 and over EUR 165.40 per share, are not to be attained by variations of the discount factor.

Simulation with share price estimates between EUR 68.10 (13% NPV worst-case-scenario) and EUR 165.40 (3% NPV best-case-scenario) per share.

TABLE 9: CAPE LAMBERT NPV SCENARIO ANALYSIS

Discount rate	%	Best case					Base case					Worst case
		3%	4%	5%	6%	7%	8%	9%	10%	11%	12%	13%
Value	EUR mn	330.7	297.8	269.2	244.3	222.5	203.4	186.6	171.7	158.4	146.7	136.1
Value per share	EUR	165.40	148.90	134.60	122.20	111.30	101.70	93.30	85.90	79.20	73.40	68.10

SOURCE: SPHENE CAPITAL ESTIMATES

Valuation of Kingston-Keith (gold)

We calculate the value of Kingston-Keith based on the management's expectations of the mineral reserves of this asset by using peer group consensus multiples. In our peer group, we have included Australian junior gold explorers with market caps similar to that of SunMirror. Our resources assumptions for Kingston-Keith have been backed by independent JORC compliant resources and reserves estimates published by Ashgill Australia, which have been made available during the past months.

TABLE 10: KINGSTON-KEITH PEER GROUP VALUATION

	Mineral resources (mn ounces)	Enterprise Value (AUD mn)	EV/ounce (x)
Horizon Minerals	1.150	50.0	43.5
Ausgold	1.200	60.8	50.7
Calidus Resources	1.250	180.6	144.5
Bardoc Gold	3.100	91.4	29.5
Rumble Resources	8.000	261.4	32.7
Rand Mining	2.055	83.2	40.5
Median			42.0

SOURCE: COMPANY DATA, BLOOMBERG, SPHENE CAPITAL ESTIMATES

Valuation of Kingston-Keith

Multiplying the median with Kingston-Keith's resources of 637,000 ounces and applying an FX of 1.6139 (EURAUD), the equity value of the Kingston-Keith asset is EUR 16.6 million or EUR 8.30 per share:

TABLE 11: KINGSTON-KEITH VALUATION

Peer group valuation	AUD mn	26.7
FX	EURAUD	1.6139
Discount	%	0.0%
Kingston-Keith	EUR mn	16.6
Value per share	EUR	8.30

SOURCE: COMPANY DATA, BLOOMBERG, SPHENE CAPITAL ESTIMATES

Valuation of Moolyella (Lithium)

We calculate the value of the Moolyella Lithium asset based on management's expectations of the mineral reserves of this asset by using consensus data for global Lithium explorers. Our estimates are backed by a pre-JORC resources and reserves evaluation report published by Ashgill Australia.

TABLE 12: MOOLYELLA PEER GROUP VALUATION

	Mineral resources (mn t LCE)	Grade (%)	Contained LiO2 (mn t)	EV (AUD mn)	EV/t (x)
European Lithium	11.0	1.00%	0.110	81.1	738.6
European Metals	11.4	0.65%	0.074	278.4	3,757.1
Galan Lithium	2.1	1.50%	0.031	268.2	8,692.3
Liontown Resources	156.0	1.40%	2.184	1,604.7	734.8
Albemarle	210.0	1.50%	3.150	29,273.0	9,293.0
Sociedad Química y Minera	800.0	1.00%	8.000	14,805.0	1,850.6
Sayona Mining	20.9	1.01%	0.211	853.2	4,041.9
Moolyella	43.7	0.46%	0.203	164.1	3,757.1

SOURCE: COMPANY DATA, BLOOMBERG, SPHENE CAPITAL ESTIMATES

Valuation of Moolyella

Applying FX of 1.6139 (EURAUD), the equity value of the Moolyella asset translates into EUR 101.7 million or EUR 50.80 per share:

TABLE 13: MOOLYELLA VALUATION

Peer group valuation	AUD mn	164.1
FX	EURAUD	1.6139
Discount	%	0.0%
Moolyella	EUR mn	101.7
Moolyella	EUR	50.80

SOURCE: COMPANY DATA, BLOOMBERG, SPHENE CAPITAL ESTIMATES

Sum-of-the-parts valuation of SunMirror

Adding up the valuation results and including the current net cash position, our sum-of-the-parts value of the assets of SunMirror totals EUR 389.4 million. Based on 2.0 million outstanding shares (fully diluted), this translates into an equity value per share of EUR 194.70.

TABLE 14: SUNMIRROR SUM-OF-THE-PARTS VALUATION SUMMARY

	Equity value (EUR mn)	Equity value per share (EUR)
Moolyella	101.7	50.80
Kingston-Keith	16.6	8.30
Cape Lambert North (base-case scenario)	203.4	101.70
Lat66	60.8	30.40
Net cash	6.9	3.40
SunMirror	389.4	194.70

SOURCE: SPHENE CAPITAL ESTIMATES

Challenges using a peer group methodology

The peer group valuation method allows the value estimated for a mining project to be benchmarked against other mining projects which are already established in the market. The methodology thus is a central tool for ensuring that value estimates are in line with what the market would actually pay for a project.

Notwithstanding, the peer group methodology has substantial challenges when valuing SunMirror:

- ⑤ There is **no true comparable** in the mining industry, since each property is unique with respect to key factors such as geology, mineralization, costs, and stage of exploration. From this it follows that subjective judgment is needed to identify similar properties.
- ⑤ There is only a **limited number of transactions** for mineral properties.
- ⑤ There is a high importance of the **effective valuation date**, since the value of a property will vary widely from day to day, because of the volatility of mineral prices.

Profit and Loss Account, 2020-2025/26e

IFRS (30/06)		2020*	2020/21e	2021/22e	2022/23e	2023/24e	2024/25e	2025/26e
Gross revenues	EUR mn	0.000	0.000	0.000	11.618	23.235	23.235	23.235
YoY	%	n/a	n/a	n/a	n/a	100.0%	0.0%	0.0%
Changes in inventories	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Own work capitalized	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other operating income	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total output	EUR mn	0.000	0.000	0.000	11.618	23.235	23.235	23.235
YoY	%	n/a	n/a	n/a	n/a	100.0%	0.0%	0.0%
Total exploration, mining, and upfront costs	EUR mn	0.000	0.000	-7.497	0.000	0.000	-0.915	0.000
In % of total output	%	n/a	n/a	n/a	0.0%	0.0%	-3.9%	0.0%
Total exploration and upfront costs	EUR mn	0.000	0.000	-7.497	0.000	0.000	-0.915	0.000
Total mining costs	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Gross profit	EUR mn	0.000	0.000	-7.497	11.618	23.235	22.320	23.235
YoY	%	n/a	n/a	n/a	-255.0%	100.0%	-3.9%	4.1%
In % of total output	%	0.0%	n/a	n/a	100.0%	100.0%	96.1%	100.0%
Personnel costs	EUR mn	-0.006	-0.222	-0.444	-0.394	-0.405	-0.416	-0.428
In % of total output	%	n/a	n/a	n/a	-3.4%	-1.7%	-1.8%	-1.8%
Other operating expenses	EUR mn	-0.014	-0.524	-0.740	-0.465	-0.467	-0.469	-0.471
In % of total output	%	n/a	n/a	n/a	-4.0%	-2.0%	-2.0%	-2.0%
EBITDA	EUR mn	-0.020	-0.745	-8.681	10.759	22.364	21.435	22.336
YoY	%	n/a	22.3%	n/a	-223.9%	107.9%	-4.2%	4.2%
In % of total output	%	n/a	n/a	n/a	92.6%	96.2%	92.3%	96.1%
Depreciation	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Amortisation	EUR mn	0.000	-0.100	-0.100	-0.100	-0.100	0.000	0.000
EBIT	EUR mn	0.000	-0.845	-8.781	10.659	22.264	21.435	22.336
YoY	%	n/a	19.1%	938.8%	-221.4%	108.9%	-3.7%	4.2%
YoY	EUR mn	0.000	-0.136	-7.935	19.440	11.604	-0.829	0.901
In % of total output	%	n/a	n/a	n/a	91.8%	95.8%	92.3%	96.1%
Income from participations	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net financial result	EUR mn	-0.001	0.001	0.000	0.000	0.000	0.000	0.000
Extraordinary items	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
EBT	EUR mn	-0.002	-0.844	-8.781	10.659	22.264	21.435	22.336
In % of total output	%	n/a	n/a	n/a	91.8%	95.8%	92.3%	96.1%
Income taxes	EUR mn	0.000	0.000	0.000	0.000	-4.453	-4.287	-4.467
In % of EBT (implied tax rate)	%	n/a	0.0%	0.0%	0.0%	-20.0%	-20.0%	-20.0%
Other taxes	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net income	EUR mn	-0.002	-0.844	-8.781	10.659	17.811	17.148	17.869
In % of total output	%	n/a	n/a	n/a	91.8%	76.7%	73.8%	76.9%
Minorities	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Nr of shares (basic)	mn	0.0	2.0	2.0	2.0	2.0	2.0	2.0
Nr of shares (diluted)	mn	3.7	2.0	2.0	2.0	2.0	2.0	2.0
EPS (basic)	EUR	0.00	-0.42	-4.39	5.33	8.91	8.57	8.93
EPS (diluted)	EUR	0.00	-0.42	-4.39	5.33	8.91	8.57	8.93

SOURCE: COMPANY DATA, SPHENE CAPITAL ESTIMATES

* SHORT FISCAL YEAR (6 MONTHS)

Segments, 2020-2025/26e

IFRS (30/06)		2020*	2020/21e	2021/22e	2022/23e	2023/24e	2024/25e	2025/26e
Net revenues	EUR mn	0.000	0.000	0.000	11.618	23.235	23.235	23.235
Kingston-Keith	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Moolyella	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Cape Lambert	EUR mn	0.000	0.000	0.000	11.618	23.235	23.235	23.235
Project Nr. 4	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
YoY	%	n/a	n/a	n/a	n/a	100.0%	0.0%	0.0%
Kingston-Keith	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Moolyella	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cape Lambert	%	n/a	n/a	n/a	n/a	100.0%	0.0%	0.0%
Project Nr. 4	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
in % of net revenues	%	n/a	n/a	n/a	100.0%	100.0%	100.0%	100.0%
Kingston-Keith	%	n/a	n/a	n/a	0.0%	0.0%	0.0%	0.0%
Moolyella	%	n/a	n/a	n/a	0.0%	0.0%	0.0%	0.0%
Cape Lambert	%	n/a	n/a	n/a	100.0%	100.0%	100.0%	100.0%
Project Nr. 4	%	n/a	n/a	n/a	0.0%	0.0%	0.0%	0.0%
Gross profit	EUR mn	0.000	0.000	-7.497	0.000	0.000	-0.915	0.000
Kingston-Keith	EUR mn	0.000	0.000	-7.497	0.000	0.000	0.000	0.000
Moolyella	EUR mn	0.000	0.000	0.000	0.000	0.000	-0.915	0.000
Cape Lambert	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
YoY	%	n/a	n/a	n/a	-100.0%	n/a	n/a	-100.0%
Kingston-Keith	%	n/a	n/a	n/a	-100.0%	n/a	n/a	n/a
Moolyella	%	n/a	n/a	n/a	n/a	n/a	n/a	-100.0%
Cape Lambert	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
in % of gross revenues	%	n/a	n/a	n/a	0.0%	0.0%	-3.9%	0.0%
Kingston-Keith	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Moolyella	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cape Lambert	%	n/a	n/a	n/a	0.0%	0.0%	0.0%	0.0%

SOURCE: COMPANY DATA, SPHENE CAPITAL ESTIMATES

* SHORT FISCAL YEAR (6 MONTHS)

Regions, 2020-2025/26e

IFRS (30/06)		2020*	2020/21e	2021/22e	2022/23e	2023/24e	2024/25e	2025/26e
Gross Sales	EUR mn	0.000	0.000	0.000	11.618	23.235	23.235	23.235
Europe	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Asia	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
USA	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Rest of World	EUR mn	0.000	0.000	0.000	11.618	23.235	23.235	23.235
YoY	%	n/a	n/a	n/a	n/a	100.0%	0.0%	0.0%
Europe	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asia	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
USA	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of World	%	n/a	n/a	n/a	n/a	100.0%	0.0%	0.0%
as of total sales	%	n/a	n/a	n/a	100.0%	100.0%	100.0%	100.0%
Europe	%	n/a	n/a	n/a	0.0%	0.0%	0.0%	0.0%
Asia	%	n/a	n/a	n/a	0.0%	0.0%	0.0%	0.0%
USA	%	n/a	n/a	n/a	0.0%	0.0%	0.0%	0.0%
Rest of World	%	n/a	n/a	n/a	100.0%	100.0%	100.0%	100.0%
SOURCE: COMPANY DATA, SPHENE CAPITAL ESTIMATES						* SHORT FISCAL YEAR (6 MONTHS)		

Balance Sheet (Assets), 2020-2025/26e

IFRS (30/06)		2020*	2020/21e	2021/22e	2022/23e	2023/24e	2024/25e	2025/26e
ASSETS								
Non-current assets	EUR mn	0.003	16.300	16.200	16.100	16.000	16.000	16.000
Intangible assets	EUR mn	0.000	0.300	0.200	0.100	0.000	0.000	0.000
Formation expenses	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Trademarks and franchises	EUR mn	0.000	0.300	0.200	0.100	0.000	0.000	0.000
Long-term assets	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Property	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Plant and equipment	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other long-term assets	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Prepaid advances	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Financial assets	EUR mn	0.003	16.000	16.000	16.000	16.000	16.000	16.000
Participations	EUR mn	0.000	16.000	16.000	16.000	16.000	16.000	16.000
Other long-term assets	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Loans to affiliated companies	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Prepaid advances	EUR mn	0.003	0.000	0.000	0.000	0.000	0.000	0.000
Current assets	EUR mn	0.223	6.921	1.170	13.510	20.002	36.150	54.019
Inventory	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DIO	d	n/a	n/a	0	n/a	n/a	0	n/a
Trade receivables	EUR mn	0.001	0.025	0.025	0.606	1.187	1.187	1.187
DSO	d	n/a	n/a	n/a	19	18	18	18
Receivables from affiliated companies	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Receivables due from related parties	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other current assets	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Cash and cash equivalents	EUR mn	0.222	6.896	1.145	12.904	18.816	34.963	52.832
thereof collateralized	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Deferred taxes	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other deferred items	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Equity deficit	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total assets	EUR mn	0.223	23.221	17.370	29.610	36.002	52.150	70.019
SOURCE: COMPANY DATA, SPHENE CAPITAL ESTIMATES					* SHORT FISCAL YEAR (6 MONTHS)			

Balance Sheet (Liabilities), 2020-2025/26e

IFRS (30/06)		2020*	2020/21e	2021/22e	2022/23e	2023/24e	2024/25e	2025/26e
LIABILITIES AND EQUITY								
Total shareholder's equity	EUR mn	0.216	13.901	5.120	15.779	33.591	50.738	68.607
Equity ratio	%	96.7%	59.9%	29.5%	53.3%	93.3%	97.3%	98.0%
Share capital	EUR mn	0.325	1.244	1.244	1.244	1.244	1.244	1.244
Capital reserve	EUR mn	0.001	14.221	14.221	14.221	14.221	14.221	14.221
Currency adjustments	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Profit reserves	EUR mn	-0.089	-0.720	-1.565	-10.345	0.314	18.125	35.273
Profit/Loss of period	EUR mn	-0.020	-0.844	-8.781	10.659	17.811	17.148	17.869
Equity deficit	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Own shares	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Minorities	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Special items	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pension reserves	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other provisions	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Current liabilities	EUR mn	0.007	0.250	0.250	0.831	1.412	1.412	1.412
Bank debt	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Trade payables	EUR mn	0.002	0.250	0.250	0.831	1.412	1.412	1.412
DPO	d	n/a	n/a	n/a	26	22	22	22
Prepayments	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other current liabilities	EUR mn	0.006	0.000	0.000	0.000	0.000	0.000	0.000
Liabilities due to related parties	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Non-current liabilities	EUR mn	0.000	9.070	12.000	13.000	1.000	0.000	0.000
Bank debt	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other non-current liabilities	EUR mn	0.000	9.070	12.000	13.000	1.000	0.000	0.000
Deferred taxes	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other deferred items	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total liabilities and shareholder's equity	EUR mn	0.223	23.221	17.370	29.610	36.002	52.150	70.019
SOURCE: COMPANY DATA, SPHENE CAPITAL ESTIMATES						* SHORT FISCAL YEAR (6 MONTHS)		

Balance Sheet (Assets, Normalized), 2020-2025/26e

IFRS (30/06)		2020*	2020/21e	2021/22e	2022/23e	2023/24e	2024/25e	2025/26e
ASSETS	%							
Non-current assets	%	1.2%	70.2%	93.3%	54.4%	44.4%	30.7%	22.9%
Intangible assets	%	0.0%	1.3%	1.2%	0.3%	0.0%	0.0%	0.0%
Formation expenses	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trademarks and franchises	%	0.0%	1.3%	1.2%	0.3%	0.0%	0.0%	0.0%
Long-term assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Property	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plant and equipment	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other long-term assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Prepaid advances	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial assets	%	1.2%	68.9%	92.1%	54.0%	44.4%	30.7%	22.9%
Participations	%	0.0%	68.9%	92.1%	54.0%	44.4%	30.7%	22.9%
Other long-term assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Loans to affiliated companies	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Prepaid advances	%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current assets	%	99.9%	29.8%	6.7%	45.6%	55.6%	69.3%	77.1%
Inventory	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trade receivables	%	0.5%	0.1%	0.1%	2.0%	3.3%	2.3%	1.7%
Receivables from affiliated companies	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Receivables due from related parties	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other current assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash and cash equivalents	%	99.4%	29.7%	6.6%	43.6%	52.3%	67.0%	75.5%
thereof collateralized	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other deferred items	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity deficit	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total assets	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SOURCE: COMPANY DATA, SPHENE CAPITAL ESTIMATES						* SHORT FISCAL YEAR (6 MONTHS)		

Balance Sheet (Liabilities, Normalized), 2020-2025/26e

IFRS (30/06)		2020*	2020/21e	2021/22e	2022/23e	2023/24e	2024/25e	2025/26e
LIABILITIES AND EQUITY								
Total shareholder's equity	%	96.7%	59.9%	29.5%	53.3%	93.3%	97.3%	98.0%
Share capital	%	145.7%	5.4%	7.2%	4.2%	3.5%	2.4%	1.8%
Capital reserve	%	0.4%	61.2%	81.9%	48.0%	39.5%	27.3%	20.3%
Currency adjustments	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit reserves	%	-40.0%	-3.1%	-9.0%	-34.9%	0.9%	34.8%	50.4%
Profit/Loss of period	%	-9.1%	-3.6%	-50.5%	36.0%	49.5%	32.9%	25.5%
Equity deficit	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Own shares	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minorities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special items	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pension reserves	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other provisions	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current liabilities	%	3.3%	1.1%	1.4%	2.8%	3.9%	2.7%	2.0%
Bank debt	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trade payables	%	0.9%	1.1%	1.4%	2.8%	3.9%	2.7%	2.0%
Prepayments	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other current liabilities	%	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liabilities due to related parties	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-current liabilities	%	0.0%	39.1%	69.1%	43.9%	2.8%	0.0%	0.0%
Bank debt	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other non-current liabilities	%	0.0%	39.1%	69.1%	43.9%	2.8%	0.0%	0.0%
Other deferred items	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total liabilities and shareholder's equity	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SOURCE: COMPANY DATA, SPHENE CAPITAL ESTIMATES					* SHORT FISCAL YEAR (6 MONTHS)			

Cash Flow Statement, 2020-2025/26e

IFRS (30/06)		2020*	2020/21e	2021/22e	2022/23e	2023/24e	2024/25e	2025/26e
Net income	EUR mn	-0.020	-0.844	-8.781	10.659	17.811	17.148	17.869
Depreciation & Amortisation	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Income from sale of assets	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ inventory	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ trade receivables	EUR mn	-0.001	0.000	0.000	-0.581	-0.581	0.000	0.000
Δ other receivables	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ deferred tax assets	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ provisions	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ other long-term provisions	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ other short-term provisions	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ trade payables	EUR mn	0.002	0.216	0.000	0.581	0.581	0.000	0.000
Δ special items	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ deferred liabilities	EUR mn	0.001	0.000	0.000	0.000	0.000	0.000	0.000
Currency adjustments	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other operational adjustments	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Operating cash flow	EUR mn	-0.018	8.541	-5.751	11.759	5.911	16.148	17.869
Investments in financial assets	EUR mn	0.000	-16.000	0.000	0.000	0.000	0.000	0.000
Investments in intangible assets	EUR mn	0.000	0.001	0.000	0.000	0.000	0.000	0.000
Investments in tangible assets	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other operational adjustments	EUR mn	0.000	16.000	0.000	0.000	0.000	0.000	0.000
Cash flow from investing	EUR mn	0.000	0.001	0.000	0.000	0.000	0.000	0.000
Free cash flow	EUR mn	0.000	8.541	-5.751	11.759	5.911	16.148	17.869
Δ Capital stock	EUR mn	0.000	0.133	0.000	0.000	0.000	0.000	0.000
Δ Capital reserves	EUR mn	0.000	14.221	0.000	0.000	0.000	0.000	0.000
Δ Bank debt	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ other interest-bearing liabilities	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Less prior-year dividend	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other operational adjustments	EUR mn	0.000	-16.222	0.000	0.000	0.000	0.000	0.000
Financing cash flow	EUR mn	0.000	-1.868	0.000	0.000	0.000	0.000	0.000
Net cash inflow	EUR mn	-0.018	6.674	-5.751	11.759	5.911	16.148	17.869
Currency adjustments	EUR mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net cash opening balance	EUR mn	0.240	0.222	6.896	1.145	12.904	18.816	34.963
Net cash closing balance	EUR mn	0.222	6.896	1.145	12.904	18.816	34.963	52.832
SOURCE: COMPANY DATA, SPHENE CAPITAL ESTIMATES						* SHORT FISCAL YEAR (6 MONTHS)		

This analysis was prepared by



Wettersteinstraße 4 | 82024 Taufkirchen | Germany | Phone +49 (89) 74443558 | Fax +49 (89) 74443445

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Sell	We expect a stock to fall by at least 10% and underperform the benchmark.

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Medium	20-50%
Low	<20%

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Date/Time of publication:	Current share price/Price target:	Rating/Validity:	Conflict of Interest (key)
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21 09 2020/07:55 h	EUR 1.70/EUR 68.90	Buy/36 months	1, 2, 8

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