

Rover Metals Corp.

Reuters: ROVR.V

Bloomberg: ROVR:CN

Upgrading LGL's project size to 33.6 sq km

After the acquisition of a further 2,400 acres, significantly enhancing the total project size of Rover Metals' most promising asset Let's Go Lithium (LGL) to approximately 8,300 acres or 33.6 sq km, we reiterate our Buy rating for the shares of Rover Metals. However, the significant upgrade in LGL's project size is counteracted by the recent slump in LCE prices. Hence, we reduce our probability weighted net asset value based price target to CAD 0.75 from CAD 0.92 per share. Our price target is based solely on the speculative lithium resources of the LGL project, other assets were not included in our valuation, representing a potential bonus to our NAV calculation. We not only highlight that the current pullback in the company's stock price—in-line with the general weakness of the explorer sector—could be an interesting entry point for long-term investors. We also believe that this undervalued, below the radar flying company is an attractive investment and expect it to re-rate as it aggressively explores and expands resources at its LGL project.

Increasing value to Rover's most promising asset

Rover Metals has acquired a further 2,400 acres (ca. 9.7 sq km) of new claims to its Let's Go lithium (LGL) project in the prolific southwest lithium area in the U.S. state of Nevada, upgrading the total project size by ~41% to approximately 8,300 acres (33,6 sq km). Situated in close proximity to the world-class Albemarle Silver Peak mine, the only producing lithium mine in North America, and near the Tesla Gigafactory in Nevada, Rover Metals has verified high-grade lithium surface samples at the project in the past, including surface grab samples with up to 930 ppm lithium.

Purchase price USD 25,000, 75% without any royalties

The seller of the property is the Bureau of Land Management (BLM). According to the company, the US-governmental organization sold the land for total costs of USD 25,000, mainly for staking and filing. According to the company, 75% of this new ground is free and clear of any underlying royalties.

Advantages of a deeper water flow system in the area

Since Rover Metals plans to explore only to the top of the hydrologic water flow system, the additional claims are of considerable high value to Rover Metals, in our view, (1) because the water table in this area is at least twice as deep as in the rest of the area, so Rover Metals will be able to add twice as many tonnes to a future resource estimate, compared to the existing claims, and (2) because the highest lithium grades in sedimentary claystone are typically found in deeper regions.

Rating: Buy **Risk:** Very high
Price: CAD 0.05
Price target: CAD 0.75 (previously: CAD 0.92)

SIC / ISIN: A3DW9Z / CA77937B2003

Indices: -

Transparency level: TSX-Venture Exchange

Weighted number of shares (basic): 44,642,212

Market cap: CAD 2.2 mn

Daily trading volume: 100,000 shares

H1/2023: Expected October 2023

P&L (CAD mn)	2021	2022	2023e	2024e
Revenues	0.0	0.0	0.0	0.0
EBITDA	-1.6	-1.2	-1.3	-1.3
EBIT	-1.7	-1.5	-1.5	-1.6
EBT	-1.7	-1.5	-1.5	-1.6
EAT	-1.7	-1.5	-1.5	-1.6

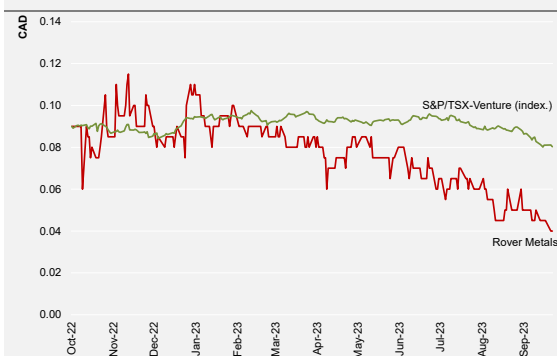
% gross profit	2021	2022	2023e	2024e
EBITDA	n/a	n/a	n/a	n/a
EBIT	n/a	n/a	n/a	n/a
EBT	n/a	n/a	n/a	n/a
EAT	n/a	n/a	n/a	n/a

Per share (CAD)	2021	2022	2023e	2024e
EPS	-0.10	-0.06	-0.03	-0.04
Dividend	0.00	0.00	0.00	0.00
Book value	0.21	0.19	0.09	0.05
Cash flow	-0.09	-0.07	-0.02	-0.03

B/S (%)	2021	2022	2023e	2024e
Equity ratio	84.0%	93.5%	79.7%	42.0%
Gearing	0%	0%	0%	0%

Multiples (x)	2021	2022	2023e	2024e
P/ER	n/a	n/a	n/a	n/a
EV/sales	n/a	n/a	n/a	n/a
EV/EBIT	n/a	n/a	n/a	n/a
P/BR	1.4	0.5	0.6	1.0

Guidance (CAD mn)	2022	2023e	2024e
Sales	n/a	n/a	n/a
EBITDA	n/a	n/a	n/a



Source: Company data, Sphene Capital Forecast

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Maintaining Buy rating, but reducing price target to CAD 0.75 from CAD 0.92

Our price target is based on a probability-weighted in-situ value for Rover Metals' Let's Go Lithium property. Other deposits were not included in our valuation; they represent an upside to our price target. This methodology accounts for the probability of each scenario being achieved. It also includes the capital required to achieve the respective scenarios.

The following table 1 summarizes our in-situ valuation assumptions, in which the increase in the area is offset by the substantial decrease in LCE prices.

TABLE 1: CALCULATION OF THE NET ASSET VALUE

		Lower Case	Base Case	Upside Case	Δ*
Area	acres		8,300		↗
Area	m2		33,588,908		↗
Assumed depth	m		30		⇒
Volume	m3		1,007,667,249		↗
Assumed density of sedimentary rocks	g/cm3		1.63		⇒
Weight	t		1,642,497,615		↗
Cut-off grade	ppm	100	300	500	⇒
Li-Ore	t	164,250	492,749	821,249	↗
Li-Ore-to-LCE rate		5.3230	5.3230	5.3230	⇒
LCE	t	30,857	92,570	154,283	↗
LCE price	USD/mt	24,200	24,200	24,200	↘
Potential value	USD	746,730,082	2,240,190,247	3,733,650,412	↘
FX	CADUSD	1.36	1.36	1.36	↗
Net Asset Value	CAD	1,015,552,912	3,046,658,736	5,077,764,560	↘

SOURCE: LME, SPHENE CAPITAL FORECAST

* changes to our previous estimates

Probability weighted valuation methodology

Further valuation assumptions are as follows:

- ⑤ While brine deposits are typically located in flat, arid, and barren salars (salt flats) which makes brine exploration logistics advantageous to remote hard rock lithium projects, claystone projects like Rover Metals' in Nevada also do not suffer from these disadvantages. Therefore, we assumed capex for an **initial drilling program** of CAD 50 million for a medium size lithium mine.
- ⑤ To finance this initial drilling program, **capital increases** are necessary for a junior mining company such as Rover Metals. At current share price ranging between CAD 0.05 and CAD 0.06, a placement at a price of CAD 0.05 should be realistic, in our view. Thus, 1,000,000,000 shares need to be issued to finance the drilling program.

- Ⓢ In addition, we have assumed **placement agent costs** of 5.0% of the nominal volume (i. e. 50,000,000 shares), which we assumed to be remunerated in Rover Metals shares.
- Ⓢ In summary, this means that the **total number of shares outstanding** increases by 1,050,000,000 to 1,094,642,212 shares.
- Ⓢ We assumed that it will take **five years** until the resource will be defined.
- Ⓢ We applied a **discount rate** of 20.0%, representing the early-stage character of Rover Metals.

For Rover Metals, **three valuation scenarios** are outlined as follows:

- Ⓢ **Lower Case scenario** – CAD 0.37 per share with a 60% probability: We view this scenario as most likely, providing investors with an inexpensive call option on exploration success.
- Ⓢ **Base Case scenario** – CAD 1.12 per share. We provide this scenario a 30% probability, whereby the existing Let's Go Lithium resource grows to 92,570 tons of LCE.
- Ⓢ **Upside Case scenario** – CAD 1.86 per share with a 10% probability: This bull case scenario assumes that Rover Metals can increase the existing LGL resource to 154,283 tons of LCE.

Using a probability-weighted in-situ value for Rover Metals' Let's Go Lithium property, we calculate a price target of CAD 0.75 per share:

TABLE 2: CALCULATION OF THE NET ASSET VALUE PER SHARE

		Lower Case	Base Case	Upside Case
Net Asset Value (see table 1 above)	CAD	1,015,552,912	3,046,658,736	5,077,764,560
Current number of shares outstanding			44,642,212	
Number of shares to be issued for financing drilling program			1,000,000,000	
Number of shares issued to placement agents			50,000,000	
Number of shares outstanding after financing drilling program			1,094,642,212	
Net Asset Value per share	CAD	0.93	2.78	4.64
Time to achieve	years		5	
Discount rate	%		20%	
Time adjusted value per share	CAD	0.37	1.12	1.86
Probability	%	60%	30%	10%
Price target per share	CAD		0.75	

SOURCE: SPHENE CAPITAL FORECAST

Catalysts of the share price development

Over the next **six months**, we see the following drivers for Rover Metals' share price:

- ⑤ First drilling results and a resource update of the Let's Go Lithium project;
- ⑤ Gold asset optionality of Cabin Gold and Up Town Gold via trade sale.

Over a period of **nine to twelve months**, we see the following share price catalysts:

- ⑤ Continued drill results from the Let's Go Lithium project;
- ⑤ More detailed metallurgical analysis of the Let's Go Lithium project;
- ⑤ Announcement of a prefeasibility study for the Let's Go Lithium project, followed by a complete feasibility study;
- ⑤ Announcement of strategic partnerships and federal funding (grants and loans) for the funding of further drilling at the Let's Go Lithium project; and
- ⑤ Negotiations on a potential trade sale of the Cabin Gold or/and the Up Town Gold projects.

Fundamentals going forward

Numerous stock re-rating opportunities over the medium term

Risks

We rate the risk of Rover Metals' shares as "very high", as with most mineral exploration companies in our universe. In particular, we see the following downside risks for the achievement of our price target:

- ⑤ Typical junior mining risks
- ⑤ Financing risks
- ⑤ Access to capital and market sentiment
- ⑤ Relationship with communities
- ⑤ Dependence on management
- ⑤ High volatility of the shares

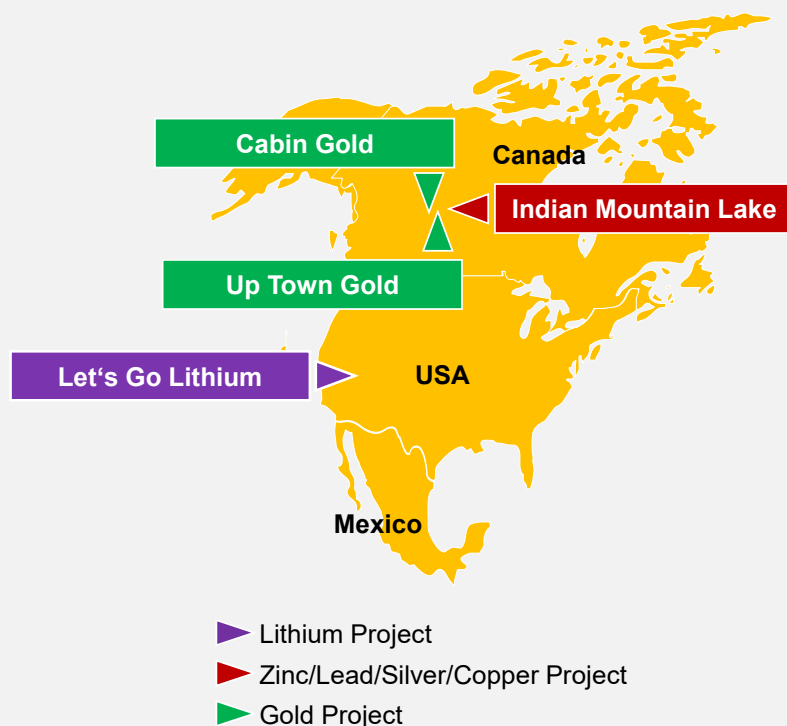
A “Made in America” lithium deposit

Business model overview

Rover Metals is a Canadian-based junior mining company focused on the acquisition and the exploration of early-stage projects. The company concentrates on top-tier jurisdictions and follows a risk-averse strategy, avoiding unsafe and politically unstable countries and regions and benefitting from functioning infrastructures. The most promising asset in our view is the Let’s Go Lithium (LGL) project in the mining-friendly state of Nevada, for which promising surface grab samples of high-grade lithium (above 900 ppm Li) have been reported, alongside historical USGS water well drilling and drill logs. These will be explored in an initial drilling program over the next months, offering district-scale in size with Tier 1 mine exploration potential. An additional property, Indian Mountain Lake (IML), is located in the Northwest Territories, one of the least explored areas in Canada. It covers approximately 30,000 acres of greenstone belt with historical zinc-copper-lead-silver geological resources, of which only a small fraction has been explored so far. According to the company, there are lithium and rare earth element greenfield exploration targets at IML as well.

Besides what we believe to be significant upside opportunities from LGL and IML, Rover Metals provides downside protection to investors from two other assets—gold projects—located in the Northwest Territories. They are considered high-grade (among them 31.9 meter averaging 13.66 g/t Au) gold exploration projects documented in several company news releases. We do not expect Rover Metals to continue exploring these properties, but favour discussing other options, f. ex. a trade sale to a major mining company. Given the current market capitalization of CAD 2.2 million, potential trade sales offer an attractive downside protection, in our view

EXHIBIT 1: ROVER METALS’ PROPERTIES IN NORTH AMERICA



SOURCE: COMPANY DATA

Overview of the assets

With a portfolio of lithium, gold, and base metal properties in safe jurisdictions of the U.S. and Canada, we see Rover Metals as a promising resource exploration and development company. The company's current investment portfolio consists of the following assets:

- ⑤ Rover Metals' most attractive asset at present is the **Let's Go Lithium** (LGL) property in the prolific southwest lithium area in the U.S. state of Nevada. LGL is close proximity to the world-class Albemarle Silver Peak mine, the only producing lithium mine in North America, and near the Tesla Gigafactory in Nevada. Let's Go Lithium has verified high-grade lithium surface samples at the project, including surface grab samples with up to 930 ppm lithium. Based on the results of its surface sampling campaign, Rover Metals has outlined a fully financed 1,000 meters reverse circulation (RC) drilling program (of 10 holes up to 100 meters) to follow-up on the high-grade areas of the project.
- ⑤ In August 2022, a 90% ownership interest in the **Indian Mountain Lake** (IML) Volcanic Massive Sulphide (VMS) project in the Northwest Territories was acquired. The Indian Mountain Lake project is the company's second district scale land package, including approximately 30,000 acres (ca. 121.4 km²) of greenstone belt. According to the company, the project has a significant historical zinc-lead-silver-copper geological resource: The BB Zone and Kennedy Lake Zone have a combined historic resource of 1.4 million tons grading 10% combined zinc and lead with 3.5 ounces per ton of silver, the Kennedy Lake West Zone has a historic resource of 0.6 million tons grading 1.15% copper, and the Susu Lake Zone has a historical resource consisting of more than 0.1 million tons grading 0.95% copper.
- ⑤ Rover Metal owns a third project with a historic resource, the **Cabin Gold** project. Located 110 km northwest of Yellowknife, Cabin Gold hosts high-grade gold in iron formation in Archean metasedimentary rocks. In November 2020, Rover Metals reported the discovery of a high-grade (31.9 meters averaging 13.66 g/t Au) gold ore vein at the Cabin Arrow Zone that extends 140 meters at surface and is open at depth. Should a strategic buyer make an attractive offer, we believe Cabin Gold will likely be sold.
- ⑤ The first property (in 2016) acquired by Rover Metals was **Up Town Gold**, which consists of six claims covering 3,227 hectares. The centre of the property is approximately 6 km north of downtown Yellowknife and adjoins Gold Terra's (formerly TerraX Minerals') Yellowknife City Gold property and the historic high-grade fold Giant Mine leases. The property is road accessible year-round. Gold was discovered on the property in 1960 and two targets were explored intensively from 1963 to 1966. Since then, small scale high grade gold mining was conducted. In 2021, Rover Metals re-optioned a 75% interest in the project to Collective Metals. On June 30, 2023, the optionee defaulted on its re-option, and the 75% ownership rights reverted back to Rover Metals. Rover Metals plans to keep the Up Town Gold project in good standing and hold the project for future re-option, with no additional capital to be invested, according to the company.

Profit- and Loss Account, 2020-2026e

Canadian GAAP (31.03.)		2020	2021e	2022e	2023e	2024e	2025e	2026e
Gross revenues	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
YoY	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Changes in inventories	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Own work capitalized	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other operating income	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total output	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
YoY	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Material costs	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gross profit	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
YoY	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Overhead expenses	CAD mn	-0.379	-0.939	-0.859	-0.868	-0.900	-0.935	-0.970
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other operating expenses	CAD mn	-0.379	-0.612	-0.368	-0.401	-0.422	-0.443	-0.466
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBITDA	CAD mn	-0.758	-1.551	-1.227	-1.268	-1.323	-1.378	-1.436
YoY	%	-1%	105%	-21%	3%	4%	4%	4%
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Depreciation	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Amortisation	CAD mn	-0.128	-0.119	-0.267	-0.280	-0.294	-0.309	-0.325
EBIT	CAD mn	-0.886	-1.670	-1.494	-1.549	-1.617	-1.687	-1.760
YoY	%	15%	88%	-11%	4%	4%	4%	4%
YoY	CAD mn	-0.117	-0.784	0.176	-0.054	-0.068	-0.070	-0.073
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Income from participations	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net financial result	CAD mn	0.075	-0.005	-0.004	0.000	0.000	0.000	0.000
Extraordinary items	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
EBT	CAD mn	-0.811	-1.676	-1.499	-1.549	-1.617	-1.687	-1.760
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Income taxes	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
In % of EBT (implied tax rate)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other taxes	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net income	CAD mn	-0.811	-1.676	-1.499	-1.549	-1.617	-1.687	-1.760
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Profits to be transferred due to profit transfer agreement	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Minorities	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net income after minorities	CAD mn	-0.811	-1.676	-1.499	-1.549	-1.617	-1.687	-1.760
Nr of shares (basic) ¹	mn	10.3	17.3	25.2	42.4	42.4	42.4	42.4
thereof ordinary shares ¹	mn	10.3	17.3	25.2	42.4	42.4	42.4	42.4
thereof preferred shares ¹	mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nr of shares (diluted) ¹	mn	10.3	17.3	25.2	63.9	63.9	63.9	63.9
EPS (basic)	CAD	-0.08	-0.10	-0.06	-0.04	-0.04	-0.04	-0.04
EPS (diluted)	CAD	-0.08	-0.10	-0.06	-0.02	-0.03	-0.03	-0.03

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

¹ Number of shares 2017-2022 adjusted by reverse share split 6:1

Balance Sheet (Assets), 2020-2026e

CANADIAN GAAP (31.03.)		2020	2021e	2022e	2023e	2024e	2025e	2026e
Non-current assets	CAD mn	1.509	3.548	4.637	4.469	4.983	5.498	6.033
Intangible assets	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Goodwill	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Intangible assets	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Rights of use	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Others	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Long-term assets	CAD mn	1.391	3.431	4.485	4.317	4.831	5.346	5.880
Property	CAD mn	1.391	3.011	4.348	4.178	4.678	5.178	5.696
Plant and equipment	CAD mn	0.000	0.120	0.094	0.095	0.105	0.115	0.127
Other long-term assets	CAD mn	0.000	0.300	0.043	0.043	0.047	0.052	0.057
Prepaid advances	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Financial assets	CAD mn	0.117	0.117	0.152	0.152	0.152	0.152	0.152
Participations	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other long-term assets	CAD mn	0.117	0.117	0.152	0.152	0.152	0.152	0.152
Loans to affiliated companies	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Prepaid advances	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Deferred tax assets	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Current assets	CAD mn	0.389	0.835	0.428	0.413	0.448	0.418	0.452
Inventory	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DIO	d	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Trade receivables	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DSO	d	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Receivables from affiliated companies	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Receivables due from related parties	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other current assets	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other financial assets	CAD mn	0.056	0.192	0.331	0.335	0.368	0.405	0.446
Other non-financial assets	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Cash and cash equivalents	CAD mn	0.333	0.643	0.096	0.078	0.080	0.013	0.007
thereof collateralized	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Deferred taxes	CAD mn	0.017	0.038	0.019	0.019	0.020	0.021	0.022
Other deferred items	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Equity deficit	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total assets	CAD mn	1.915	4.421	5.084	4.901	5.451	5.937	6.507

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

Balance Sheet (Liabilities), 2020-2026e

Canadian GAAP (31.03.)		2020	2021e	2022e	2023e	2024e	2025e	2026e
Total shareholder's equity	CAD mn	1.426	3.714	4.753	3.904	2.287	0.600	-1.160
Equity ratio	%	74.5%	84.0%	93.5%	79.7%	42.0%	10.1%	-17.8%
Share capital	CAD mn	3.410	5.551	7.359	8.059	8.059	8.059	8.059
Capital reserve after reverse acquisition	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Capital reserve	CAD mn	1.928	3.751	4.481	4.481	4.481	4.481	4.481
Currency adjustments	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Profit reserves	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other accumulated equity	CAD mn	-3.101	-3.913	-5.588	-7.087	-8.635	-10.252	-11.939
Profit/Loss of period	CAD mn	-0.811	-1.676	-1.499	-1.549	-1.617	-1.687	-1.760
Equity deficit	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Own shares	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Convertible bond	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Profit participation capital	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Profit participation capital	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Special items	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pension reserves	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other provisions	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Current liabilities	CAD mn	0.480	0.702	0.331	0.697	0.764	0.837	0.918
Bank debt	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Bond	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Profit participation capital	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Silent participation	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Short-term lease liabilities	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Trade payables	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DPO	d	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Advance payments received	CAD mn	0.449	0.667	0.291	0.656	0.721	0.793	0.873
Other current liabilities	CAD mn	0.031	0.035	0.040	0.041	0.042	0.044	0.045
Liabilities due to related parties	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Non-current liabilities	CAD mn	0.000	0.000	0.000	0.300	2.400	4.500	6.750
Bank debt	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.750
Bond	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Profit participation capital	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Silent participation	CAD mn	0.000	0.000	0.000	0.300	2.400	4.500	6.000
Long-term lease liabilities	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other non-current liabilities	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Deferred taxes	CAD mn	0.000	0.005	0.000	0.000	0.000	0.000	0.000
Other deferred items	CAD mn	0.009	0.000	0.000	0.000	0.000	0.000	0.000
Total liabilities and shareholder's equity	CAD mn	1.915	4.421	5.084	4.901	5.451	5.937	6.507

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

Balance Sheet (Assets, Normalized), 2020-2026e

Canadian GAAP (31.03.)		2020	2021e	2022e	2023e	2024e	2025e	2026e
Non-current assets	%	78.8%	80.3%	91.2%	91.2%	91.4%	92.6%	92.7%
Intangible assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Goodwill	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Intangible assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rights of use	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Others	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term assets	%	72.7%	77.6%	88.2%	88.1%	88.6%	90.0%	90.4%
Property	%	72.7%	68.1%	85.5%	85.3%	85.8%	87.2%	87.5%
Plant and equipment	%	0.0%	2.7%	1.9%	1.9%	1.9%	1.9%	2.0%
Other long-term assets	%	0.0%	6.8%	0.8%	0.9%	0.9%	0.9%	0.9%
Prepaid advances	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial assets	%	6.1%	2.7%	3.0%	3.1%	2.8%	2.6%	2.3%
Participations	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other long-term assets	%	6.1%	2.7%	3.0%	3.1%	2.8%	2.6%	2.3%
Loans to affiliated companies	%	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%
Deferred tax assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current assets	%	20.3%	18.9%	8.4%	8.4%	8.2%	7.0%	7.0%
Inventory	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trade receivables	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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%
Other financial assets	%	2.9%	4.3%	6.5%	6.8%	6.8%	6.8%	6.8%
Other non-financial assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash and cash equivalents	%	17.4%	14.5%	1.9%	1.6%	1.5%	0.2%	0.1%
thereof collateralized	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	%	0.9%	0.9%	0.4%	0.4%	0.4%	0.4%	0.3%
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 FORECAST

Balance Sheet (Liabilities, Normalized), 2020-2026e

Canadian GAAP (31.03.)		2020	2021e	2022e	2023e	2024e	2025e	2026e
Total shareholder's equity	%	74.5%	84.0%	93.5%	79.7%	42.0%	10.1%	-17.8%
Share capital	%	178.1%	125.6%	144.7%	164.4%	147.8%	135.7%	123.8%
Capital reserve after reverse acquisition	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital reserve	%	100.7%	84.8%	88.1%	91.4%	82.2%	75.5%	68.9%
Currency adjustments	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit reserves	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other accumulated equity	%	-162.0%	-88.5%	-109.9%	-144.6%	-158.4%	-172.7%	-183.5%
Profit/Loss of period	%	-42.4%	-37.9%	-29.5%	-31.6%	-29.7%	-28.4%	-27.1%
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%
Convertible bond	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit participation capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit participation capital	%	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	%	25.0%	15.9%	6.5%	14.2%	14.0%	14.1%	14.1%
Bank debt	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bond	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit participation capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Silent participation	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Short-term lease liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trade payables	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Advance payments received	%	23.4%	15.1%	5.7%	13.4%	13.2%	13.4%	13.4%
Other current liabilities	%	1.6%	0.8%	0.8%	0.8%	0.8%	0.7%	0.7%
Liabilities due to related parties	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-current liabilities	%	0.0%	0.0%	0.0%	6.1%	44.0%	75.8%	103.7%
Bank debt	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.5%
Bond	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit participation capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Silent participation	%	0.0%	0.0%	0.0%	6.1%	44.0%	75.8%	92.2%
Long-term lease liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other non-current liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Other deferred items	%	0.5%	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 FORECAST

Cash Flow Statement, 2020-2026e

Canadian GAAP (31.03.)		2020	2021e	2022e	2023e	2024e	2025e	2026e
Net income	CAD mn	-0.811	-1.676	-1.499	-1.549	-1.617	-1.687	-1.760
Depreciation	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Income from sale of assets	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Inventory	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Trade receivables	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Other receivables	CAD mn	0.167	-0.136	-0.139	-0.003	-0.033	-0.037	-0.041
Δ Deferred tax assets	CAD mn	-0.013	-0.021	0.019	0.000	-0.001	-0.001	-0.001
Δ Provisions	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Other long-term provisions	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Other short-term provisions	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Trade payables	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Special items	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Deferred liabilities/deferred taxes	CAD mn	0.009	-0.004	-0.005	0.000	0.000	0.000	0.000
Currency adjustments	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other operational adjustments	CAD mn	0.020	-0.082	-0.157	0.000	0.000	0.000	0.000
Operating cash flow	CAD mn	-0.270	-1.577	-1.885	-0.906	-1.290	-1.342	-1.397
Investments in financial assets	CAD mn	0.000	0.000	-0.035	0.000	0.000	0.000	0.000
Investments in intangible assets	CAD mn	-0.128	-0.119	-0.267	-0.280	-0.294	-0.309	-0.325
Investments in tangible assets	CAD mn	-0.687	-2.039	-1.054	0.168	-0.514	-0.515	-0.535
Other operational adjustments	CAD mn	0.178	0.283	0.231	0.000	0.000	0.000	0.000
Cash flow from investing	CAD mn	-0.637	-1.876	-1.125	-0.112	-0.808	-0.824	-0.859
Free cash flow	CAD mn	-0.907	-3.453	-3.010	-1.018	-2.099	-2.167	-2.256
Δ Share capital	CAD mn	0.568	2.141	1.807	0.700	0.000	0.000	0.000
Δ Capital reserves	CAD mn	0.868	1.822	0.730	0.000	0.000	0.000	0.000
Δ Convertible	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Bank debt	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Bank debt	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.750
Δ Bond	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Profit participation (Debt)	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Δ Silent participation	CAD mn	0.000	0.000	0.000	0.300	2.100	2.100	1.500
Δ other interest-bearing debt	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Less prior-year dividend	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Less dividend payments to minority shareholders	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other operational adjustments	CAD mn	-0.198	-0.201	-0.074	0.000	0.000	0.000	0.000
Financing cash flow	CAD mn	1.238	3.763	2.463	1.000	2.100	2.100	2.250
Net cash inflow	CAD mn	0.331	0.310	-0.546	-0.018	0.001	-0.067	-0.006
Currency adjustments	CAD mn	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net cash opening balance	CAD mn	0.002	0.333	0.643	0.096	0.078	0.080	0.013
Net cash closing balance	CAD mn	0.333	0.643	0.096	0.078	0.080	0.013	0.007

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

One View I, 2020-2026e

Canadian GAAP (31.03.)		2020	2021e	2022e	2023e	2024e	2025e	2026e
Sales	CAD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross profit	CAD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	CAD mn	-0.8	-1.6	-1.2	-1.3	-1.3	-1.4	-1.4
EBIT	CAD mn	-0.9	-1.7	-1.5	-1.5	-1.6	-1.7	-1.8
EBT	CAD mn	-0.8	-1.7	-1.5	-1.5	-1.6	-1.7	-1.8
Net income	CAD mn	-0.8	-1.7	-1.5	-1.5	-1.6	-1.7	-1.8
Nr. of employees		0	0	3	3	3	4	5
Per share data								
Price high	CAD	0.72	0.72	0.36	0.11			
Price low	CAD	0.18	0.27	0.06	0.06			
Price average/last	CAD	0.41	0.49	0.19	0.08			
Price average/last	CAD	0.51	0.30	0.09	0.05	0.05	0.05	0.05
EPS	CAD	-0.08	-0.10	-0.06	-0.03	-0.04	-0.04	-0.04
BVPS	CAD	0.14	0.21	0.19	0.09	0.05	0.01	-0.03
CFPS	CAD	-0.03	-0.09	-0.07	-0.02	-0.03	-0.03	-0.03
Dividend	CAD	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Price target	CAD							0.75
Performance to price target	%							1391.4%
Profitability ratios								
Gross profit margin	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBITDA margin	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBIT margin	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pre-tax margin	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Net margin	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
FCF margin	%	-56.9%	-45.1%	-31.5%	-39.7%	-70.7%	n/a	n/a
ROE	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NWC/Sales	%	n/a	n/a	0	0	0	0	0
Revenues per head	CAD k	n/a	n/a	-498.1	-516.2	-539.0	-421.8	-352.1
EBIT per head	CAD k	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capex/Sales	%							
Growth ratios								
Sales	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gross profit	%	-1.5%	104.6%	-20.9%	3.3%	4.3%	4.2%	4.2%
EBITDA	%	15.2%	88.4%	-10.5%	3.6%	4.4%	4.3%	4.3%
EBIT	%	4.2%	106.5%	-10.6%	3.3%	4.4%	4.3%	4.3%
EBT	%	4.2%	106.5%	-10.6%	3.3%	4.4%	4.3%	4.3%
Net income	%	-16.7%	22.7%	-38.7%	-41.6%	4.4%	4.3%	4.3%
EPS	%	-69.2%	247.3%	-18.1%	-72.8%	42.4%	4.0%	4.0%
CFPS	%	0.0	0.0	0.0	0.0	0.0	0.0	0.0

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

One View II, 2020-2026e

Canadian GAAP (31.03.)		2020	2021e	2022e	2023e	2024e	2025e	2026e
Balance sheet ratios								
Fixed assets	CAD mn	1.5	3.5	4.6	4.5	5.0	5.5	6.0
Current assets	CAD mn	0.4	0.8	0.4	0.4	0.4	0.4	0.5
Equity	CAD mn	1.4	3.7	4.8	3.9	2.3	0.6	-1.2
Liabilities	CAD mn	0.5	0.7	0.3	1.0	3.2	5.3	7.7
Equity ratio	%	74.5%	84.0%	93.5%	79.7%	42.0%	10.1%	-17.8%
Gearing	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-64.0%
Working Capital	CAD mn	0.4	0.7	0.3	0.7	0.7	0.8	0.9
Capital Employed	CAD mn	1.8	4.1	4.8	5.0	5.6	6.1	6.8
	x	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Enterprise Value								
Nr. of shares	mn	10.3	17.3	25.2	44.6	44.6	44.6	44.6
Market cap.	CAD mn	7.4	12.4	9.1	4.9	n/a	n/a	n/a
Market cap.	CAD mn	1.8	4.7	1.5	2.7	n/a	n/a	n/a
Market cap.	CAD mn	4.2	8.5	4.8	3.6	n/a	n/a	n/a
Market cap.	CAD mn	5.2	5.2	2.3	2.2	2.2	2.2	2.2
Net debt	CAD mn	-0.3	-0.6	-0.1	-0.1	-0.1	0.0	0.7
Pension reserves	CAD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	CAD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Excess Cash	CAD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EV high	CAD mn	7.1	11.8	9.0	4.8	n/a	n/a	n/a
EV low	CAD mn	1.5	4.0	1.4	2.6	n/a	n/a	n/a
EV average	CAD mn	3.9	7.8	4.7	3.5	n/a	n/a	n/a
Enterprise Value	CAD mn	4.9	4.5	2.2	2.2	2.2	2.2	3.0
Valuation ratios								
EV/sales high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBIT last	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E last	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/BV last	x	3.7	1.4	0.5	0.6	1.0	3.7	n/a
P/CF last	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
FCF yield	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dividend-yield	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

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

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Risk	Estimated probability that the result of the analysed company differs from our forecast earnings by more than 20% due to company-or market-specific reasons
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Date/Time of publication:	Price target/Current share price:	Rating/Validity:	Conflict of Interest (key)
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03 08 2023/10:45 h	CAD 0.92/CAD 0.06	Buy, 36 months	1, 2, 8

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