

Vulcan Energy Resources

Australia | Basic Materials | MCap AUD 869.7m

24 June 2022

UPDATE



Stellantis takes share in Vulcan, growing political backing – BUY

What's it all about?

Stellantis is taking an 8% share in Vulcan by an equity investment of AUD 76m (EUR 50m) for new shares. The carmaker already signed an offtake agreement with Vulcan last November. In our view, the Stellantis investment marks a major accolade and important signal that strongly supports the business case. In fact, there aren't many disclosed investments by carmakers into lithium projects, apart from General Motors in CTR's Hell's Kitchen project in the US. The political backing, as just concluded in Landau was already overdue in the context of national decarbonization plans and the current energy crisis related to imports from Russia. We confirm our PT with AUD 20.00, equivalent to EUR 13.11 and reiterate to BUY.

BUY (BUY)

Target price	AUD 20.00 (20.00)
Current price	AUD 6.34
Up/downside	215.5%



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Australia | Basic Materials | MCap AUD869.7m | EV AUD537.2m

BUY (BUY)

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Stellantis takes share in Vulcan, growing political backing

Yesterday, Vulcan Energy Resources announced news of major significance. Stellantis Group committed to an equity investment of AUD 76m (EUR 50m) in Vulcan Energy Resources. Stellantis is one of the world's largest carmakers with a portfolio of 14 vehicle brands like Peugeot, Fiat, Opel or US brands like Dodge and Chrysler. According to Vulcan, Stellantis becomes the second largest shareholder, at 8% shareholding, following issue of new ordinary shares at the 30-day VWAP (Volume Weighted Average Price) of AUD 6.622 (EUR 4.367) per share. This represents ca. 11.450m shares, and slightly more than a 30% premium to the previous closing price of AUD 5.00. In addition, Vulcan has also extended its binding supply agreement for lithium hydroxide with Stellantis by five years, to 2035. With Stellantis, Vulcan had signed its largest offtake agreement just last November. The original 5-year agreement over 81,000 to 99,000 t of battery grade LiOH was to be allotted within 5 years, starting in 2026.

The proceeds from the equity investment will be used for Vulcan's production expansion drilling in its producing Upper Rhine Valley Brine Field. Vulcan is already producing geothermal energy in Insheim. Just last week the City Council of Landau has voted to support geothermal energy production in the area and to take a positive stance towards the extraction of lithium from geothermal brine. We consider this as an important step to being able to further roll-out Vulcan's geothermal-lithium development plan, as political support is crucial. In line with this, Vulcan has acquired new exploration licenses, designated Flaggenturm (geothermal) and Fuchsmantel (lithium), complementing Vulcan's licenses in the Upper Rhine Valley Brine Field.

Conclusion: Vulcan again delivered very positive news, confirming the company's strategy. In our view, the Stellantis investment marks a major accolade and important signal that strongly supports the business case. In fact, there aren't many disclosed investments by carmakers into lithium projects, apart from General Motors in CTR's Hell's Kitchen project in the US. The political backing as just concluded in Landau, was already overdue in the context of national decarbonization plans and the current energy crisis related to imports from Russia. Our model already includes additional shares according to PFS capex plans. We confirm our PT with AUD 20.00, equivalent to EUR 13.11 and reiterate to BUY.

Vulcan Energy	2020	2021	2022E	2023E	2024E	2025E
Sales	0.0	0.0	4.9	9.2	18.4	189.8
<i>Growth yoy</i>	na	na	na	87.5%	100.7%	932.9%
EBITDA	-3.3	-10.5	-14.3	-14.2	-10.4	135.4
EBIT	-3.6	-10.9	-14.3	-14.4	-13.4	104.3
Net profit	-3.6	-10.7	-9.7	-32.0	-45.9	36.6
Net debt (net cash)	-6.4	-114.1	-332.5	-438.9	220.2	735.2
Net debt/EBITDA	1.9x	10.9x	23.3x	31.0x	-21.1x	5.4x
EPS reported	-0.07	-0.12	-0.07	-0.21	-0.27	0.20
DPS	0.00	0.00	0.00	0.00	0.00	0.00
<i>Dividend yield</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	na	na	53.1%	50.0%	41.3%	66.6%
EBITDA margin	na	na	-292.4%	-154.7%	-56.8%	71.3%
EBIT margin	na	na	-293.7%	-157.6%	-73.0%	55.0%
ROCE	-40.5%	-8.4%	-3.9%	-0.9%	-0.5%	4.0%
EV/EBITDA	-260.6x	-71.9x	-37.6x	-30.4x	-104.4x	11.9x
EV/EBIT	-239.9x	-69.5x	-37.5x	-29.9x	-81.3x	15.4x
PER	-86.0x	-51.5x	-89.8x	-30.9x	-23.8x	31.2x
FCF yield	-0.5%	-0.6%	-1.2%	-2.9%	-4.5%	-1.7%

Source: Company data, AlsterResearch; Fiscal year end: 30. June



Source: Company data, AlsterResearch

High/low 52 weeks 16.65 / 5.00
Price/Book Ratio 2.4x

Ticker / Symbols

ISIN AU0000066086
WKN A2PV3A
Bloomberg VUL:AU

Changes in estimates

		Sales	EBIT	EPS
2022E	old	00.0	00.0	00.0
	Δ	-	-	-
2023E	old	00.0	00.0	00.0
	Δ	-	-	-
2024E	old	00.0	00.0	00.0
	Δ	-	-	-

Key share data

Number of shares: (in m pcs) 137.18
Book value per share: (in AUD) 2.68
Ø trading volume: (12 months) 40,000

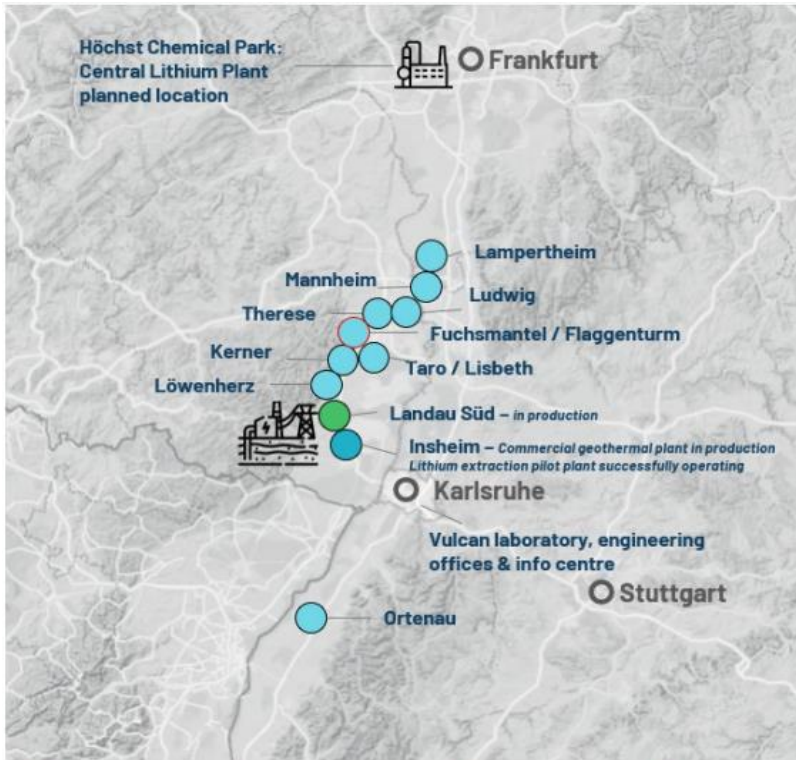
Major shareholders

F. Wedin 12.5%
Stellantis 8.0%
HPPL Group (G. Rinehart) 5.8%
Free Float 68.0%

Company description

The Australian lithium chemicals & renewable energy company Vulcan Energy Resources Ltd. has been developing a project in the Upper Rhine Valley in Germany that combines the use of thermal water as an energy source (hydrogeothermal energy) with the extraction of the lithium contained in the geothermal brine without polluting the environment with emissions, waste material or toxic substances. With a CO2 footprint of "zero", the project is predestined to mark the beginning of the decarbonization of the battery industry.

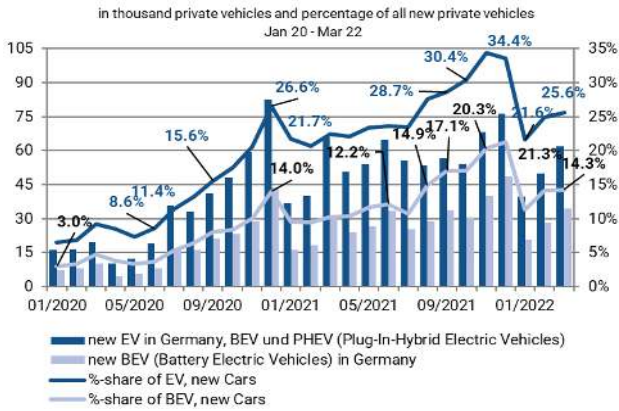
Overview Upper Rhine Valley Brine Field (URBVF)



Source : Company data

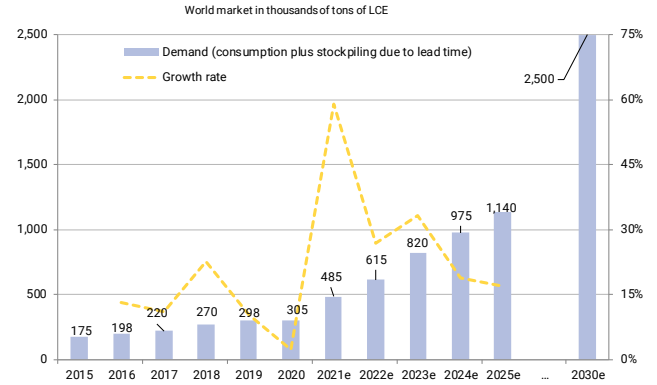
Investment case in six charts

Germany: Electric Vehicles (EV) & Battery EV



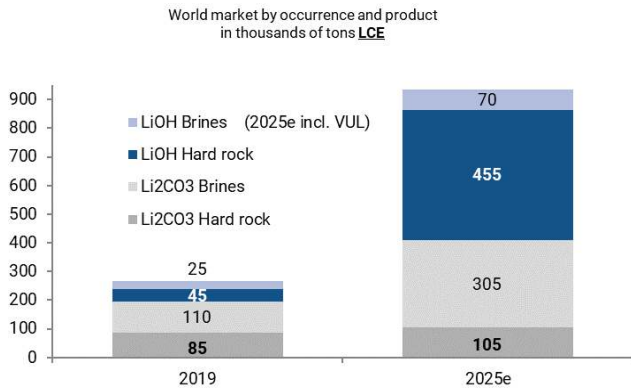
Source: Kraftfahrtbundesamt

World market: Lithium demand



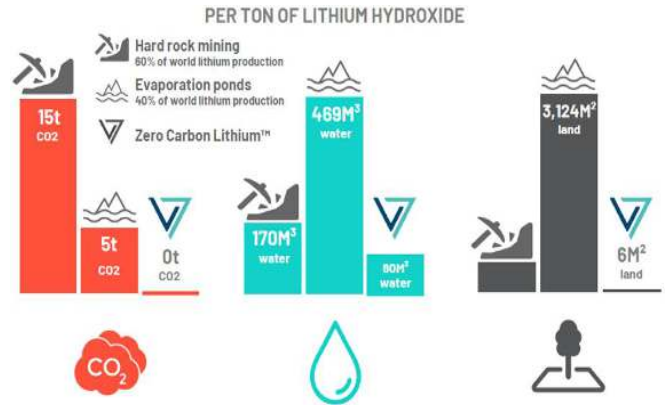
Source: Austral. Gov. (Resources and Energy Quarterly Sep 18 to Sep 21), Albemarle (graphic Sep 2021), Data processing: SRH AlsterResearch

World market: Structure of Li supply



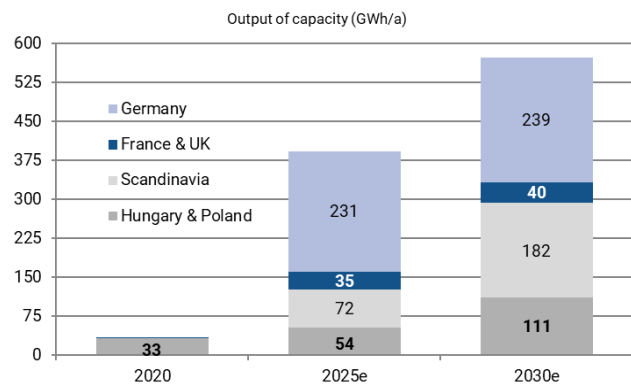
Source: Albemarle (graphic Dec 2019, reconfirmed Sep 2021), Note on VUL/Vulcan Energy Resources: SRH AlsterResearch

Environmental Footprint



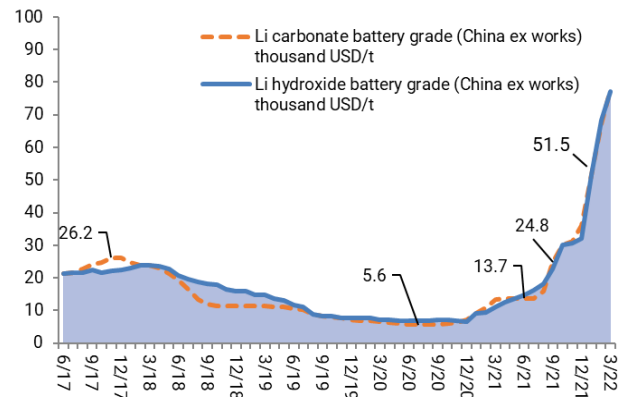
Source: Vulcan Energy Resources

Europe: Lithium-ion battery cell factories



Source: Fraunhofer ISI (Jan 2020)

Pricing performance Lithium



Source: Deutsche Rohstoffagentur (Preismonitor, data LC prices), Data processing LiOH prices: SRH AlsterResearch

SWOT Analysis

Strength

- Location: Close proximity to the European battery industry, which is currently being established, short transportation distance (carbon footprint, 1st aspect)
- Largest JORC-compliant lithium resource in Europe (Inferred and Indicated Mineral Resource)
- Carbon footprint, 2nd aspect: Lithium production using geothermal energy, without polluting the environment with emissions, waste material or toxic substances.
- Cash position of EUR 116m is sufficient for accelerated project development, including extensive test work and development of pilot plants. Advancement of the Zero Carbon Lithium™ Project is not dependent on securing further external funds before the stage is set for the final investment decision (FID), a juncture by which risk related discounts will have eased significantly.
- Lithium is separated within a matter of hours, eliminating external interference factors
- Lithium marketing has not only started, but per December 2021, the orderbook for the first six years of production has already been filled: LG Energy Solution has secured annual supplies of up to 10 thousand t LiOH from Vulcan. Umicore is to purchase up to 42 thousand t of battery grade LiOH over a five-year term. Renault Group signed a binding offtake agreement to purchase 32 thousand t battery grade LiOH within six years (2026 to 2032). Stellantis will purchase a minimum of 81 thousand t and a maximum of 99 thousand t of battery grade LiOH within five years, starting in 2026. Volkswagen will purchase up to 42 thousand t LiOH over five years from 2026.

Weaknesses

- Further funds required for project implementation have yet to be raised
- Investment lead time will take more than two years

Opportunities

- Head start in the race to commercialize Lithium within Central Europe: Preliminary Feasibility Study (PFS) brings about the leading and – for the time being – a unique position
- Rapid growth in lithium demand among the European battery industry
- Contribution to an independent European lithium supply chain (supply aspect, short transportation distances) creates an incentive for the battery industry to pay a premium over the lithium reference price
- Low-cost asset: Opportunity for operating costs at the lower end/in the lower quartile of the global peer group cost curve
- Income from electricity feed-in as a second source of revenue besides lithium sales

Threats

- The reference price for lithium based on imports in China/Korea/ Japan could come under pressure – as occurred in 2018 and 2019 – and put a damper on investor sentiment
- Approval procedures, in particular legal action against authorisations granted, could delay implementation

Valuation

By using a 25% risk weighting on Equity value, **the DCF model results in a fair value of AUD 19.99 per share:**

Vulcan is retaining 25.85% of Kuniko. Market capitalization of Kuniko is currently (June 2022) close to AUD 37m, but since it is highly volatile, we do not explicitly include the stake in Kuniko into our valuation model.

The forecast model is based on revenues at USD 17.50 thousand/t for lithium hydroxide, which encompasses a potential price premium (25%) to a reference price of USD 14.00 thousand/t. While this not reflects current prices, this is well within the variance range of the recent 5 years.

WACC. The averaged 1- and 3-year historical equity beta is calculated as 1.40. Unlevering and correcting for mean reversion yields an asset beta of 1.27. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 10.5%. With pre-tax cost of borrowing at 6.0%, a tax rate of 25.0% and target debt/equity of 0.2 this results in a long-term WACC of 9.7%.

DCF (AUDm) (except per share data and beta)	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Terminal value
NOPAT	-10.0	-10.1	-9.4	73.0	336.8	547.6	681.9	702.1	
Depreciation & amortization	0.1	0.3	3.0	31.0	83.9	106.2	122.0	122.0	
Change in working capital	-0.7	0.3	-6.1	-17.5	-32.1	-22.0	-5.9	5.9	
Chg. in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Capex	-19.1	-611.3	-1,262.1	-565.1	-118.8	-118.8	-118.8	-118.8	
Cash flow	-29.8	-620.8	-1,274.6	-478.5	269.9	512.9	679.2	711.3	9,443.1
Present value	-29.8	-565.7	-1,060.3	-363.3	187.0	324.4	392.1	374.8	4,937.2
WACC	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.7%

DCF per share derived from		DCF avg. growth and earnings assumptions	
Total present value	4,196.5	Planning horizon avg. revenue growth (2021E - 2028E)	n.a.%
Mid-year adj. total present value	4,392.9	Terminal value growth (2028E - infinity)	2.0%
Net debt / cash at start of year	-300.1	Terminal year ROCE	22.8%
Financial assets	0.0	Terminal year WACC	9.7%
Provisions and off b/s debt	na		
Equity value	4,693.0		
No. of shares outstanding	179.9		
Discounted cash flow / share upside/(downside)	19.99 / 215.2%		
		Terminal WACC derived from	
		Cost of borrowing (before taxes)	6.0%
		Long-term tax rate	25.0%
		Equity beta	1.40
		Unlevered beta (industry or company)	1.27
		Target debt / equity	0.2
		Relevered beta	1.42
		Risk-free rate	2.0%
		Equity risk premium	6.0%
		Cost of equity	10.5%
Share price	6.34		

Sensitivity analysis DCF								
Change in WACC (%-points)		Long term growth					Share of present value	
		0.0%	1.0%	2.0%	3.0%	4.0%		
2.0%		10.5	11.8	13.3	15.3	17.7	2021E - 2024E	-48.1%
1.0%		12.6	14.2	16.3	18.8	22.1	2025E - 2028E	30.5%
0.0%		15.2	17.3	20.0	23.4	28.1	terminal value	117.7%
-1.0%		18.4	21.3	24.9	29.8	36.9		
-2.0%		22.6	26.4	31.6	39.0	50.5		

Source: AlsterResearch

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

The adjusted Free Cash Flow Yield results in a **fair value between AUD 0.94 per share based on 2022E and AUD 36.66 per share on 2026E estimates**. It has to be kept in mind that FCF yield methodology does not factor in expansion capex.

The main driver of this model is the level of return available to a controlling investor, influenced by the cost of that investors' capital (opportunity costs) and the purchase price – in this case the enterprise value of the company. Here, the adjusted FCF yield is used as a proxy for the required return and is defined as EBITDA less minority interest, taxes and investments required to maintain existing assets (maintenance capex).

FCF yield in AUDm	2022E	2023E	2024E	2025E	2026E
EBITDA	-14.3	-14.2	-10.4	135.4	565.1
- Maintenance capex	0.1	-2.9	0.2	70.0	81.6
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	-4.2	-13.7	-19.7	15.7	128.7
= Adjusted FCF	-10.2	2.4	9.1	49.7	354.7
Actual Market Cap	907.2	907.2	907.2	907.2	907.2
+ Net debt (cash)	-332.5	-438.9	220.2	735.2	501.8
+ Pension provisions	0.0	0.0	0.0	0.0	0.0
+ Off b/s financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	0.0	0.0	0.0	0.0	0.0
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	-332.5	-438.9	220.2	735.2	501.8
= Actual EV'	574.7	468.3	1,127.4	1,642.4	1,409.0
Adjusted FCF yield	-1.8%	0.5%	0.8%	3.0%	25.2%
base hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
ESG adjustment	1.0%	1.0%	1.0%	1.0%	1.0%
adjusted hurdle rate	5.0%	5.0%	5.0%	5.0%	5.0%
Fair EV	-203.7	48.7	181.2	993.7	7,094.8
- <i>EV Reconciliations</i>	-332.5	-438.9	220.2	735.2	501.8
Fair Market Cap	128.8	487.6	-39.0	258.5	6,593.1
No. of shares (million)	137.2	155.9	172.2	179.9	179.9
Fair value per share in AUD	0.94	3.13	-0.23	1.44	36.66
Premium (-) / discount (+)	-85.2%	-50.7%	-103.6%	-77.3%	478.2%

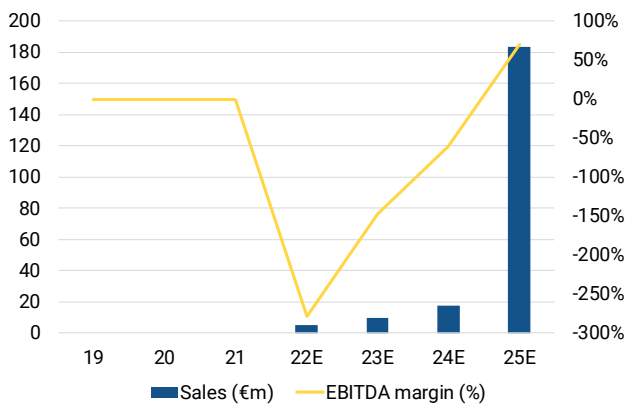
Sensitivity analysis fair value						
Adjusted hurdle rate	3.0%	-0.1	3.3	0.5	5.1	63.0
	4.0%	0.6	3.2	0.0	2.8	46.5
	5.0%	0.9	3.1	-0.2	1.4	36.7
	6.0%	1.2	3.1	-0.4	0.5	30.1
	7.0%	1.4	3.0	-0.5	-0.1	25.4

Source: Company data; AlsterResearch

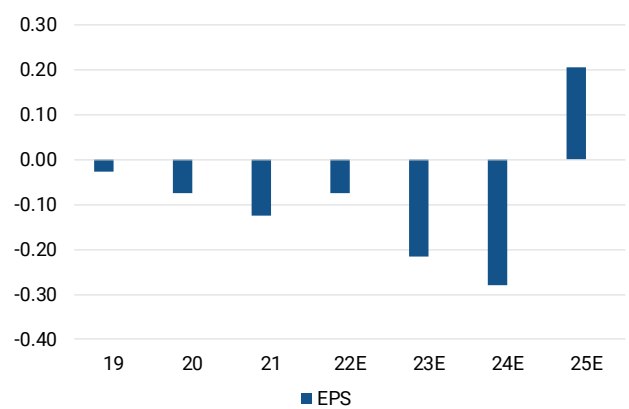
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable, based on the overall Leeway ESG Score. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

Financials in six charts

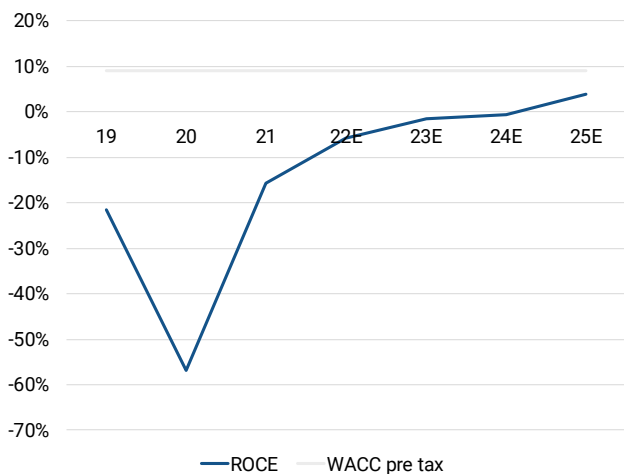
Sales vs. EBITDA margin development



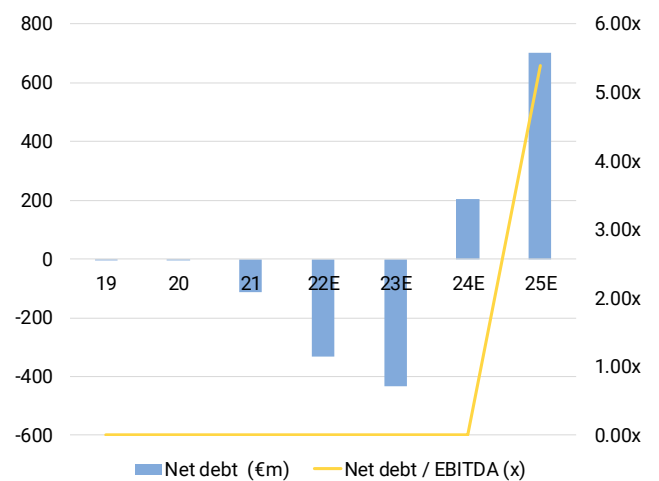
EPS in AUD



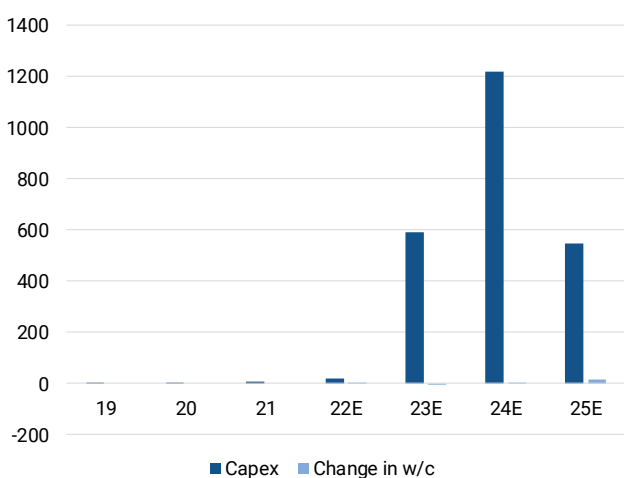
ROCE vs. WACC (pre tax)



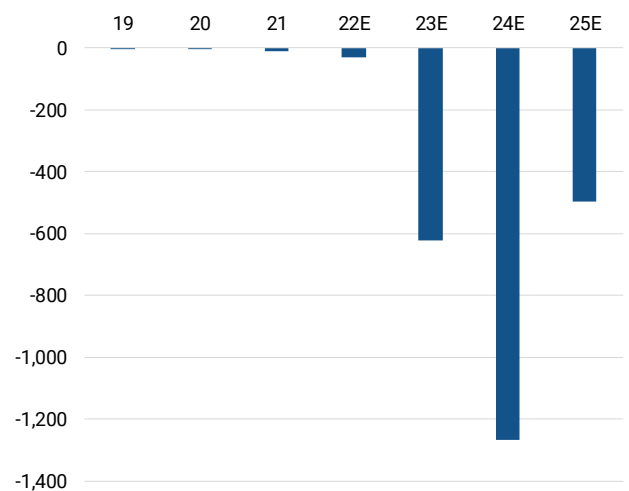
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in AUDm



Free Cash Flow in AUDm



Source: Company data; AlsterResearch

Financials

Profit and loss (AUDm)	2020	2021	2022E	2023E	2024E	2025E
Sales	0.0	0.0	4.9	9.2	18.4	189.8
Sales growth	NaN%	NaN%	Infinity%	87.5%	100.7%	932.9%
Cost of sales	0.0	0.0	2.3	4.6	10.8	63.5
Gross profit	0.0	0.0	2.6	4.6	7.6	126.3
SG&A expenses	3.4	11.1	16.9	19.0	21.0	22.0
Research and development	0.0	0.0	0.0	0.0	0.0	0.0
Other operating expenses (income)	-0.0	-0.6	0.0	0.0	0.0	0.0
EBITDA	-3.3	-10.5	-14.3	-14.2	-10.4	135.4
Depreciation	0.3	0.4	0.1	-2.9	0.2	28.5
EBITA	-3.6	-10.9	-14.3	-11.3	-10.6	106.9
Amortisation of goodwill and intangible assets	0.0	0.0	0.0	3.2	2.8	2.5
EBIT	-3.6	-10.9	-14.3	-14.4	-13.4	104.3
Financial result	0.0	0.1	0.5	-31.2	-52.1	-52.1
Recurring pretax income from continuing operations	-3.6	-10.7	-13.8	-45.7	-65.5	52.2
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-3.6	-10.7	-13.8	-45.7	-65.5	52.2
Taxes	0.0	0.0	-4.2	-13.7	-19.7	15.7
Net income from continuing operations	-3.6	-10.7	-9.7	-32.0	-45.9	36.6
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-3.6	-10.7	-9.7	-32.0	-45.9	36.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-3.6	-10.7	-9.7	-32.0	-45.9	36.6
Average number of shares	48.23	87.20	137.18	155.86	172.17	179.87
EPS reported	-0.07	-0.12	-0.07	-0.21	-0.27	0.20

Profit and loss (common size)	2020	2021	2022E	2023E	2024E	2025E
Sales	na	na	100%	100%	100%	100%
Cost of sales	na	na	47%	50%	59%	33%
Gross profit	na	na	53%	50%	41%	67%
SG&A expenses	na	na	347%	208%	114%	12%
Research and development	na	na	0%	0%	0%	0%
Other operating expenses (income)	na	na	0%	0%	0%	0%
EBITDA	na	na	-292%	-155%	-57%	71%
Depreciation	na	na	1%	-32%	1%	15%
EBITA	na	na	-294%	-123%	-58%	56%
Amortisation of goodwill and intangible assets	na	na	0%	35%	15%	1%
EBIT	na	na	-294%	-158%	-73%	55%
Financial result	na	na	10%	-341%	-284%	-27%
Recurring pretax income from continuing operations	na	na	-283%	-499%	-357%	28%
Extraordinary income/loss	na	na	0%	0%	0%	0%
Earnings before taxes	na	na	-283%	-499%	-357%	28%
Taxes	na	na	-85%	-150%	-107%	8%
Net income from continuing operations	na	na	-198%	-349%	-250%	19%
Result from discontinued operations (net of tax)	na	na	0%	0%	0%	0%
Net income	na	na	-198%	-349%	-250%	19%
Minority interest	na	na	0%	0%	0%	0%
Net profit (reported)	na	na	-198%	-349%	-250%	19%

Source: Company data; AlsterResearch

Balance sheet (AUDm)	2020	2021	2022E	2023E	2024E	2025E
Intangible assets (excl. Goodwill)	2.6	14.4	15.8	14.1	12.7	11.6
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.0	1.5	19.0	631.8	1,892.3	2,427.4
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0
FIXED ASSETS	2.6	15.8	34.9	645.9	1,905.0	2,439.0
Inventories	0.0	0.0	0.0	0.0	7.0	28.0
Accounts receivable	0.1	1.2	0.2	0.4	0.8	7.8
Other current assets	0.0	0.0	0.0	0.0	0.0	0.0
Liquid assets	6.4	114.7	332.5	967.8	656.4	141.4
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	6.5	115.9	332.7	968.1	664.1	177.2
TOTAL ASSETS	9.1	131.7	367.6	1,614.0	2,569.1	2,616.2
SHAREHOLDERS EQUITY	8.9	129.0	367.1	1,084.2	1,690.4	1,726.9
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.5	0.0	528.8	876.6	876.6
Provisions for pensions and similar obligations	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
Non-current liabilities	0.0	0.5	0.0	528.8	876.6	876.6
short-term liabilities to banks	0.0	0.1	0.0	0.0	0.0	0.0
Accounts payable	0.2	2.1	0.5	0.9	2.2	12.7
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.0	0.1	0.0	0.0	0.0	0.0
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	0.2	2.3	0.5	0.9	2.2	12.7
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	9.1	131.7	367.6	1,614.0	2,569.1	2,616.2

Balance sheet (common size)	2020	2021	2022E	2023E	2024E	2025E
Intangible assets (excl. Goodwill)	28%	11%	4%	1%	0%	0%
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	0%	1%	5%	39%	74%	93%
Financial assets	0%	0%	0%	0%	0%	0%
FIXED ASSETS	28%	12%	9%	40%	74%	93%
Inventories	0%	0%	0%	0%	0%	1%
Accounts receivable	1%	1%	0%	0%	0%	0%
Other current assets	0%	0%	0%	0%	0%	0%
Liquid assets	71%	87%	90%	60%	26%	5%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	72%	88%	91%	60%	26%	7%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	98%	98%	100%	67%	66%	66%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	0%	0%	0%	33%	34%	34%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	0%	0%	0%	0%	0%	0%
Non-current liabilities	0%	0%	0%	33%	34%	34%
short-term liabilities to banks	0%	0%	0%	0%	0%	0%
Accounts payable	2%	2%	0%	0%	0%	0%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	0%	0%	0%	0%	0%	0%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	2%	2%	0%	0%	0%	0%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (AUDm)	2020	2021	2022E	2023E	2024E	2025E
Net profit/loss	-3.6	-10.7	-9.7	-32.0	-45.9	36.6
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.1	-2.9	0.2	28.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	3.2	2.8	2.5
Others	0.1	0.6	0.0	0.0	0.0	0.0
Cash flow from operations before changes in w/c	-1.3	-2.8	-9.6	-31.7	-42.9	67.6
Increase/decrease in inventory	0.0	0.0	0.0	0.0	-7.0	-21.0
Increase/decrease in accounts receivable	0.0	0.0	1.0	-0.2	-0.4	-7.0
Increase/decrease in accounts payable	0.0	0.0	-1.7	0.5	1.2	10.5
Increase/decrease in other w/c positions	0.0	0.0	-0.1	0.0	0.0	0.0
Increase/decrease in working capital	0.0	0.0	-0.7	0.3	-6.1	-17.5
Cash flow from operating activities	-1.3	-2.8	-10.4	-31.4	-49.0	50.1
CAPEX	-1.2	-7.1	-19.1	-611.3	-1,262.1	-565.1
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-1.2	-7.1	-19.1	-611.3	-1,262.1	-565.1
Cash flow before financing	-2.6	-10.0	-29.4	-642.7	-1,311.1	-515.0
Increase/decrease in debt position	0.0	-0.0	-0.6	528.8	347.7	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	5.6	118.3	247.8	749.1	652.0	0.0
Dividends paid	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
Effects of exchange rate changes on cash	-0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	5.6	118.3	247.3	1,277.9	999.7	0.0
Increase/decrease in liquid assets	3.1	108.3	217.8	635.3	-311.4	-515.0
Liquid assets at end of period	6.4	114.7	332.5	967.8	656.4	141.4

Source: Company data; AlsterResearch

Regional sales split (AUDm)	2020	2021	2022E	2023E	2024E	2025E
Domestic	0.0	0.0	4.9	9.2	18.4	189.8
Europe (ex domestic)	0.0	0.0	0.0	0.0	0.0	0.0
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	0.0	0.0	4.9	9.2	18.4	189.8

Regional sales split (common size)	2020	2021	2022E	2023E	2024E	2025E
Domestic	na	na	100.0%	100.0%	100.0%	100.0%
Europe (ex domestic)	na	na	0.0%	0.0%	0.0%	0.0%
The Americas	na	na	0.0%	0.0%	0.0%	0.0%
Asia	na	na	0.0%	0.0%	0.0%	0.0%
Rest of World	na	na	0.0%	0.0%	0.0%	0.0%
Total sales	na	na	100%	100%	100%	100%

Source: Company data; AlsterResearch

Ratios	2020	2021	2022E	2023E	2024E	2025E
Per share data						
Earnings per share reported	-0.07	-0.12	-0.07	-0.21	-0.27	0.20
Cash flow per share	-0.03	-0.04	-0.08	-0.18	-0.29	-0.11
Book value per share	0.18	1.48	2.68	6.96	9.82	9.60
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-86.0x	-51.5x	-89.8x	-30.9x	-23.8x	31.2x
P/CF	-189.0x	-172.7x	-83.4x	-34.7x	-22.2x	-57.3x
P/BV	34.4x	4.3x	2.4x	0.9x	0.6x	0.7x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-0.5%	-0.6%	-1.2%	-2.9%	-4.5%	-1.7%
EV/Sales	na	na	110.0x	47.1x	59.3x	8.5x
EV/EBITDA	-260.6x	-71.9x	-37.6x	-30.4x	-104.4x	11.9x
EV/EBIT	-239.9x	-69.5x	-37.5x	-29.9x	-81.3x	15.4x
Income statement (AUDm)						
Sales	0.0	0.0	4.9	9.2	18.4	189.8
yoy chg in %	na	na	na	87.5%	100.7%	932.9%
Gross profit	0.0	0.0	2.6	4.6	7.6	126.3
Gross margin in %	na	na	53.1%	50.0%	41.3%	66.6%
EBITDA	-3.3	-10.5	-14.3	-14.2	-10.4	135.4
EBITDA margin in %	na	na	-292.4%	-154.7%	-56.8%	71.3%
EBIT	-3.6	-10.9	-14.3	-14.4	-13.4	104.3
EBIT margin in %	na	na	-293.7%	-157.6%	-73.0%	55.0%
Net profit	-3.6	-10.7	-9.7	-32.0	-45.9	36.6
Cash flow statement (AUDm)						
CF from operations	-1.3	-2.8	-10.4	-31.4	-49.0	50.1
Capex	-1.2	-7.1	-19.1	-611.3	-1,262.1	-565.1
Maintenance Capex	0.3	0.4	0.1	-2.9	0.2	70.0
Free cash flow	-2.6	-10.0	-29.4	-642.7	-1,311.1	-515.0
Balance sheet (AUDm)						
Intangible assets	2.6	14.4	15.8	14.1	12.7	11.6
Tangible assets	0.0	1.5	19.0	631.8	1,892.3	2,427.4
Shareholders' equity	8.9	129.0	367.1	1,084.2	1,690.4	1,726.9
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	0.0	0.6	0.0	528.8	876.6	876.6
Net financial debt	-6.4	-114.1	-332.5	-438.9	220.2	735.2
w/c requirements	-0.1	-0.9	-0.3	-0.5	5.6	23.1
Ratios						
ROE	-40.0%	-8.3%	-2.6%	-2.9%	-2.7%	2.1%
ROCE	-40.5%	-8.4%	-3.9%	-0.9%	-0.5%	4.0%
Net gearing	-72.3%	-88.5%	-90.6%	-40.5%	13.0%	42.6%
Net debt / EBITDA	1.9x	10.9x	23.3x	31.0x	-21.1x	5.4x

Source: Company data; AlsterResearch

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