



FILO MINING | BUY TP SEK120

SpareBank 1 Markets acted as Manager in connection with the 2020 Private Placement in Filo Mining 15 October, 2021

On the cusp of a trigger heavy 2022 – 60% re-rating potential

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Filo Mining (Buy tp SEK120) – On the cusp of a trigger heavy 2022 – 60% re-rating potential

Filo Mining has been transformed this year, and with share price up 470% we still see 60% upside to our target price. The value creation came from discovering a high grade feeder zone that significantly improved the likelihood of a development of the giant sulphide prospect below the already well understood oxide portion. Key share price catalysts will be the first part of the drilling season that targets infill drilling around this zone, as well as success for the sister project Josemaria in achieving fiscal stability with the Argentine government. The district of the next generation copper-gold giants is taking shape, and we believe majors will have to take notes. Based on improved visibility for the sulphide, we increase our target price to SEK120/sh (SEK35/sh), and maintain our Buy recommendation.

- » **About the company.** Filo Mining is part of the Lundin Group of companies, and is a junior focusing on its copper-gold project Filo del Sol which straddles the border between Argentina and Chile. Filo del Sol was subject to a 2019 Pre Feasibility Study which estimated a NPV8% of USD1.3bn at commodity prices that were substantially lower than the current market (Cu USD3/lbs, Au USD1,300/oz vs current USD4.6/lbs and USD1,800/oz). Recent drilling has however discovered a much larger sulphide system below, and the oxide which was subject to the PFS now seems to only be the cap of the real deposit beneath it. The understanding of the sulphide has been transformed this year.
- » **Share price up 470% this year, but you are not too late to the party.** The significance of hole FSDH041 can't be understated. Although it was understood that the sulphide contained substantial volumes, there were concerns around the economics of a development unless one could find a high grade subset. Hole FSDH041, together with the characteristics of such porphyry systems, went a long way to indicate a high grade feeder zone that makes the economics of a large development substantially more attractive.
- » **SEK117/sh SOTP consists of SEK50/sh for the oxide and SEK67/sh for the sulphide.** We estimate a SOTP of SEK117/sh, which consists of a USD1.4bn DCF on the oxide portion risked with 50% to SEK50/sh, and an exploration credit of ~USD900m for the sulphide which adds another SEK67/sh.
- » **A fully-financed equity NPV indicates that our risking of the oxide is highly conservative.** In order to sanity check our 50% risking of the oxide DCF, we have also performed an equity NPV on fully-diluted basis of the oxide, which results in SEK72/sh. Hence, it is still 30% discount to a potential fully-financed project. Note that we have inflated the opex and capex of the project by 10% each, and applied our long-term commodity strip (Cu USD3.5/lbs, Au USD1,500/oz) which is significantly below current spots. Our fully-financed model for the oxide only indicates 5.7x P/CFPS and 6x P/E at the current share price, without taking into account the sulphide value.
- » **Sulphide exploration target put to shame – prudent management builds confidence.** Before the 2021 drilling campaign, the company launched a conceptual exploration target of 1.2-1.6 Billion tonnes for the sulphide. Recent drilling indicates that the actual deposit will be many multiples of this. In our in-situ valuation we have used 3 Billion tonnes as base case, which valued at USD0.02/lbs CuEq yields an exploration credit of ~USD900m, or SEK67/sh. A better understanding of the sulphide from this drilling season could yield substantial upside through both increased volumes in base case, but especially a higher USD/lbs value.
- » **Upcoming drilling program has three clear targets.** The company has commenced year-round drilling, vs only seasonal drilling previously. The target for the upcoming drilling will be to 1) infill drilling at the central, which is likely to show high grades around the feeder zone, 2) step-out drilling to the north to potentially expand the strike, and 3) step-out/delineation drilling to the south in order to assess the beginning of the mineralization.

Company snapshot

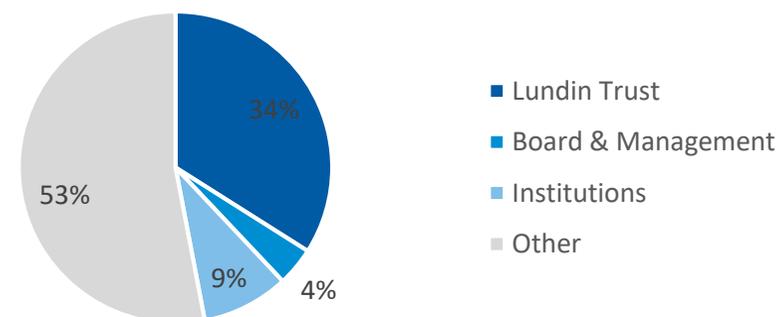
About the company

- Filo Mining is part of the Lundin Group of Companies, and is a result of the spin-off from NGEx Resources (now: Josemaria Resources). Previously, JOSE, FIL and NGEx were all part of the same company back in 2016. The company's key asset is the Filo del Sol copper-gold project on the border between Argentina and Chile. The project was subject to a 2019 PFS, but this focused only on the oxide (upper part of the system). Recent drilling has indicated a much larger (sulphide) resource beneath. Currently, FIL is focused on exploring the depth and length of this resource with further exploration and appraisals expected in the coming drilling seasons.
- Management:** Jamie Beck (CEO & President), Jeff Yip (CFO), Bob Carmichael (VP Exploration)
- Chairman:** Adam Lundin
- MCAP:** ~USD1bn
- Ticker:** FIL (Toronto), FIL (Stockholm).

Assets

- Filo del Sol (100%):**
 - The Filo del Sol project is a copper-gold system located on the border of Argentina and Chile. It was subject to a 2019 PFS that estimated IRR 23% and NPV8% of USD1.3bn. However, the study only included the oxide portion of the system, with the most recent drilling seasons having indicated that there is a much larger sulphide system beneath the oxide.
 - Filo del Sol is located close to other Lundin assets, and will likely see large synergies from other projects. The way forward could either be to develop the oxide portion to generate CF for the sulphide development, or to include a strategic partner.

Ownership



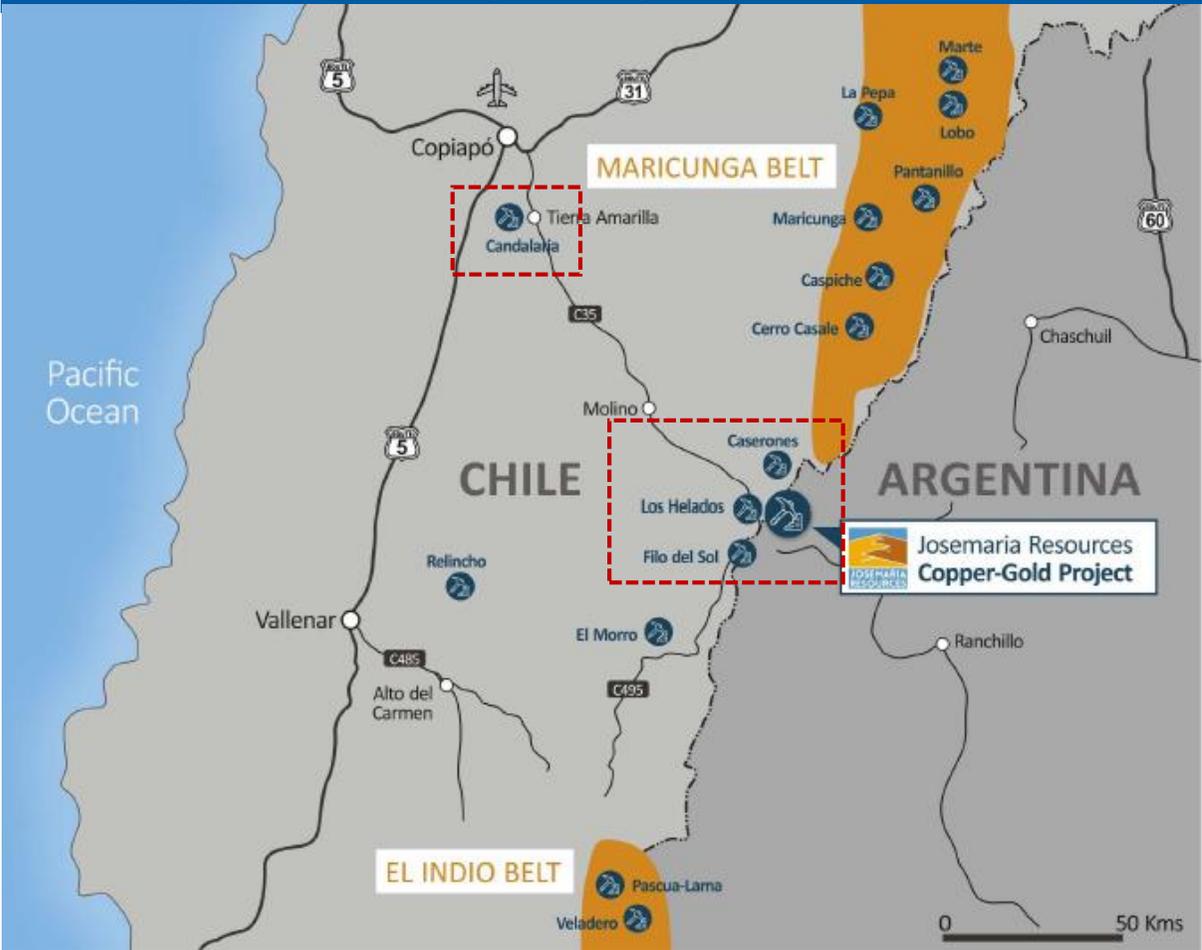
Key financials

Key financials (CADm)	2018	2019	2020	2021	2022
Net revenue	0	0	0	0	-
EBITDA	-29	-28	-23	-43	52
Net profit	-29	-29	-19	-35	52
Cash and cash equivalents	2	14	36	12	41
NIBD	0	-14	-36	-12	41
Operational Cash Flow	-26	-24	-17	-30	52
Free Cash Flow	-26	-25	-17	-30	52

Location – Three Lundin projects right next to each other

A key catalyst for the “district” is Josemaria’s progress with the government

Three projects within close proximity



Comments

- **Three Lundin projects in close proximity:**
 - » Josemaria, Filo del Sol and Los Helados are all in close proximity. Could be the start of a new prolific mining jurisdiction in-between two prolific gold belts. Could lead to large savings on infrastructure and supply chain. Josemaria likely developed first.

- **Argentine government needs investments**
 - » The location in Argentina might be a concern for investors, but we argue that this is also an opportunity. Argentina needs investment, and the mining industry could be a great source of such for the administration.
 - » In that regard, the government is currently working on positioning the country as an attractive location for mining investments.
 - » Recent initiatives include proposed tax credits and reduced export taxes.
 - » Moreover, the Lundin Group is a the table during discussions for how to best achieve positive results for both Argentina and the industry.
 - » We expect Josemaria Resources to reach a fiscal stability agreement with the government, which will lay the foundations for a stable mining environment in the district.

We estimate risked SOTP to SEK117/sh

Based on a risked DCF of the oxide, and a conceptual in-situ valuation for the sulphide

SOTP valuation table

Asset	Stage	Country	Ownership	CuEq B lbs	USD/lbs	Unrisked USDm	Net unrisked USDm	Unrisked SEK/sh	Risk %	SB1Me		Spot	
										Risked SOTP/sh SEK/sh	CAD/sh	Risked SOTP/sh SEK/sh	CAD/sh
Oxide	PFS	Argentina/Chile	100%	3.0	0.463	1,392	1,392	100	50%	50.0	7.1	87.5	12.5
Sulphide	Exploration	Argentina/Chile	100%	46.3	0.020	926	926	67	100%	66.5	9.5	66.5	9.5
Sum Mining Assets				49.3		2,317	2,317	167		116.5	16.6	154.1	22.0
Overhead and other			100%		-	30	30	2	100%	2.2	0.3	2.2	0.3
GAV						2,287	2,287	164		114.4	16.3	151.9	21.7
Net debt (cash)			100%		-	36	36	3	100%	2.6	0.4	2.6	0.4
Equity Value						2,324	2,324	167		117.0	16.7	154.5	22.1
... Share price										73.0	10.4	73.0	10.4
... P/SOTP										0.62x	0.62x	0.47x	0.47x

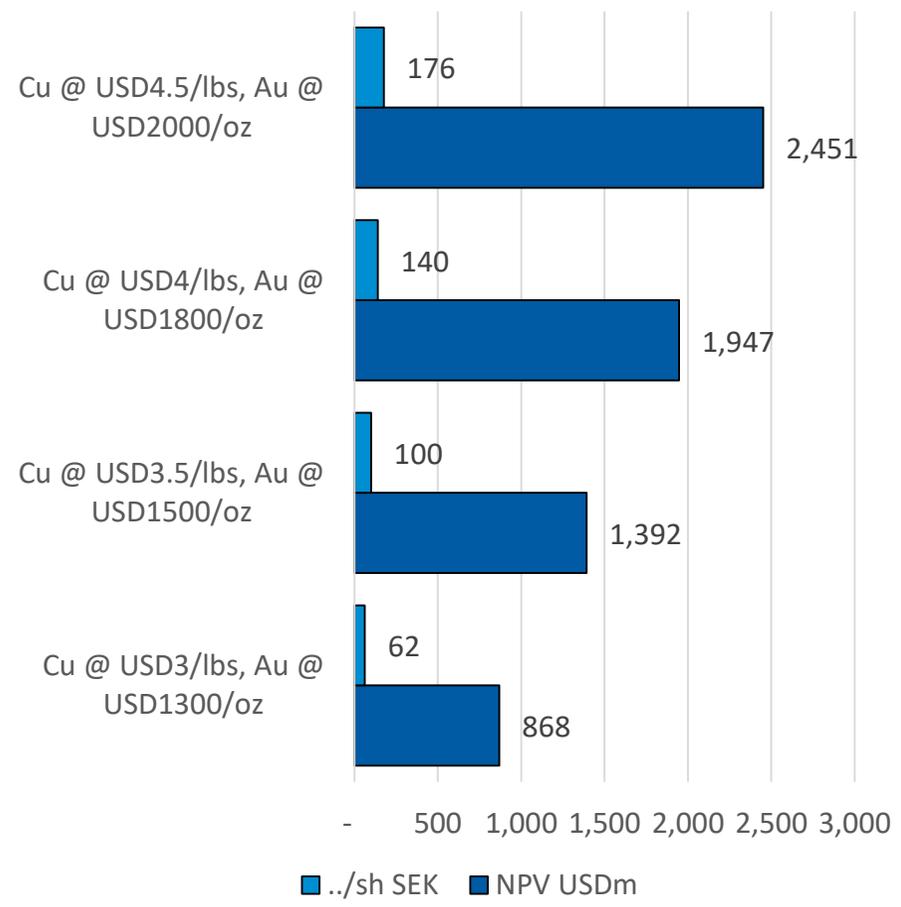
Comments

- We reach a risked SOTP of NOK117/sh for Filo Mining. This estimate includes a 50% risking of our project DCF of the oxide portion of Filo del Sol of USD1.4bn (in line with PFS), and an in-situ valuation of the sulphide portion.
- Our oxide DCF is based on the PFS report, but we have inflated both opex and capex by 10% each. Offsetting this is the use of our commodity strip (copper at USD3.5/lbs and gold at USD1,500/oz) vs the PFS strip of USD3/lbs and USD1,300/oz. We have risked this to 50% of the value. To sanity check, we have also made a fully-financed equity NPV, to account for potential dilution, which indicates a value of SEK72/sh for the sulphide. Hence our valuation corresponds to 30% discount to the fully-financed equity NPV. We are happy with this level of risking.
- The understanding of the sulphide has been transformed through this year's drilling program, and this transformation is now incorporated into our valuation. We have based our sulphide valuation on a base case of a 3 Billion tonnes resource with 0.7% CuEq grade, and have applied a USD0.02/lbs valuation.

Unrisked project value of the oxide is worth USD1.4bn in base case

Substantial upside to current commodity prices

Oxide sensitivity (SEK/sh and USDm)



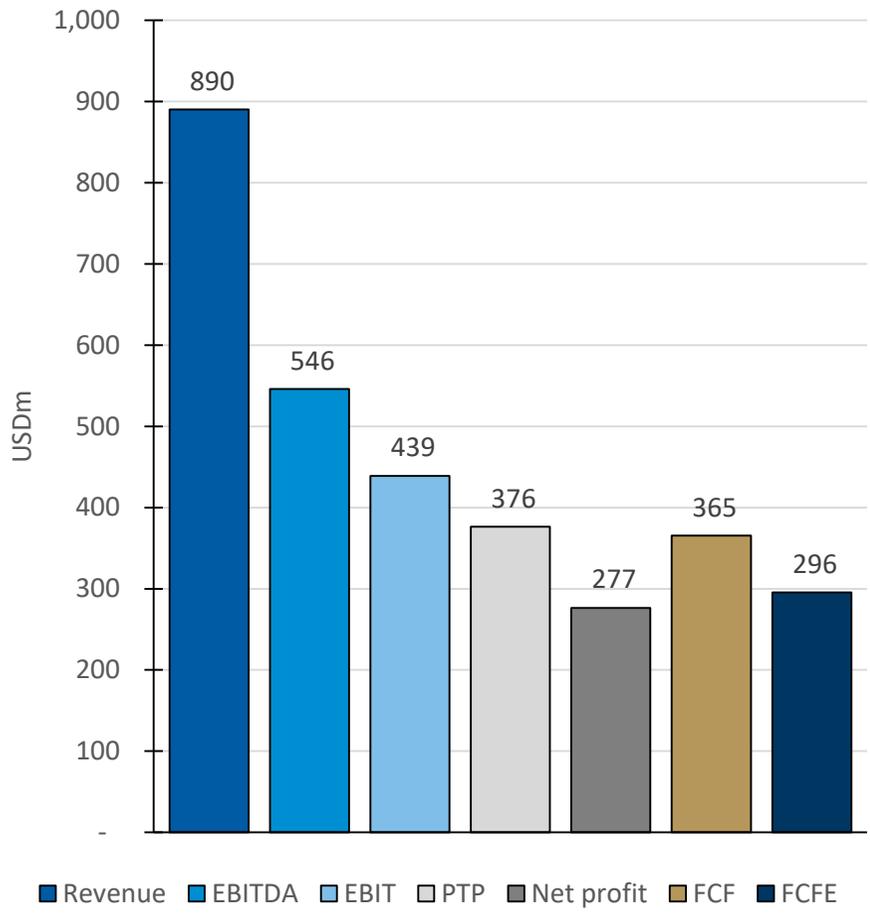
Comments

- Our oxide DCF is based on the technical study provided in the PFS report. Key assumptions are:
 - » Inflated the opex and capex by 10% each vs the PFS study, to USD1.35/lbs and USD1.4bn.
 - » WACC discount rate of 8%
 - » Applied SB1Me commodity strip of copper at USD3.5/lbs and gold at USD1,500/oz, vs the PFS study which used USD3.0/lbs and USD1,300/oz. For reference, the current spot prices are USD4.6/lbs and USD1,800/oz.
- We look at the oxide portion of Filo del Sol as only the iceberg of a giant deposit. In that way, we believe it will serve as a cash flow generator that through its undiscounted after-tax cash flow of more than USD5bn, will make a development of the sulphide fully financed.

What would a fully-financed valuation of the oxide be?

Assuming 60/40 debt/equity and 12% cost of equity, we reach fully-diluted equity NPV of SEK72/sh

Average life-time earnings form equity NPV model



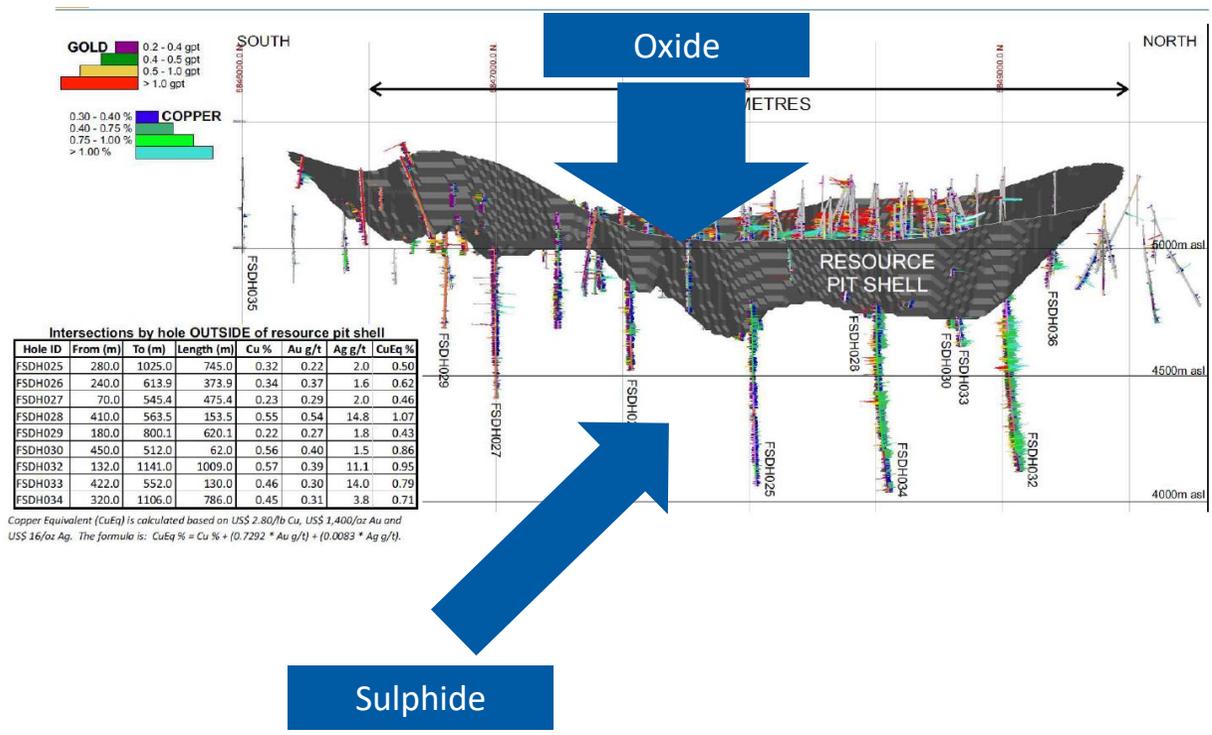
Comments

- The industry standard to value junior exploration/miners is to model project NPV through FCFE and WACC, and to risk this with a probability for success.
- A problem with this approach is that it only indirectly takes into account the potential dilution from financing through the highly hypothetical risking factor.
- One reasonable way to circumvent this is to sanity check through a fully-financed model.
- Our fully-financed equity NPV model is based on a 60/40 split between debt and equity, debt costs of 7.5%, and a 12% cost of equity (resulting in a 8.1% WACC).
- Assuming 40% of the inflated capex (USD1.4bn) is printed at a 15% discount to the current share price results in an additional 80m new shares, for a fully-diluted share count of 197m.
- **Our fully-financed equity NPV results in a SEK72/sh value. Thus our 50% project risking is likely highly conservative.**
- **We estimate an average CFPS of SEK12.9/sh and EPS of SEK12.1/sh. This corresponds to P/CFPS of 5.7x and 6.0x – before we take into account the sulphide valuation.**

But the oxide is only the tip of the iceberg

The May 2021 release of drilling results completely transformed the understanding of the sulphide

Resource pit shell



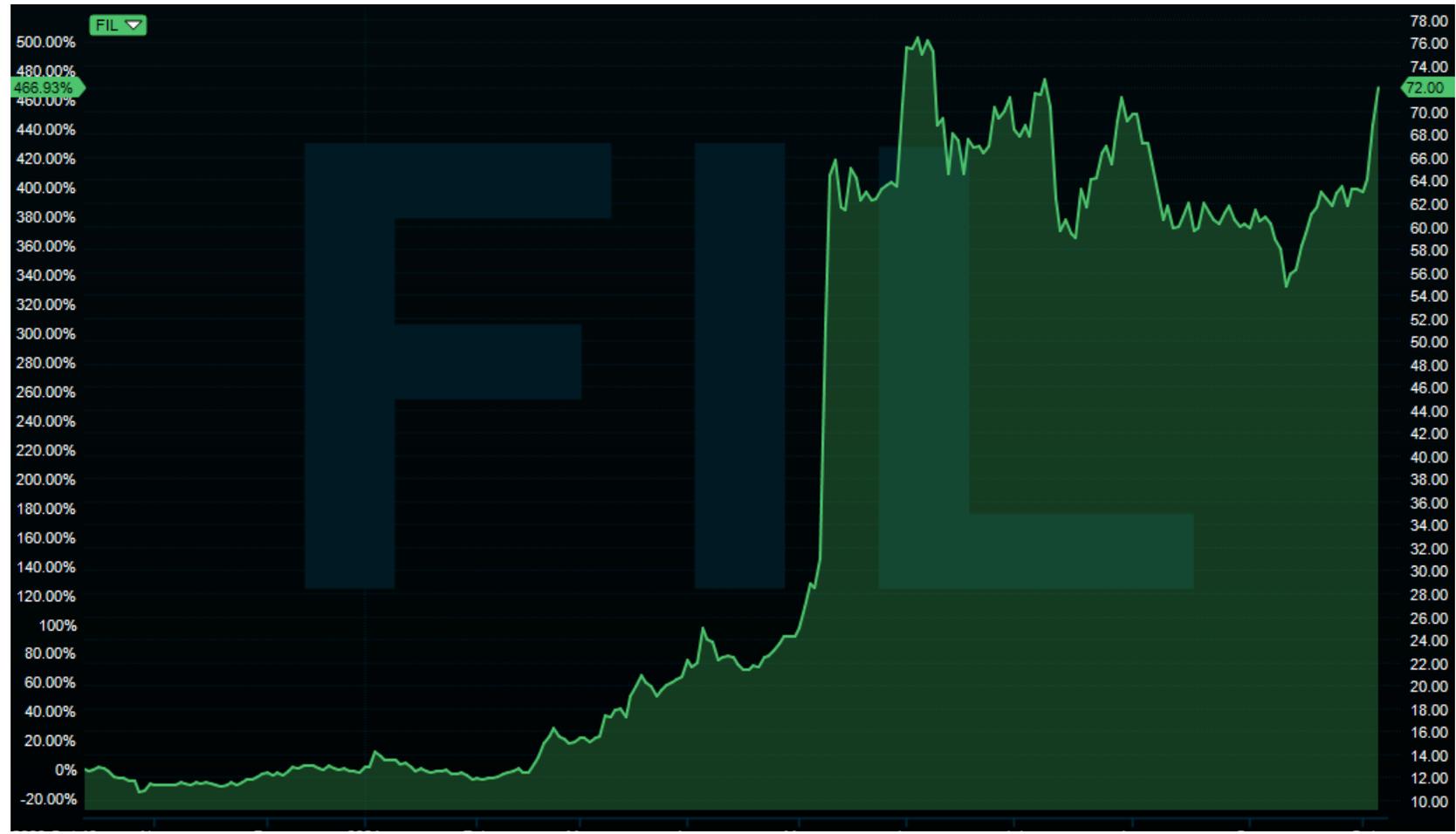
Comments

- The PFS study that was conducted in 2019 only focused on the oxide portion of Filo del Sol, as the sulphide below was poorly understood at the time.
- Several drilling seasons later, and it is becoming evident that the oxide on top is just the tip of the iceberg.
- Until May 2021 one assumed that the sulphide was a vast bulk grade resource, but there were questions about the grade of the deposit.
- The understanding completely changed when deep drilling results indicated a high grade core. This high grade core significantly increases the likelihood of a development of the sulphide.

The share price reacted accordingly, market cap increased ~USD600m

But was this justified? Let's look at a simple valuation approach for the sulphide

Filo Mining share price (SEK/sh)



Sources: SpareBank 1 Markets, infront

In-situ valuation of the sulphide points towards USD900m in base case

Significant uncertainty is mitigated through using less than 0.5% of spot price

Estimated Copper equivalents (Billion lbs)

Comments

		Average grade (% CuEq)				
		0.60%	0.65%	0.70%	0.75%	0.80%
Ore resource (Billion tonnes)	1.5	20	21	23	25	26
	2.0	26	29	31	33	35
	2.5	33	36	39	41	44
	3.0	40	43	46	50	53
	3.5	46	50	54	58	62
	4.0	53	57	62	66	71
	4.5	60	64	69	74	79
	5.0	66	72	77	83	88

- In order to properly build a valuation of a mining project, one needs to build out a project DCF that is based on engineering studies (think pre-feasibility or feasibility studies).
- For exploration prospects the problem is that there are no studies to base assumptions for opex or capex on. Hence, one needs a simpler valuation framework.
- The main approach is in-situ valuation (read: in ground valuation) of the metals in the ground.
- The approach is done through the following steps:
 - » Estimate the size of the project, and the density of the ore in order to get a resource estimate for how many tonnes of ore exists.
 - » Then, apply a qualitative guesstimate of the average grade, preferably based on a reasonable understanding of the different subsets.
 - » Apply a in-situ valuation of the estimated contained metal. The higher the confidence in the estimate, the higher the value. Often this is done in the form a few % of spot price.
 - » Our base case is based on a 3 Billion tonnes resource and average grade of 0.7% CuEq, valued at USD0.02/lbs – reaching a ~USD900m in-situ valuation of the sulphide.

Estimated in-situ valuation at USD0.02/lbs

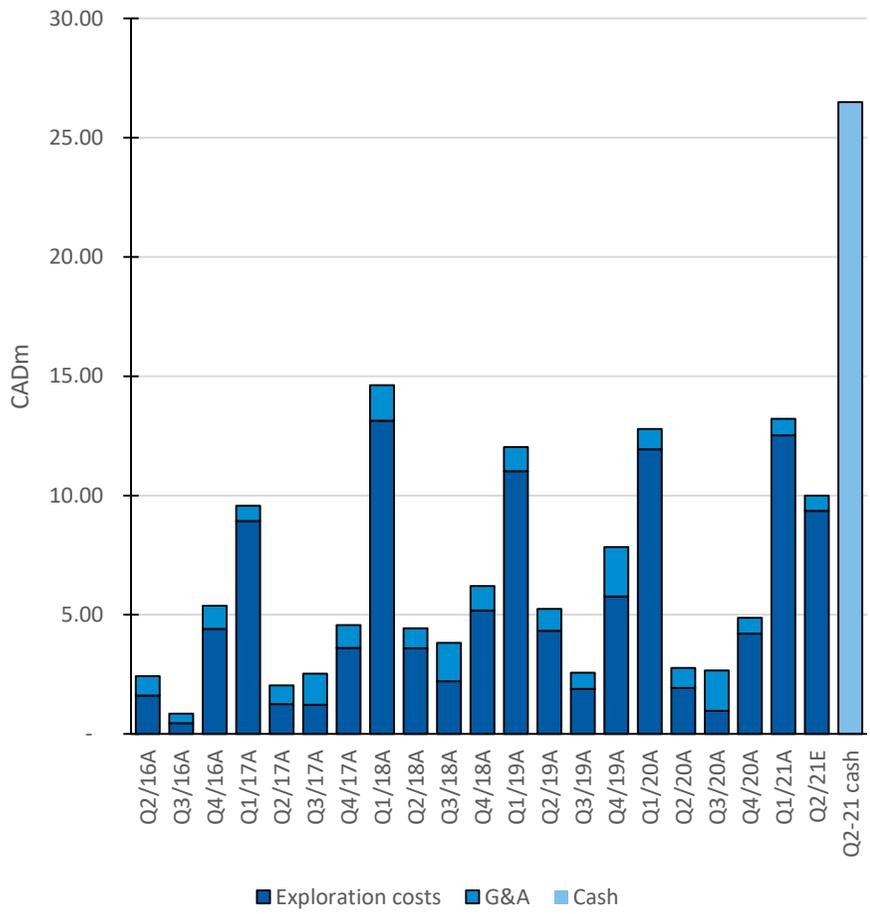
		Average grade (% CuEq)				
		0.60%	0.65%	0.70%	0.75%	0.80%
Ore resource (Billion tonnes)	1.5	397	430	463	496	529
	2.0	529	573	617	661	705
	2.5	661	717	772	827	882
	3.0	794	860	926	992	1,058
	3.5	926	1,003	1,080	1,157	1,235
	4.0	1,058	1,146	1,235	1,323	1,411
	4.5	1,190	1,290	1,389	1,488	1,587
	5.0	1,323	1,433	1,543	1,653	1,764

Let's drill again, like we did last summer

An equity issue would be no surprise, but we expect limited dilution given current share price

Historical exploration and G&A cost

Comments



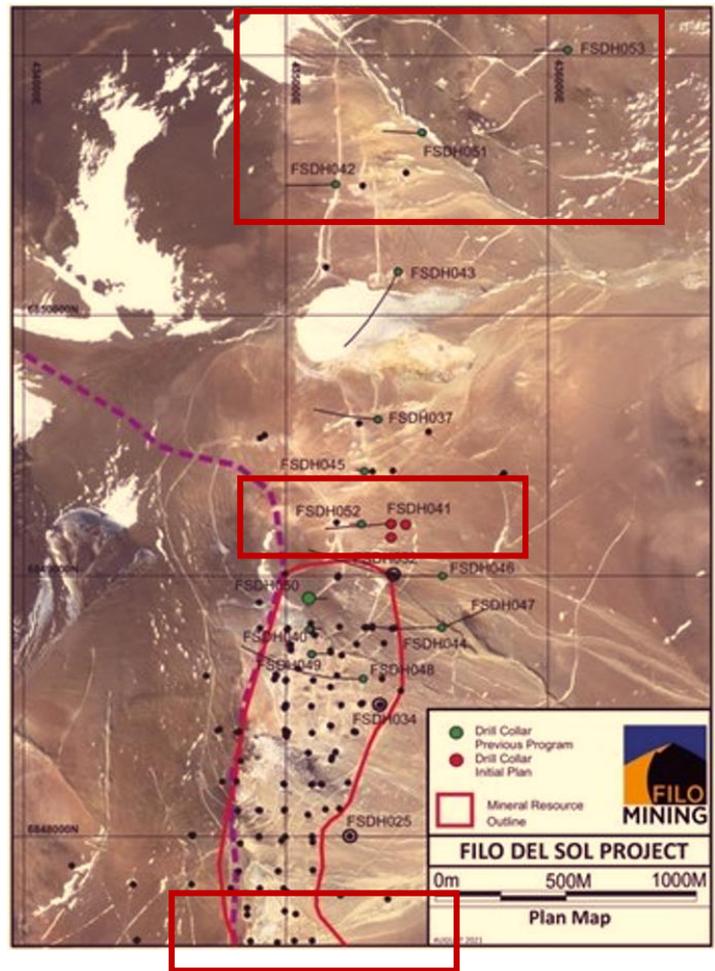
- After a brief break for winter preparations of the camp, drills are again turning at Filo del Sol. The program starts off with three rigs, but will add another four (!) before YE21.
- Recall that the company is now aiming for drilling all year, as opposed to the previous seasonal drilling campaigns. This obviously opens for much larger drilling programs, showcased by the company's ambition of targeting a campaign that is at least 3x larger than any previous year.
- This will likely increase the exploration costs, and we believe the company will be in need to tap the equity markets. Note that the dilution is likely to be meaningfully less than previous campaigns, given the MCAP of ~USD1bn (a USD50m issue only gives 5% new shares).
- Historically, drilling programs have been in the CAD15m area, assuming 3x this for drilling, plus some higher cost base, we arrive at a CAD60m budget. Leaving room for the upside, we could picture a USD50m equity issue.

Three clear targets for the upcoming drilling program

We expect initial infill drilling to provide the most important share price catalyst

Drilling holes overview

Comments



- The 2021/22 drilling program will have three clear targets.
 - » 1) Three infill holes between FSDH025 and FSDH037, to get a better understanding of the grade distribution in the high grade core. This is on the back of the successful FSDH041 which returned 858m @ 1.80% CuEq (incl. 163m @ 5.43% CuEq). We see high grades likely, which historically has driven share price.
 - » 2) step-out delineation to the north of hole FSDH051 to potentially extend the mineralized area another 1km (?). This is, in our view, unlikely to deliver high grade assay results, but it will be important to garner better understanding of the overall volume, and another 1km in strike quickly adds another 1 Billion tonnes to the resource.
 - » 3) delineation to the south of the current resource in order to see where the mineralization ends and to better understand the geology. We consider the drilling in the south to be the lowest impact drilling for the planned program.

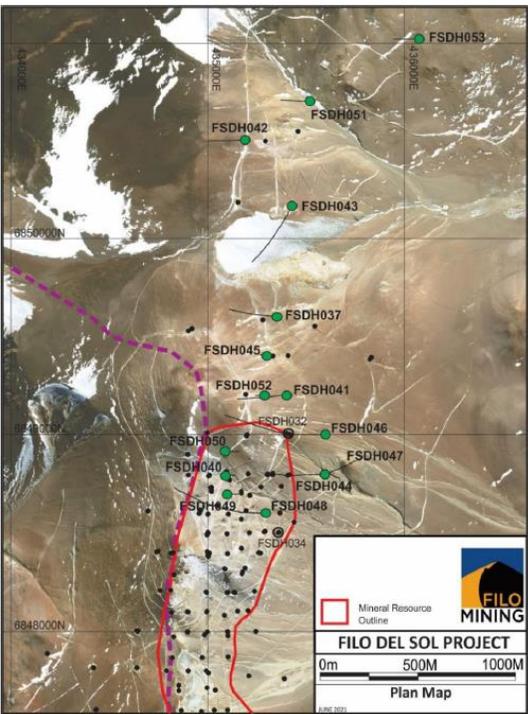
- The infill drilling seems to be planned as the initial drilling, and we expect the results from infill drilling to likely be the largest share price catalyst.

The 2021 drilling program discovered a high grade feed zone...

... and extended the known mineralization substantially to the north, depth and east

2021 drilling season

Comments



- » FSDH037: 502m @ 0.75% CuEq
- » FSDH040: 118m @ 0.69% CuEq
- » FSDH041: 858m @ 1.80% CuEq
- » FSDH042: 48m @ 1.01 gpt Au
- » FSDH043: 768m @ 0.39% CuEq
- » FSDH044: 942m @ 0.67% CuEq
- » FSDH045: 18m @ 0.94% CuEq
- » FSDH046: 1,378m @ 0.71% CuEq
- » FSDH047: 408m @ 0.43% CuEq
- » FSDH048: 1,081m @ 0.88% CuEq
- » FSDH049: 425m @ 1.55% CuEq
- » FSDH050: 201m @ 0.60% CuEq
- » FSDH051: 344m @ 0.50% CuEq
- » FSDH052: to be re-entered and completed next season
- » FSDH053: to be re-entered and completed next season

- Extends deposit 400m North
- Hole was lost at 211.5m depth
- High-grade feeder discovered
- New oxide gold discovery
- Extends deposit 1,000m North
- Extends deposit 200m East
- Lost prior to target depth
- Deepest hole ever, extends 250m at depth
- Extends deposit another 160m East
- 3rd best intercept of the season
- Includes 4m of 5,045 gpt Ag
- Hole was lost at 477m depth
- Extends deposit another 750m North

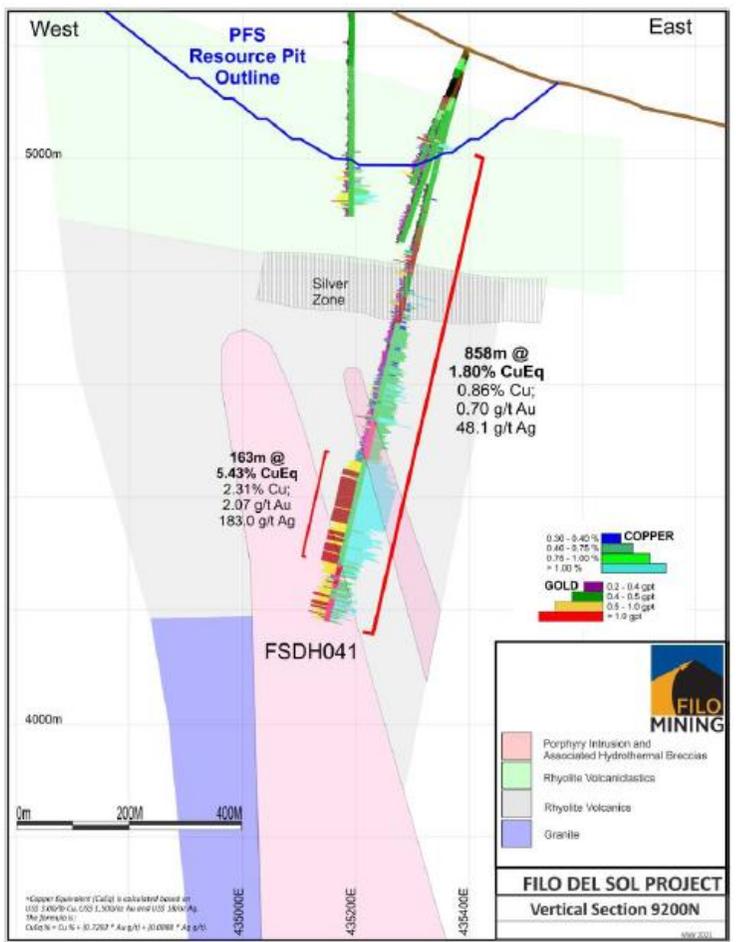
- The 2021 drilling season was a success. Notable holes from the season and their impacts are summarized below:
- **FSDH041:** Discovered a high grade feed zone. The significance here is that it was already expected that the sulphide would be a large volume porphyry. The question was if there would be a high grade zone that could carry the economics. FSDH041 significantly de-risked this.
- **FSDH043 and FSDH051:** extended the mineralization 1750m to the north, increasing the potential volume substantially.
- **FSDH047 and FSDH048:** very deep holes, extending the depth.

Why was FSDH041 so significant?

It discovered a high grade feed zone, showing off the goodies at the bottom of the deposit

Illustration of the transformative FSDH041 hole

Comments

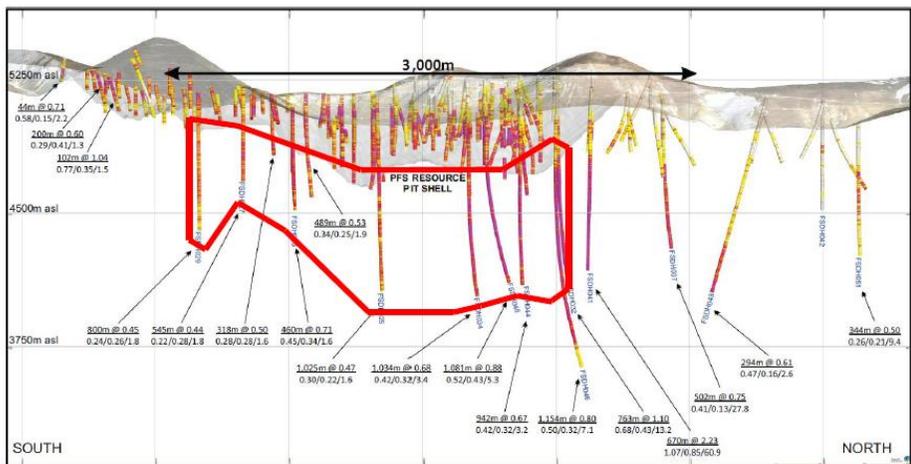


- Why was FSDH041 so significant? The answer to this, as we have touched upon above, is that it was already understood that the sulphide contained significant volumes. The uncertainty was related to the grade and economics of a potential development.
- Based on the drilling results, and the generally features of porphyry sulphide deposits, modelling indicates that the FSDH041 hit a high grade feeder zone.
- At 858m @ 1.80% CuEq, including 163m @ 5.43%, the hole indicates that the feeder zone exists, and that its width and grade is significant enough to contain high grade mineralization high enough grade to carry the economics of development, when combined with the other high grade subsets and the large bulk volumes.

The exploration target has been put to shame

Management conservatism builds confidence

Previous exploration target



Tonnes	CuEq	Cu	Au	Ag
(billions)	(%)	(%)	(g/t)	(g/t)
1.2 – 1.6	0.7 – 1.0	0.4 – 0.6	0.3 – 0.4	6 – 10

Comments

- The company had before the 2021 drilling season launched an exploration target for the sulphide (below the oxide) of 1.2-1.6 Billion tonnes at a 0.7-1% CuEq grade.
- When this was released, it was major. But in hindsight this was obviously very conservative given the results we have seen from the drilling this year.
- It is important to note that exploration targets like this contains extreme uncertainty, and that they are conceptual in nature.
- However, they often serve as a starting point for in-situ valuation, and can be applied in back-of-the-envelope calculations – if risked enough.
- On the latter point, the risk is mitigated by using a sufficiently low in-situ valuation for these sorts of tonnes. In our conceptual valuation of the sulphide, we have applied a value of USD0.02/lbs, less than 0.5% of the current spot price.

Filo del Sol stacks up as some of the best drilling in the world

An independent junior miner with these results garners attention from majors

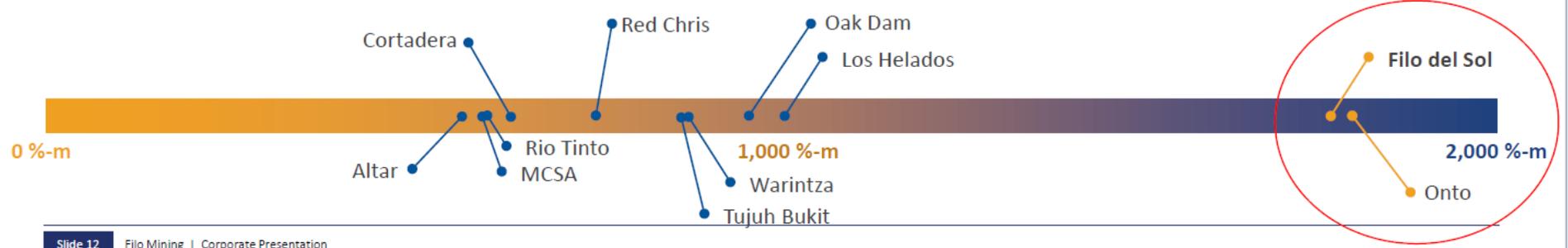
Benchmarking drilling results

Best holes over the past 2 years with Copper as the primary commodity

Date	Hole Number	Project	Country	Company	From (metres)	To (metres)	Interval (metres)	CuEq (%)	CuEq Grade x Interval ¹ (%-m)	Source Document
2020-02-24	VHD037	Onto	Indonesia	PT Sumbawa Timur Mining	536.00	1,484.60	948.60	1.893	1,796.0	PT Sumbawa Timur PR
2021-05-13	FSDH041	Filo del Sol	Argentina	Filo Mining Corp.	188.00	1,046.00	858.00	2.043	1,752.9	Filo Mining PR
2021-09-08	LHDHG03	Los Helados	Chile	NGEx Minerals	6.00	1,140.40	1,134.00	0.883	1,001.4	NGEx Minerals Ltd PR
2020-10-20	AD30W1	Oak Dam	Australia	BHP Group	1,190.00	1,502.00	312.00	3.117	972.6	BHP Grp PR
2021-03-22	SLS-14	Warintza	Ecuador	Solaris Resources Inc.	0.00	922.00	922.00	0.972	896.2	Solaris Rsrc Inc PR
2021-06-14	UHGZ-21-045	Tujuh Bukit	Indonesia	PT Merdeka Copper	14.00	530.00	516.00	1.714	884.5	PT Merdeka Copper Expl. Report
2020-01-29	RC595	Red Chris	Canada	Newcrest	394.00	1,114.00	720.00	1.094	787.5	Imperial Metals PR
2019-12-04	CRP0020D	Cortadera	Chile	Hot Chili	0.00	972.00	972.00	0.709	689.3	Hot Chili Ltd PR
2021-06-24	ATD038	Proyecto de Rio Tinto	Spain	Atalaya	280.00	532.00	252.00	2.538	639.5	Atalaya Mining PR
2021-07-07	FC5522	MCSA Mining Complex	Brazil	Ero Copper	774.70	841.70	67.00	9.542	639.3	Ero Copper PR
2019-10-03	ALD-19-212	Altar	Argentina	Aldebaran	237.50	1,379.00	1,141.50	0.544	620.8	Aldebaran Rsrc Inc PR

**Filo's FSDH041 ranks as one of the best copper intercepts globally over the past 2 years...
...and the top hole held by a Junior Mining Company.**

Source: S&P Global Market Intelligence, Drill Results – Copper, filtered by period for the last two years, as of September 13, 2021 (Note: only one “best hole” from each project is included)
¹ Copper Equivalent (CuEq) Grades as reported by S&P Global Market Intelligence and may not match Company disclosure. CuEq Grade x Interval calculated by multiplying the CuEq% by the interval metres.



Filo del Sol Pre Feasibility Study (2019) summary

Strong economics. Keep in mind, this is only for the oxide portion of the system. Moreover, synergies with nearby projects not included in the analysis.

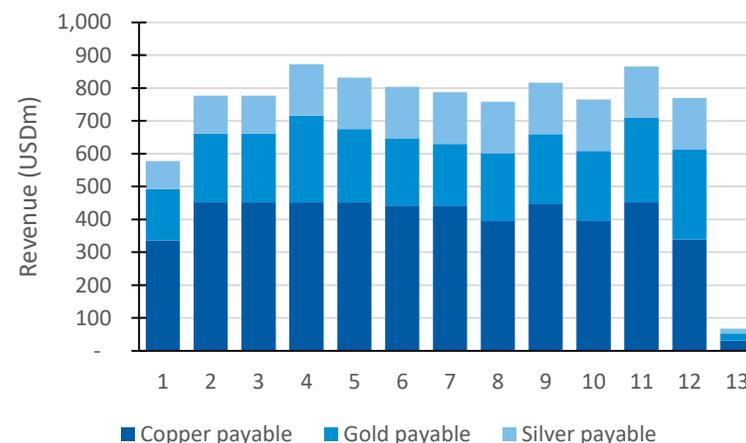
PFS summary

Estimated revenue split by metal (USDm)

Summary of project economics		
Project Metric	Units	Value
Pre-tax NPV @ 8%	USDbn	1.86
Pre-tax IRR	%	27%
After-tax NPV @ 8%	USDbn	1.28
After tax IRR	%	23%
Undiscounted After-tax CF (LOM)	USDbn	3.23
Payback period from start of processing	Years	3.40
Initial capex	USDm	1.27
LOM Sustaining Capex	USDm	220
LOM C-1 Cash costs	USD/lb CuEq.	1.23
Nominal Process Capacity	ktpd	60.00
Mine life	Years	14.00

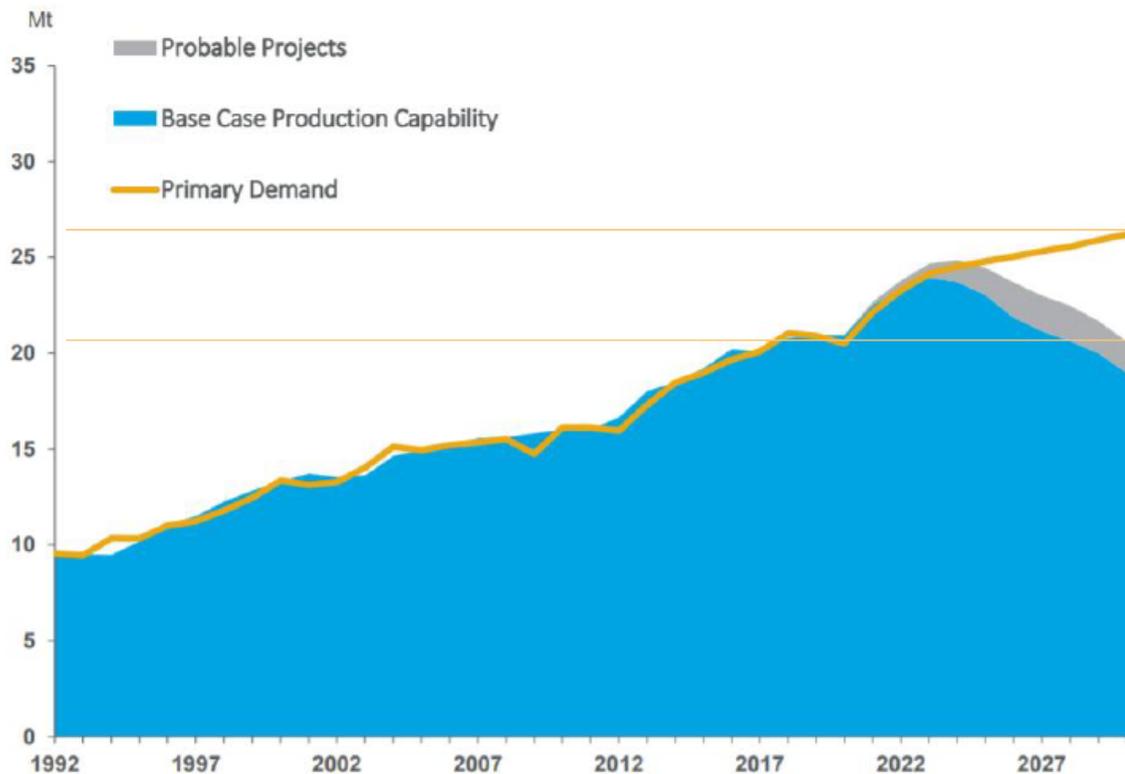
LOM Average annual metal production	Units	Value
Copper	tonnes	67,000
Gold	ounces	159,000
Silver	ounces	8,653,000

LOM Average process recovery	Units	Value
Copper	% contained metal	80%
Gold	% contained metal	70%
Silver	% contained metal	82%



A supply gap in copper developing in the 2020s

WoodMac supply and demand balance for copper



Demand is expected to significantly outstrip existing supply. Over 6Mt of new production is required to fill the gap in the next 10 years...

*...and **Filo** is one of the few advanced projects that could fill this gap.*

Financial estimates

Annual financial statements

CADm					
PROFIT & LOSS	2018	2019	2020	2021	2022
Net revenue	-	-	-	-	-
Total operating expenses	29	28	23	43	52
EBITDA	- 29	- 28	- 23	- 43	- 52
<i>EBITDA margin</i>					
EBIT	- 29	- 28	- 23	- 43	- 52
Pre-tax profit	- 29	- 29	- 18	- 35	- 52
Net profit	- 29	- 29	- 19	- 35	- 52
Diluted, reported	- 0	- 0	- 0	- 0	- 0
Outstanding # shares, fully diluted	79	96	120	119	119

BALANCE SHEET	2018	2019	2020	2021	2022
Total Non-Current Assets	7	7	11	10	10
Cash and cash equivalents	2	14	36	12	41
Total Current Assets	5	16	37	13	39
Total Assets	12	24	48	23	29
Total Equity	7	20	44	15	37
Total Current Liabilities	5	4	4	8	8
Total Non-Current Liabilities	-	0	-	-	-
Total Equity and Liabilities	12	24	48	23	29
Gross IBD	2	-	-	-	-
Cash	2	14	36	12	41
NIBD	- 0	- 14	- 36	- 12	- 41

CASH FLOW STATEMENT	2018	2019	2020	2021	2022
Operational Cash Flow	- 26	- 24	- 17	- 30	- 52
Cash Flow from Investing Activities	- 0	- 1	- 0	-	-
Free Cash Flow	- 26	- 25	- 17	- 30	- 52
Cash flow from Financing Activities	26	36	40	5	-
Net change in cash	- 0	11	23	- 25	- 52

Quarterly financial statements

CADm					
PROFIT & LOSS	Q4/20A	Q1/21A	Q2/21A	Q3/21E	Q4/21E
Net revenue	-	-	-	-	-
Total operating expenses	4.9	13.2	10.0	6.7	12.7
EBITDA	- 4.9	- 13.2	- 10.0	- 6.7	- 12.7
<i>... EBITDA margin</i>					
EBIT	- 4.9	- 13.2	- 10.0	- 6.7	- 12.7
Pre-tax profit	- 2.7	- 10.6	- 4.8	- 6.7	- 12.7
Net profit	- 3.3	- 10.6	- 4.8	- 6.7	- 12.7
Diluted, reported	- 0.03	- 0.09	- 0.04	- 0.06	- 0.11
Outstanding # shares, fully diluted	120.3	119.0	119.0	119.0	119.0

BALANCE SHEET	Q4/20A	Q1/21A	Q2/21A	Q3/21E	Q4/21E
Total Non-Current Assets	10.5	10.2	10.1	10.1	10.1
Cash and cash equivalents	36.3	28.9	26.5	20.4	11.5
Total Current Assets	37.1	29.7	27.1	20.9	12.7
Total Assets	47.7	39.9	37.1	30.9	22.8
Total Equity	43.6	33.4	34.4	27.7	15.0
Total Current Liabilities	4.1	6.5	2.7	3.3	7.8
Total Non-Current Liabilities	-	-	-	-	-
Total Equity and Liabilities	47.7	39.9	37.1	30.9	22.8
Gross IBD	-	-	-	-	-
Cash	36.3	28.9	26.5	20.4	11.5
NIBD	- 36.3	- 28.9	- 26.5	- 20.4	- 11.5

CASH FLOW STATEMENT	Q4/20A	Q1/21A	Q2/21A	Q3/21E	Q4/21E
Operational Cash Flow	- 1.6	- 7.3	- 7.6	- 6.1	- 8.8
Cash Flow from Investing Activities	-	-	-	-	-
Free Cash Flow	- 1.6	- 7.3	- 7.6	- 6.1	- 8.8
Cash flow from Financing Activities	- 0.7	- 0.1	5.2	-	-
Net change in cash	- 2.2	- 7.4	- 2.4	- 6.1	- 8.8

Note: Production start modelled in 2024, but highly uncertain given the early stage of the project. Not surprised if production happens in 2nd half of the 2020s.

Source: SpareBank 1 Markets, Company

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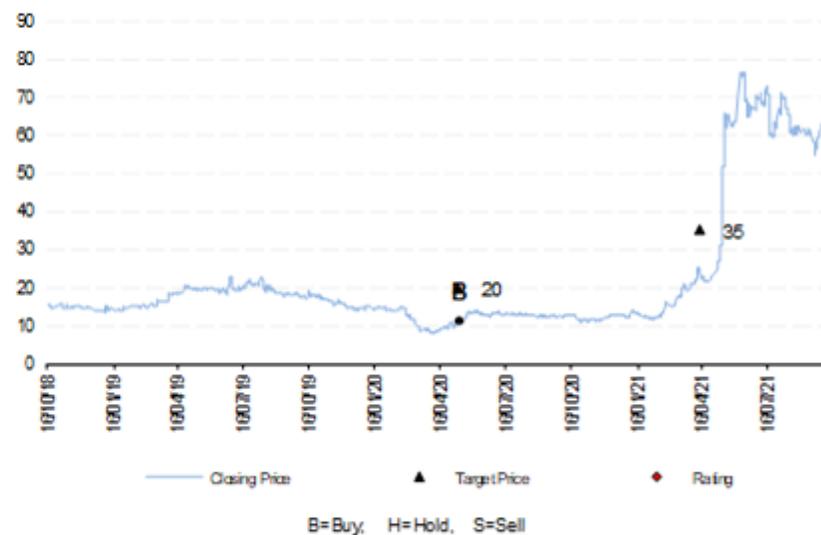
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3-Year Price, Target Price and Rating Change History Chart for FIL.SS

FIL.SS	Closing Price	Target Price	Rating
10/05/2020	11	20	BUY
12/04/2021	24	35	BUY
15/10/2021	72.4	120	BUY



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Neutral	25.7%	9.2%
Sell	13.4%	8.8%
Total	100%	

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