Almonty Industries Inc.

Canada / Mining
Toronto
Bloomberg: AII CN
ISIN: CA0203981034

Update

RATING	**BUY**
PRICE TARGET	**CAD 1.10**
Return Potential	120.0%
Risk Rating	High

PRICE AND VOLUME FORECASTS RAISED – SANGDONG DEAL IMMINENT

Since our last update of 6 September, Almonty has made substantial progress in negotiating fixed priced contracts for its 2018 output. Following discussions with management, we raise our average 2017/18 net price assumption (year end: 30 Sep) for the company's WO_3 concentrate by 8.7% to USD250/MTU (previously: USD230/MTU) and for 2018/19 by 10.8% to USD288/MTU (previously: USD260/MTU). The recent rally in the tungsten price has prompted Almonty to plan large increases in output. Our new 2017/18 volume forecast of 196k MTU WO_3 concentrate is 31.5% above our previous figure of 149k MTU. For 2018/19 we model group production of 178k MTU – 55.5% above our previous forecast of 114.5k MTU. Meanwhile, management continues to reschedule and restructure debt. The 2016/17 annual report, which is expected before Christmas, should show net gearing approaching 50% – down from over 250% at the end of March. The strengthening of the balance sheet is likely to mean that the qualified insolvency statement included in the 2015/16 annual report will not feature in 2016/17. Sentiment should also benefit from the uplisting from the TSX Venture Exchange to the main Toronto board planned for the first quarter of the New Year and a dual listing in South Korea following completion of negotiations to finance the Sangdong project. According to management, the annoucement of a deal is only weeks away. Following the commissioning of Sangdong, which is scheduled for 2020, Almonty's market share of non-conflict tungsten outside China will exceed 50%. Our peer group-based valuation of Sangdong is little changed on our note of 6 September, but we have raised our numbers for Almonty's producing mines at Los Santos and Panasqueira to reflect higher price and volume than we previously modelled. We now see fair value for the Almonty share at CAD1.10 (previously: CAD0.80) and maintain our Buy recommendation.

Sharply increased tungsten price The tungsten price climbed from USD200 MTU, APT (ammonium paratungstate) to USD300 MTU, APT during July and August and has since traded in the range USD270-310. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2014/15	2015/16	2016/17E	2017/18E	2018/19E	2019/20E
Revenue (CADm)	36.14	37.31	41.01	62.66	65.01	83.88
Y-o-y growth	23.7%	3.2%	9.9%	52.8%	3.7%	29.0%
EBIT (CADm)	-18.19	-18.17	-6.06	9.68	18.34	22.35
EBIT margin	-50.3%	-48.7%	-14.8%	15.4%	28.2%	26.6%
Net income (CADm)	-19.55	-21.18	-8.50	8.00	14.24	17.85
EPS (diluted) (CAD)	-0.38	-0.22	-0.07	0.05	0.08	0.10
DPS (CAD)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (CADm)	-11.98	-12.82	-6.78	-5.95	9.63	1.72
Net gearing	90.1%	155.8%	77.4%	76.6%	46.8%	37.3%
Liquid assets (CADm)	0.87	4.22	7.72	8.76	6.86	6.83

RISKS

Risks are a renewed turndown in tungsten commodity prices and failure to secure financing for the strategically important Sangdong tungsten project.

COMPANY PROFILE

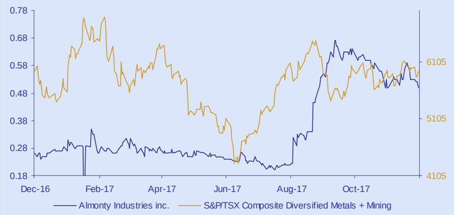
Almonty is a turnaround investor-operator specialising in acquiring distressed and underperforming operations and assets in tungsten markets.

MARKET DATA

As of 08 Dec 2017	
Closing Price	CAD 0.50
Shares outstanding	174.75m
Market Capitalisation	CAD 87.38m
52-week Range	CAD 0.20 / 0.67
Avg. Volume (12 Months)	40,960

Multiples	2015/16	2016/17E	2017/18E
P/E	n.a.	n.a.	10.9
EV/Sales	3.8	3.5	2.3
EV/EBIT	n.a.	n.a.	14.7
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2017	
Liquid Assets	CAD 1.32m
Current Assets	CAD 14.01m
Intangible Assets	CAD 0.00m
Total Assets	CAD 172.43m
Current Liabilities	CAD 52.81m
Shareholders' Equity	CAD 36.43m

SHAREHOLDERS

Lewis Black/Almonty Partners LLC	20.9%
Global Tungsten & Powders Corp.	15.8%
Deutsche Rohstoff AG	13.3%
J.P. Morgan Chase & Co.	8.9%
Free float and other	41.1%

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The rise was sparked by accelerating industrial production growth in the OECD and diminishing supply from China - the world's largest tungsten producing country. Almonty's management believe that depletion of inventory at the (now shut down) Fanya Metal Exchange has also played a significant role. The change in the supply/demand balance has been even more pronounced for tungsten concentrate, which is Almonty's main product. This stems primarily from a shift in the Chinese export mix away from the upstream product tungsten concentrate towards the intermediate product APT.

Fixed price contracts for 2017/18 In late 2016/early 2017 the growing shortage of tungsten concentrate allowed Almonty to sign fixed price contracts at price premia equivalent to 20-35% to the then APT price of USD200 MTU. These fixed price contracts covered 75% of planned calendar 2017 production. Following the recent rise in the APT price, management has fixed ca. 45% of calendar 2018 production at an APT equivalent price of USD350 MTU - a 17-20% premium to the current APT spot price of USD291-300. Tungsten concentrate typically trades at a discount of 20% to APT and so this agreement corresponds to a net price to Almonty of USD280 MTU. Management is currently negotiating a fixed contract for the balance of planned 2018 production. We expect this to be agreed at a concentrate price of USD250.

Sangdong deal expected end 2017/early 2018 Two of the five tungsten mines/tungsten mining projects owned by Almonty are currently in production - Los Santos in Spain and Panasqueira in Portugal. Wolfram Camp (Australia) was put on care and maintenance in late 2015/early 2016 due to tungsten price weakness. Valtreixal (Spain) is due to start production in 2020 following the exhaustion of fresh ore at Los Santos and the transfer of mining and processing equipment between the two sites. We expect Almonty to conclude a financing deal for the Sangdong mine in South Korea by the end of 2017/early 2018.

Non-conflict market share outside China to exceed 50% The resource estimate for Sangdong, at 61.1m tonnes indicated and inferred grading 0.49% (over 297,000 tonnes of tungsten trioxide in situ), compares with a combined resource estimate for the Panasqueira, Los Santos, Valtreixal and Wolfram Camp mines/projects of 45.1m tonnes measured, indicated and inferred grading 0.23% (over 101,000 tonnes of tungsten trioxide in situ). Following its inclusion in the group, Sangdong's share of Almonty's in situ tungsten trioxide resource will be 75%. Sangdong is one of the highest grade deposits in the world at 0.49%. This is more than twice the average figure for western/Chinese mines. China currently accounts for around 85% of global tungsten production. Following the commissioning of Sangdong, which is expected for 2020, Almonty's market share of non-conflict tungsten outside China will exceed 50%.

NINE MONTHS RESULTS

Higher tungsten price prompts reversal in downward Los Santos production trend Tungsten concentrate shipments fell 15.9% during the first nine months of Almonty's 2016/17 financial year to 108,766 MTU (9M 2015/16: 129,326 MTU). Los Santos was the biggest contributor to the decline. Production at Los Santos fell because of the opening of a new pit with low grade ore at the end of 2016. However, following the increase in the tungsten price, Almonty plan an increase in production at Los Santos for the current 2017/18 financial year. At Panasqueira concentrate sold rose by 15.8% in 9M 2016/17 to 58,987 MTU (9M 2015/16: 129,326 MTU) while ore mined climbed 23.8% to 539k tonnes (9M 2015/16: 435k MTU). There was no production at Wolfram Camp during 9M 2016/17 because the falling tungsten price prompted the suspension of operations in late 2015/early 2016.

FINANCIAL POSITION

Net gearing now approaching 50% – down from over 250% at end March In recent months Almonty has made very good progress in restructuring and deleveraging its balance sheet. We estimate that net gearing was approaching 50% by the end of September compared with 250% at the end of March. Measures implemented include:

- the termination of debt and accrued interest of USD7.0m with customer, Global Tungsten and Powders Corp. (GTP) against the issue to GTP of 27,562,500 common shares at CAD0.3325 and a debenture of USD172,772 convertible into Almonty shares at CAD0.265.
- the maturity extension from March 2017 to March 2019 of a CAD6m convertible promissory note held by shareholder Deutsche Rohstoff AG (DRAG).
- the mid-August subscription by Almonty's CEO, Lewis Black, of 21,175,000 new shares at CAD0.30 per share generating proceeds of CAD6.4m.
- the conversion of a CAD4m convertible debenture held by DRAG due on 15 September into common shares at CAD0.60.

In mid-October Almonty announced that it had closed a private placement of 5m shares at CAD0.54 with JP Morgan Asset Management raising gross proceeds of CAD2.7m. We also gather that management is working to reschedule/restructure further debt with a volume of ca. CAD1.6m.

FORECASTS AND OUTLOOK

Volume to rise 23% in 2017/18 Following discussions with management, we expect group FY 2016/17 volume to approach 160,000 MTU with Los Santos contributing 70,000 MTU and Panasqueira 90,000 MTU. For 2017/18 we expect Almonty to raise production by over 20% in response to higher prices and pencil in volume of 196,000 MTU split 50/50 between Los Santos and Panasqueira. We model all-in cash operating costs for 2017/18 of USD160 at both Los Santos (9M 2016/17: USD236) and Panasqueira (9M 2016/17: USD181) based on rising production and increasing grades. Figure 1 shows changes to our forecasts since our last study of 6 September.

Figure 1: Change to our forecasts

	2016/17E			2017/18E			2018/19E			2019/20E		
All figures in CAD '000	**old**	**new**	**% Δ**	**old**	**new**	**% Δ**	**old**	**new**	**% Δ**	**old**	**new**	**% Δ**
WO_3 sold (USD/MTU)	**149,223**	**159,932**	**7.2%**	**149,000**	**196,000**	**31.5%**	**114,500**	**178,000**	**55.5%**	**171,132**	**219,632**	**28.3%**
WO_3 net price (USD/MTU)	195	195	0.2%	230	250	8.7%	260	288	10.8%	295	301	2.0%
Production costs (MTU)	163	167	2.6%	176	160	-8.7%	127	152	19.4%	142	171	20.4%
Revenue	**38,076**	**41,015**	**7.7%**	**42,463**	**62,661**	**47.6%**	**36,849**	**65,008**	**76.4%**	**62,552**	**83,880**	**34.1%**
Production costs	31,853	35,145	10.3%	32,467	40,256	24.0%	18,099	34,417	90.2%	30,210	47,827	58.3%
Impairment loss	0	0	n.a.	0	0	n.a.	0	0	n.a.	0	0	n.a.
Depreciation and amortisation	5645	5,843	3.5%	4,406	5,100	15.8%	3,550	4,400	23.9%	4,750	5,600	17.9%
Result of mining ops.	**578**	**26**	**-95.4%**	**5,589**	**17,305**	**209.6%**	**15,200**	**26,191**	**72.3%**	**27,591**	**30,453**	**10.4%**
General and administrative	7491	6,090	-18.7%	5,100	7,630	49.6%	5,120	7,850	53.3%	6,270	8,100	29.2%
Operating income (EBIT)	**-6,913**	**-6,064**	**-12.3%**	**489**	**9,675**	**1878.6%**	**10,080**	**18,341**	**82.0%**	**21,321**	**22,353**	**4.8%**
Interest expense	1967	-2,439	-224.0%	1,967	1,671	-15.1%	2,214	1,583	-28.5%	1,635	1,356	-17.1%
Foreign exchange (gain) loss	0	0	n.a.	0	0	n.a.	0	0	n.a.	0	0	n.a.
Pre-tax income (EBT)	**-8,880**	**-8,503**	**-4.2%**	**-1,477**	**8,005**	**-641.9%**	**7,866**	**16,758**	**113.0%**	**19,686**	**20,997**	**6.7%**
Income taxes	0	0	n.a.	0	0	n.a.	1,180	2,514	n.a.	2,953	3,150	n.a.
Minority interests	0	0	n.a.	0	0	n.a.	0	0	n.a.	0	0	n.a.
Net income / loss	**-8,880**	**-8,503**	**-4.2%**	**-1,477**	**8,005**	**-641.9%**	**6,686**	**14,244**	**113.0%**	**16,733**	**17,847**	**6.7%**
Diluted EPS (in €)	**-0.07**	**-0.07**	**n.a.**	**-0.01**	**0.05**	**-714.2%**	**0.05**	**0.08**	**63.0%**	**0.10**	**0.10**	**6.7%**

Source: First Berlin Equity Research estimates

Improving mined ore grades During the first nine months of 2016/17 the average grade of WO_3 mined at Los Santos was 0.24%. We expect this figure to return to the normalised grade for the mine of 0.30% during the remaining two years of fresh ore mining. From H1/2020 operations at Los Santos are scheduled to focus exclusively on tailings processing. At Panasqueira, the average grade of WO_3 mined during the first nine months of 2016/17 was 0.109%. Management expects that this number will trend towards the remaining life of mine (10 years +) average of 0.185% over the next few quarters.

Our forecast for 2017/18 WO_3 sales volume rises 31.5% to 196,000 MTU following guidance given to us by management that this figure will approach 200,000 MTU in the current financial year. Our unit production cost forecast falls from USD176/MTU to USD160/MTU due mainly to economies of scale.

For 2018/19 our volume forecast rises by 55.5% to 178,000 MTU because we assume that Panasqueira will continue to produce at an annual rate of 98,000 MTU and also because management has indicated that fresh ore mining at Los Santos will continue throughout the financial year rather than cease at the end of 2017/18 as we had previously assumed. From the beginning of 2020 production at Los Santos will be based on tailings. Our unit production cost forecast rises from USD127/MTU to USD152/MTU because we take a more conservative view of the costs of both the transition from production based on fresh ore to production based on tailings and the transport of equipment from Los Santos to Valtreixal. We also assume a further 15% rise in the net WO_3 price received by Almonty to USD288.

Changes to our forecasts for 2019/20 are based on annualised production from tailings at Los Santos of 60,000 MTU plus three months of production from fresh ore. We also assume the continuation of 98,000 MTU of production from Panasqueira.

VALUATION

Figure 2 below shows changes to our sum of the parts valuation model. The higher valuations of Los Santos and Panasqueira stem from the impact of the upgrades to our forecasts discussed above on these assets' DCF valuations. The 14.1% reduction in our valuation of Valtreixal is a function of the 6% decline in the tin price since our last update.

Figure 2: Changes to our sum-of-the-parts valuation

USD 000's	Old	New	% Delta
Panasqueira	34,334	61,424	78.9%
Los Santos	2,877	25,199	775.9%
Valtreixal	17,771	15,273	-14.1%
Wolfram Camp	663	680	2.6%
Sangdong	104,580	104,580	0.0%
Less: parent company costs	10,503	10,118	-3.7%
Total enterprise value	**149,722**	**197,038**	31.6%
Total enterprise value (CAD 000's)	**185,327**	**253,155**	36.6%
Less: proforma net debt (CAD 000's)	40,535	38,130	-5.9%
Fair equity value (CAD 000's)	**144,792**	**215,025**	48.5%
Proforma no. shares (000's)	178,647	188,208	5.4%
Fair equity value per share (CAD)	**0.81**	**1.14**	41.0%

Source: First Berlin Equity Research estimates

The capital required to bring Almonty's most important project at Sangdong (South Korea) into production, which accounts for 75% of the company's current reserve base, is likely to amount to USD90-100m. Almonty is negotiating with banks and management tell us that a deal is now only weeks away. Pending the annoucement of financing, we continue to value Sangdong on the basis of the valuation accorded by the market to peers' in situ resources. The Sangdong peer group comparison is shown in figure 3.

Figure 3: Sangdong peer group comparison

	EVm CAD	Total MTU W03 in situ (000s)	EV/MTU W03 in situ (CAD)
Blackheath Resources	2.0	1,228	1.65
Ormonde Mining*	16.3	2,181	7.46
Thor Mining	28.4	4,597	6.18
Tungsten Mining	42.5	15,433	2.75
Sangdong	129.4	25,890	5.00

*in situ resource shown is 30% of total in line with Ormonde's 30% stake in the Barruecopardo project

Source: Company figures; First Berlin Equity Research estimates

Blackheath Resources is currently focused on exploration work rather than project financing.

Thor Mining published a feasibility study for its wholly-owned Molyhill tungsten project in Australia in early 2015. Project development cost is estimated at USD48m. The company has demonstrated the production of tungsten concentrate from the Molyhill project and also holds a Memorandum of Understanding in respect of concentrate sales with a major international downstream processor. However, the company has yet to conclude financing for the project.

Tungsten Mining plans initial small scale production at its Australian Mount Mulgine project by the end of 2018. Financing for larger scale production has still to be negotiated.

Among the peers shown in figure 3, Ormonde Mining has the highest enterprise value/ MTU/$W0_{3.}$ at CAD7.46. Ormonde is the only one of the companies in the peer group to have achieved financing for a project. The funding for the Barruecopardo tungsten project in Spain was agreed with Oaktree Capital in 2015. Ormonde retains 30% in the project while Oaktree holds 70%. Production is scheduled to start in calendar Q4 2018.

We continue to value each MTU of resource at Sangdong at CAD5.00 – i.e. at a 33% discount to Ormonde. This implies an overall valuation for Almonty of CAD1.14 per share. We maintain our Buy recommendation but raise the price target from CAD0.80 to CAD1.10.

INCOME STATEMENT

All figures in CAD '000	2014/15A	2015/16A	2016/17E	2017/18E	2018/19E	2019/20E
Revenue	**36,142**	**37,310**	**41,015**	**62,661**	**65,008**	**83,880**
Production costs	37,743	32,969	35,145	40,256	34,417	47,827
Impairment loss	1,708	5,345	0	0	0	0
Depreciation and amortisation	8,545	8,200	5,843	5,100	4,400	5,600
Result from mining operations	**-11,854**	**-9,204**	**26**	**17,305**	**26,191**	**30,453**
General and administrative	6,339	8,962	6,090	7,630	7,850	8,100
Operating income (EBIT)	**-18,193**	**-18,166**	**-6,064**	**9,675**	**18,341**	**22,353**
Interest expense	1,404	2,709	2,439	1,671	1,583	1,356
Foreign exchange (gain) loss	1,313	-360	0	0	0	0
Pre-tax income (EBT)	**-20,910**	**-20,515**	**-8,503**	**8,005**	**16,758**	**20,997**
Income taxes	-618	660	0	0	2,514	3,150
Minority interests	-747	0	0	0	0	0
Net income / loss	**-19,545**	**-21,175**	**-8,503**	**8,005**	**14,244**	**17,847**
Diluted EPS (in €)	**-0.38**	**-0.22**	**-0.07**	**0.05**	**0.08**	**0.10**
EBITDA	**-9,648**	**-9,966**	**-221**	**14,775**	**22,741**	**27,953**
Ratios						
EBITDA margin on revenues	-26.7%	-26.7%	-0.5%	23.6%	35.0%	33.3%
EBIT margin on revenues	-50.3%	-48.7%	-14.8%	15.4%	28.2%	26.6%
Net margin on revenues	-54.1%	-56.8%	-20.7%	12.8%	21.9%	21.3%
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expenses as % of revenues						
Production costs	104.4%	88.4%	85.7%	64.2%	52.9%	57.0%
Impairment loss	4.7%	14.3%	0.0%	0.0%	0.0%	0.0%
General and administrative	17.5%	24.0%	14.8%	12.2%	12.1%	9.7%
Y-Y Growth						
Revenues	23.7%	3.2%	9.9%	52.8%	3.7%	29.0%
Operating income	n.a.	n.m.	n.m.	n.m.	89.6%	21.9%
Net income/ loss	n.a.	n.m.	n.m.	n.m.	78.0%	25.3%

BALANCE SHEET

All figures in CAD '000	2014/15A	2015/16A	2016/17E	2017/18E	2018/19E	2019/20E
Assets						
Current assets, total	**8,543**	**17,800**	**18,934**	**31,631**	**30,587**	**37,445**
Cash and cash equivalents	866	4,215	7,723	8,759	6,859	6,828
Trade receivables	840	707	820	1,253	1,300	1,678
Sales tax receivable	2,149	1,439	1,600	2,444	2,535	3,271
Inventories	4,076	10,720	8,012	17,984	18,657	24,073
Other current assets	612	719	779	1,191	1,235	1,594
Non-current assets, total	**108,984**	**149,966**	**160,236**	**170,867**	**176,824**	**197,303**
Mining assets	88,136	125,928	131,657	140,988	146,268	167,759
Tailings inventory	15,410	18,665	23,000	23,000	23,000	23,000
Deferred tax assets	4,036	2,859	3,076	4,198	5,201	4,194
Restricted cash	1,223	1,336	1,325	1,503	1,177	1,172
Other assets	179	1,178	1,178	1,178	1,178	1,178
Total assets	**117,527**	**167,766**	**179,170**	**202,497**	**207,411**	**234,748**
Shareholders' equity & debt						
Current liabilities, total	**32,578**	**55,849**	**51,606**	**61,053**	**58,154**	**69,748**
Bank indebtedness	1,794	4,456	9,007	10,216	7,999	7,672
Accounts payable and accrued liabilities	15,453	21,799	28,300	36,594	37,965	48,986
Deferred revenue	1,697	2,422	5,332	4,073	4,226	5,452
Current portion of long term debt	13,634	27,172	8,967	10,170	7,964	7,638
Long-term liabilities, total	**35,947**	**76,348**	**76,970**	**83,456**	**74,939**	**76,482**
Long-term debt	30,801	29,325	30,213	34,267	26,833	25,735
Restoration and other provisions	3,228	45,548	45,116	46,996	45,506	48,650
Deferred tax liabilities	1,918	1,475	1,641	2,193	2,600	2,097
Minority interests	**0**	**0**	**0**	**0**	**0**	**0**
Shareholders' equity	49,002	35,569	50,595	57,988	74,318	88,517
Total consolidated equity and debt	**117,527**	**167,766**	**179,170**	**202,497**	**207,411**	**234,748**

Ratios						
Current ratio (x)	0.26	0.32	0.37	0.52	0.53	0.54
Quick ratio (x)	0.14	0.13	0.21	0.22	0.21	0.19
Net debt	44.14	55.40	39.14	44.39	34.76	33.04
Net gearing	90.1%	155.8%	77.4%	76.6%	46.8%	37.3%
Book value per share (in €)	0.57	0.32	0.30	0.33	0.43	0.51
Return on equity (ROE)	0.0%	-50.1%	-19.7%	14.7%	21.5%	21.9%

CASH FLOW STATEMENT

All figures in CAD '000	2014/15A	2015/16A	2016/17E	2017/18E	2018/19E	2019/20E
Net profit before minorities	**-20,292**	**-21,175**	**-8,503**	**8,005**	**14,244**	**17,847**
Depreciation and amortisation	8,545	8,200	5,843	5,100	4,400	5,600
Impairment of mine asset	1,708	5,345	0	0	0	0
Inventory impairment charges	7,408	6,765	0	0	0	0
Unrealised foreign exchange (gain) loss	2,138	-390	0	0	0	0
Accretion and other non-cash interest	607	1,584	0	0	0	0
Net change in non-cash working capital	4,877	761	0	0	0	0
Change in tailings inventory	-4,065	-3,602	0	0	0	0
Change in working capital	812	-2,841	11,785	-4,625	667	5,360
Other non-cash charges	-128	946	0	0	0	0
Operating cash flow	**798**	**-1,566**	**9,125**	**8,479**	**19,311**	**28,807**
Additions to mining assets	-12,783	-11,259	-15,907	-14,430	-9,681	-27,091
Free cash flow	**-11,985**	**-12,825**	**-6,782**	**-5,951**	**9,630**	**1,716**
Acquistion of Panasqueira, net of cash acquired	0	-833				
Acquistion of Woulfe, net of cash acquired	-2,275	0	0	0	0	0
Other investments	-1,058	-938	11	-178	326	5
Investment cash flow	**-16,116**	**-13,030**	**-15,896**	**-14,608**	**-9,355**	**-27,086**
Debt financing, net	924	10,890	1,226	6,466	-11,856	-1,752
Equity financing	-197	7,036	9,053	699	0	0
Dividends paid	0	0	0	0	0	0
Other financing	0	0	0	0	0	0
Financing cash flow	**727**	**17,926**	**10,279**	**7,165**	**-11,856**	**-1,752**
FOREX & other effects	610	19	0	0	0	0
Net cash flows	**-13,981**	**3,349**	**3,508**	**1,036**	**-1,900**	**-31**
Cash, start of the year	14,847	866	4,215	7,723	8,759	6,859
Cash, end of the year	**866**	**4,215**	**7,723**	**8,759**	**6,859**	**6,828**
EBITDA/share (in €)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Y-Y Growth						
Operating cash flow	n.a.	n.m.	n.m.	-7.1%	127.7%	49.2%
Free cash flow	n.a.	n.m.	n.m.	n.m.	n.m.	-82.2%
EBITDA/share	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.

FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	6 June 2017	CAD0.25	Buy	CAD0.60
2	6 September 2017	CAD0.51	Buy	CAD0.80
3	Today	CAD0.50	Buy	CAD1.10

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