SAVANNAH RESOURCES

A strategic lithium mine at the EU's doorstep

- **Overview.** Savannah Resources ("SAV") is a pre-revenue lithium developer listed on London's AIM. It fully owns the Barroso Lithium Project in Portugal, including the 30-year C-100 mining concession (granted 2006, extendable) and the recently acquired Aldeia extension. The project targets spodumene concentrate (SC5.5), the dominant hard-rock lithium mineral used in EV and stationary storage batteries. SAV will mine and concentrate the ore but outsource chemical conversion.

- **A unique, cost-competitive project, with upside.** Barroso hosts ~39Mt of JORC resources, including ~26.6Mt Measured & Indicated at ~1.05% Li_2O, following the September resource update (+40% vs prior estimate). A single, standard DMS + flotation plant underpins planned production of ~195ktpa of SC5.5 over an initial 18-year mine life, with scope for extension. The project sits in the bottom quartile of the global cost curve, with all-in sustaining cost of ~US$450/t (~US$360/t C1, net of by-products). An Exploration Target of 35–62Mt at 0.9–1.2% Li_2O, together with higher-grade Aldeia resource (~1.3% Li_2O), provides material upside.

- **Offtake agreements in place.** In June 2024, AMG Critical Materials — a leading lithium player with a refinery in Germany — acquired ~15.7% of SAV. AMG helped secure a German government–backed loan-guarantee LOI of up to US$270m to support project financing. An associated offtake deal grants AMG 45ktpa (~25%) of SC5.5, expandable to 90ktpa (~50%) if full financing is secured. Pricing remains undisclosed. AMG may yet increase its stake or pursue a full takeover, in line with its broader vertical integration strategy. It also holds ~25% of rival Zinnwald.

- **Capital increase ahead; grant de-risking.** SAV is nearing final permitting, with RECAPE approval and DFS completion the last steps ahead of FID in early 2H26. Construction is planned for 2H26, with first production estimated in 2H28. Initial capex of ~US$310m is expected to be funded ~65% with debt and ~35% with equity, implying a capital raise in 2026. However, the recently awarded €110m Portuguese state grant materially reduces future funding needs and equity dilution.

- **Our view.** SC6 prices have rebounded from ~US$600/t (Aug-lows) to ~US$2,100/t, a >250% rally in under six months, driven by rising EV and BESS demand and tight supply. The EU's push to near-shore battery supply is translating into policy support under the Critical Raw Materials Act and RESOURCE EU. SAV stands out as one of Europe's most advanced and lowest-cost spodumene projects, with strong partner, national government and European validation, and near-term catalysts in permitting, financing, and buildout. Our valuation range stands at 8.0-16.0p.

Financial Ratios	FY22	FY23	FY24	FY25E	FY26E	FY27E
EBITDA (€m)	(4)	(3)	(4)	(4)	(4)	(5)
Net profit (€m)	(3)	(4)	(4)	(4)	(12)	(12)
EPS (€)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Adj. EPS (€)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
P/E (x)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
P/E Adj. (x)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EV/EBITDA (x)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Debt/EBITDA (x)	2.0	2.8	4.2	4.6	7.0	(12.3)
P/BV (x)	2.4	2.2	1.9	2.5	2.2	2.6
ROE (%)	(11.3)	(12.9)	(10.8)	(8.3)	(13.7)	(16.0)
DPS (€)	-	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-	-

(*) Historical multiples based on average share price of the year

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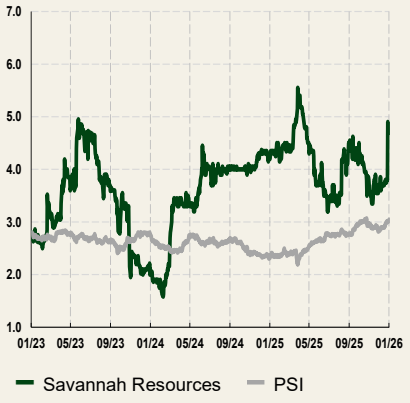
Share Price (*)	£ 4.75p

*Share price at the close of 13 January 2026

SAVS.L / SAV.LN	
Market Cap	£ 121 m
Enterprise Value	£ 102 m
Free Float	£ 47 m
Nº Shares	2,557 m
Average Daily Volume	£ 300 k

Performance	1m	3m	12m
Absolute %	28.4	5.6	11.5
Relative %	23.7	-7.8	-40.7



Shareholders

AMG 15.6%, Al Marjan 11.1%, Grupo Lusiaves 10.0%, Pluris 10.0%, Optimize Portugal 5.2%, Free float 48.1%

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KEY DATA

P&L account (£ m)	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Revenue	-	-	-	-	-	57
Other income	-	-	-	-	-	-
Opex	(3)	(4)	(4)	(4)	(5)	(22)
EBITDA	**(3)**	**(4)**	**(4)**	**(4)**	**(5)**	**34**
Net disposals	-	-	-	-	-	-
EBITDA adj.	**(3)**	**(4)**	**(4)**	**(4)**	**(5)**	**34**
D&A	-	-	-	-	-	(4)
Provisions	(0)	(0)	-	-	-	(2)
EBIT	**(4)**	**(5)**	**(4)**	**(4)**	**(5)**	**29**
Net interest	0	0	0	(12)	(12)	(12)
EBT	**(3)**	**(4)**	**(4)**	**(16)**	**(16)**	**17**
Income tax expense	-	-	-	-	-	(5)
Others	(0)	0	-	-	-	-
Net income	**(4)**	**(4)**	**(4)**	**(16)**	**(16)**	**12**
Other compr. income	(0)	(1)	-	-	-	-
Adjustments	-	-	-	-	-	2
Net Income adj.	**(4)**	**(5)**	**(4)**	**(16)**	**(16)**	**13**
Nº of shares (m)	1,828	2,172	2,557	4,986	4,986	4,986
Average nº of shares (m)	1,759	2,000	2,364	3,772	4,986	4,986

YoY Growth	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Sales	n.m	n.m	n.m	n.m	n.m	n.m
EBITDA	(1.5%)	22.2%	2.0%	2.0%	2.0%	(864.5%)
EBITDA adjusted	(1.5%)	22.2%	2.0%	2.0%	2.0%	(864.5%)
EBIT	31.0%	31.7%	(7.5%)	2.0%	2.0%	(732.4%)
Net income	26.5%	17.3%	(4.1%)	294.7%	0.6%	(173.2%)
Net income adjusted	74.4%	28.9%	(18.2%)	294.7%	0.6%	(182.6%)

Operating KPIs	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Pegmatite ore mined (Mtn)	n.m.	n.m.	n.m.	n.m.	n.m.	0.5
Spodumene 5.5% concentrated	n.m.	n.m.	n.m.	n.m.	n.m.	65.0
Spodumene Price ($/tn)	n.m.	n.m.	n.m.	n.m.	n.m.	1,000.0
By-products mined (ktn)	n.m.	n.m.	n.m.	n.m.	n.m.	135.3
Total cash costs ($/tn)	n.m.	n.m.	n.m.	n.m.	n.m.	472.1
C1 cash costs ($/tn)	n.m.	n.m.	n.m.	n.m.	n.m.	319.8
AISC cash costs ($/tn)	n.m.	n.m.	n.m.	n.m.	n.m.	518.6

Per share data	FY23	FY24	FY25E	FY26E	FY27E	FY28E
EPS (GBp)	(0.21)	(0.21)	(0.17)	(0.43)	(0.32)	0.24
EPS, adjusted (GBp)	(0.22)	(0.25)	(0.17)	(0.43)	(0.32)	0.27
CFPS (GBp)	(0.21)	(0.21)	(0.17)	(0.43)	(0.32)	0.36
FCFPS (GBp)	0.14	0.38	0.09	0.48	(2.52)	(1.09)
BVPS (GBp)	1.53	1.80	1.92	2.23	1.91	2.15
DPS (GBp)	-	-	-	-	-	-

Cash flow (£ m)	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Net profit	(4)	(4)	(4)	(16)	(16)	12
Depreciation	-	-	-	-	-	4
Non-cash adjustments	-	-	-	-	-	2
	(4)	**(4)**	**(4)**	**(16)**	**(16)**	**18**
Capex	(2)	(4)	(5)	(45)	(112)	(67)
Working capital investment	1	1	1	1	3	(5)
Operating FCF	**(4)**	**(8)**	**(8)**	**(60)**	**(126)**	**(54)**
Financial investments	-	-	-	-	-	-
Disposals (acquisitions)	-	-	(4)	-	-	-
Rights issues	6	16	14	78	-	-
Others	0	(0)	-	-	-	-
FCF before dividends	**2**	**8**	**2**	**18**	**(126)**	**(54)**
Dividends paid	-	-	-	-	-	-
Free-cash-flow (FCF)	**2**	**8**	**2**	**18**	**(126)**	**(54)**
Share buybacks	-	-	-	-	-	-
FCF after buy backs	**2**	**8**	**2**	**18**	**(126)**	**(54)**

Balance sheet (£ m)	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Shareholders' equity	28	39	49	111	95	107
Minority interests	-	-	-	-	-	-
Provisions and other liabilities	1	1	1	1	1	1
Net debt	(10)	(18)	(20)	(38)	88	142
Capital invested	**19**	**23**	**30**	**74**	**184**	**250**
Goodwill & PPA intangibles	18	22	18	27	49	61
Fixed operating assets	2	3	11	46	136	185
Non-operating assets	0	0	0	0	0	0
Working capital	(2)	(2)	(3)	(4)	(6)	(8)
Capital employed	**19**	**23**	**25**	**69**	**179**	**239**
Working capital/sales	n.m	n.m	n.m	n.m	n.m	n.m
Capex to sales	n.m	n.m	n.m	n.m	n.m	n.m

Financial ratios	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Net debt/EBITDA	2.8X	4.2X	4.6X	8.6X	(19.4X)	4.1X
Net debt adjusted(*)/EBITDA	2.8X	4.2X	4.6X	8.6X	(19.4X)	4.1X
Gearing	n.m.	n.m.	n.m.	n.m.	92%	132%
Interest cover	33.0X	17.9X	16.3X	(0.4X)	(0.4X)	2.5X

Margins & ratios	FY23	FY24	FY25E	FY26E	FY27E	FY28E
EBITDA margin	n.m.	n.m.	n.m.	n.m.	n.m.	60.8%
EBIT margin	n.m.	n.m.	n.m.	n.m.	n.m.	50.3%
Effective tax rate	-	-	-	-	-	30.0%
Pay-out	-	-	-	-	-	-
ROCE (EBIT/CE)	(18.7%)	(20.8%)	(17.1%)	(6.4%)	(2.5%)	12.0%
ROE	(12.9%)	(10.8%)	(8.3%)	(14.4%)	(17.0%)	11.0%

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