



SunMirror AG: Decision of the Austrian Financial Market Authority pursuant to the Austrian Accounting Control Act

Zug, Switzerland: July 07, 2025 – SunMirror AG (the "Company", "SunMirror", and together with its direct and indirect subsidiaries the "Group", Vienna Stock Exchange: ROR1; ISIN CH0396131929) further to its information dated 4 June 2025 informs that the Austrian Financial Market Authority ("FMA") made a decision in the context of its routine audit of the Group's audited consolidated annual financial statements as of and for the period ended 30 June 2022 and the interim consolidated financial statements as of and for the periods ended 31 December 2021 and 2022, respectively, and held them to be incorrect in the following respect:

- **Incorrect Classification of the Royalty:** In 2020, a fully consolidated subsidiary of SunMirror AG acquired 100% of the shares in a company by way of a contribution in kind, which holds the contractual right to receive a fixed amount of money per unit of concentrate that may be extracted and actually sold from this mine in the future by the owner of the mining right in respect of the Cape Lambert iron ore project in Western Australia (the "**Royalty Asset**"). The FMA has held that such Royalty Asset was incorrectly accounted for as an intangible asset in accordance with IFRS 6 while it should instead have been classified as a financial instrument in accordance with IFRS 9 (Financial Instruments) and IAS 32 (Financial Instruments: Presentation). As a consequence of the incorrect classification, information on financial assets required to be made in the notes were not made either.
- **Incorrect Valuation of the Royalty:** As a consequence of above stated incorrect classification, the Royalty Asset was incorrectly valued at its historic acquisition value of the USD/AUD equivalent of EUR 23.09 million (in accordance with IFRS 6) while it should have been valued at its fair value (in accordance with IFRS 9). Further, the FMA held that the historic acquisition value did not appropriately reflect the fair value, despite having a third-party valuation confirming that value. Therefore, the value determined by SunMirror was held not to represent a fair value within the meaning of IFRS and has been held a violation of the requirements of IFRS 13.11, IFRS 13.61, IFRS 13.69, IFRS 13.87 and IFRS 13.88.
- **Incorrect Reporting of critical accounting judgments or assumptions in accordance with IAS 1:** The FMA held that SunMirror incorrectly stated in the notes to its audited consolidated annual financial statements as of and for the period ended 30 June 2022 that it did not make any discretionary decisions or estimates that would have to be disclosed in accordance with IAS 1. SunMirror instead is held to have made significant discretionary decisions in connection with the accounting methods used for the "Royalty Asset". Accordingly, the FMA held that the omission of corresponding disclosures in the audited annual consolidated financial statements as of 30 June 2022 does not enable readers of the financial statements to understand or comprehend the underlying uncertainty of the decisions or assumptions made or their effects on and significance for the net assets, financial position and results of operations of the Company. The omission of such disclosures is held to violate IAS 1.122, IAS 1.125 and IAS 1.31.

If the Royalty Asset were to be recognized as a financial instrument in accordance with IFRS 9 and IAS 32, as per the FMA's decision, it would be subject to annual impairment testing, which could result in a write down and restatement of prior years' financial statements.

The Company disagrees with the conclusions of the FMA and has 4 weeks from the date of receipt of the decision to submit an appeal. An appeal, if made, would not be suspensive of the decision. SunMirror will consider its options and provide further updates in due course.

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About SunMirror AG

The Group invests into strategic mineral exploration assets with a strong focus on sustainable green battery metals, like cobalt, lithium and nickel, as well as copper and gold deposits in developed markets. The company aims to either produce minerals at a later stage or sell those assets to strategic buyers. SunMirror's key exploration assets acquired in 2020, are currently located in Western Australia but the Group aims to complement its portfolio with additional early stage mining licenses, focused on Europe with the ultimate aim of providing a secure, stable and sustainable supply of battery raw materials to support the electric revolution. SunMirror's core belief is that exploring for green battery metals must be accompanied by a sustainable approach to mining, thereby aiming to become a reference in terms of "responsible exploration".

The company's shares (ISIN CH0396131929) are listed on the Vienna Stock Exchange (auction trading, ticker: ROR1). For further information, please visit: www.sunmirror.net.

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