



Research report (Anno)

Aspermont Ltd.



Resilient Subscriptions and Strategic Focus

-

Strong Foundation for Growth: Cash Stability and continued innovation

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FY2025e Return to profitability

Target Price: 0.03 AUD (0.02 EUR)

Rating: Buy

IMPORTANT NOTE:

Please take note of the disclaimer/risk warning, as well as the disclosure of potential conflicts of interest as required by section § 85 WpHG und Art. 20 MAR on page 12

Note on research as a "minor non-monetary benefit" according to the MiFID II regulation: This research meets the requirements for being classified as a "minor non-monetary benefit". For more information, see the disclosure under "I. Research under MiFID II"

Date and time of completion of this research: 17.12.2024 (21:00)

Date and time of first distribution: 18.12.2024 (12:00)

Target price valid until: max. 31.12.2025

Aspermont Ltd. 5a,7,11

Rating: Buy
Target price: 0.03 AUD
(0.02 EUR)

Current price: 0.005
16/12/2024 / ASX / 15:54
Currency: AUD

Master Data:

ISIN: AU000000ASP3
WKN: A0NGFS
Stock exchange symbol: ASP
Number of shares³: 2,452
Market cap³: 6.18
Enterprise value³:
³ in million / in AUD million
Free float: 25%

Primary listing: ASX
Secondary listing: Frankfurt

Accounting Standard:
IFRS

FY End: 30.09.

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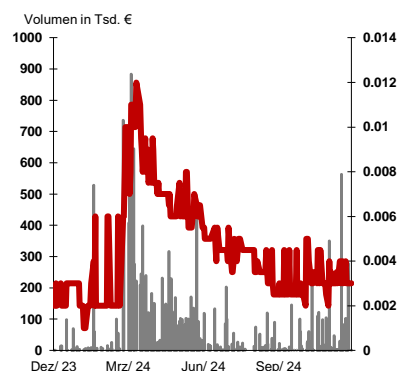
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Company Profile

Sector: B2B Media
Focus: Mining, Energy, Agriculture, Technology

Corporate Headquarters in London, United Kingdom

Management: Alex Kent (Managing Director), Ajit Patel (COO), Nishil Khimasia (CFO), Matt Smith (CCO), Joshua Robertson (CMO)



Aspermont Limited is the global leader of business-to-business (B2B) media for the resources industry. The company offers subscription-based content services in the mining, energy, agriculture, and technology sectors. Customers from all over the world use Aspermont's services. In addition, Aspermont Limited is a global leader in business-to-business marketing.

As a disruptive player in the B2B media market, Aspermont differentiates itself with its mediatech business model. The company boasts a debt-free status, generates free cash flow, and maintains a robust balance sheet. With 33 consecutive quarters of subscriptions growth and an exceptional senior leadership team, Aspermont is well-equipped to drive amplified growth across both established and new business units.

(Mio. AUD)	FY 2023	FY 2024	FY2025e	FY 2026e
Revenues	19.25	17.49	19.76	21.93
Reported EBITDA	0.46	-1.06	0.96	1.77
Net Result	-1.70	-2.44	0.02	0.91
Cash and Cash Equivalents	5.42	1.4	1.4	1,5

Key figures per share				
EPS	neg	neg.	0.00	0.01
Dividend	0.00	0.00	0.00	0.00

Financial calendar	
11/2025	FY2024 preliminary report
12/2025	FY2024 annual report

**last research by GBC:
Date: Publication / Target price in AUD / Rating
24/10/2024: RS / 0.03 / BUY
02/10/2024: RS / 0.03 / BUY
22/06/2023: RS / 0.10 / BUY
24/02/2023: RS / 0.10 / BUY

** the above-mentioned research studies can be viewed at www.gbc-ag.de or requested from GBC AG, Halderstr. 27, D86150 Augsburg

* List of possible conflicts of interest on page 14

EXECUTIVE SUMMARY

- **Revenue Decline Amid Market Headwinds:** Aspermont reported FY2024 revenues of AUD 17.49M, reflecting a 9.2% YoY decline, primarily driven by volatility in Events and Nexus segments due to challenging market conditions. However, revenues are forecasted to rebound 13% to AUD 19.76M in FY2025, supported by growth in subscription services and new product expansion.
- **Strength in Recurring Revenue:** The company's core subscription business maintained its resilience, delivering its 33rd consecutive quarter of growth and contributing over 50% of total revenue. This reflects Aspermont's ability to scale high-margin, recurring income streams despite cyclical market pressures.
- **Cash Liquidity Amid Strategic Investments:** Despite strategic investments, Aspermont preserved a stable cash position of AUD 1.4M as of FY2024. Funds were allocated to expanding the DataWorks platform, upgrading the Horizon V5 system, and enhancing the Data & Intelligence division, positioning the company for future growth.
- **Operational Optimization:** The company continued to optimize its operations by discontinuing low-margin legacy products, reallocating resources toward scalable digital offerings, and enhancing senior leadership to drive execution and innovation. This has strengthened operational efficiency and revenue quality.
- **FY2025 Outlook:** Aspermont is well-positioned to return to profitability in FY2025. The recovery is expected to be fueled by a rebound in Events, continued data services growth, and ongoing cost optimization efforts.
- **Valuation and Recommendation:** Based on our Discounted Cash Flow (DCF) model, we maintain a Buy rating with a target price of AUD 0.03 (EUR 0.02) per share, reflecting upside potential as growth strategies yield results.

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BUSINESS DEVELOPMENT

Business activity

Company latest press releases

Date	Type	Message
28.11.2024	Corporate news	Annual Report to Shareholders
28.11.2024	Corporate news	Aspermont FY24 Results
25.11.2024	Corporate news	Aspermont Launches the ESG Mining Company Index

Sources: Aspermont, GBC AG

On November 28th, 2024, Aspermont Limited released its FY2024 financial results, marking a year of two distinct halves: a challenging first half (H1) followed by a strong rebound in H2. The company successfully stabilized expenditures while maintaining strategic investments in new product development, ensuring its cash position remained steady at AUD 1.4M for both H1 and H2 of 2024.

Subscription revenues continued to grow for the 8th consecutive year, underscoring the resilience of Aspermont's core business. However, headwinds in the junior mining sector negatively impacted overall profitability. In response, the company implemented measures to optimize operations and focus on higher-margin offerings. This included the closure of a joint venture, the discontinuation of a print publishing product, and the cancellation of a live event in FY2024. These decisions align with Aspermont's strategic shift toward scalable Data and Intelligence services, positioning the company for sustainable long-term growth.

FY2024 Financial Highlights

- **Total Revenue:** AUD 17.5M, reflecting a 9% YoY decrease.
- **Subscription Revenue:** AUD 9.7M, delivering a 3% YoY increase, marking continued resilience in recurring income.
- **Operating, Corporate, and Administrative Expenses:** AUD 17.8M, a 1.7% YoY increase due to strategic investments and cost pressures.
- **Normalized EBITDA:** AUD -0.3M, a significant decline from AUD 1.7M YoY, impacted by market challenges and product restructuring.
- **Cash Reserves:** AUD 1.4M, stable compared to H1 2024, demonstrating disciplined financial management.

Aspermont Limited's FY2024 results reflect resilience and adaptability in the face of challenging market conditions. Revenue from continuing operations declined 3% year-on-year to AUD 17.5 million, primarily due to volatility in Nexus and Events segments and strategic decisions to discontinue low-margin legacy products. Despite these headwinds, subscription revenue grew by 3%, marking the 33rd consecutive quarter of growth and underscoring the strength of Aspermont's scalable and recurring revenue model.

The company's strategic pivot toward high-quality revenue generation and innovative offerings was a key theme in FY2024. Notably, the launch of the ESG Mining Company Index highlighted Aspermont's commitment to driving industry-specific sustainability solutions while enhancing its product portfolio. These initiatives have contributed to improving the average revenue per user (ARPU) and position the company for long-term success.

A significant milestone in FY2024 was the 18% increase in H2 revenue compared to H1, signaling the effectiveness of efforts to balance strategic investments with profitability objectives. Investments in the Data and Intelligence vertical and continued enhancement of the Horizon platform further solidify Aspermont's foundation for growth.

Looking ahead to FY2025, Aspermont’s long-term growth potential remains strong. By expanding market share, broadening its subscription base, and penetrating new markets and industries, the company is well-positioned to capitalize on an expanding total addressable market in the mining sector. While FY2024 recorded a net loss after tax of AUD 2.4 million, the company’s disciplined approach to cost management, combined with its focus on data-centric services and scalable revenue streams, sets the stage for a return to profitability and sustained growth.

XaaS business model

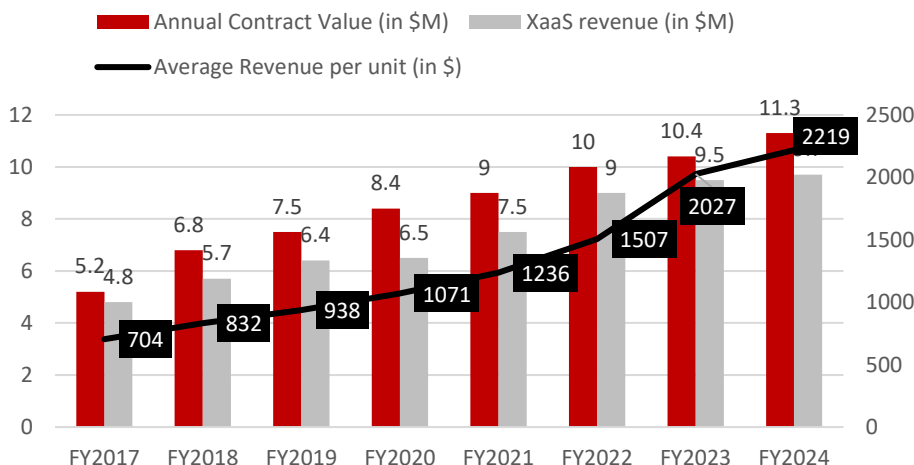
The company’s subscription Average Revenue Per Unit (ARPU) showcased impressive growth, rising 9.5% year-over-year to AUD 2,219 in FY2024, up from AUD 2,027 in FY2023. This marks a robust compound annual growth rate (CAGR) of 17% since 2016, reflecting consistent and sustained improvement. Concurrently, Annual Recurring Revenue (ARR) reached AUD 11.3 million in FY2024, highlighting the resilience of the company’s subscription-driven model.

This strong performance is underpinned by three key drivers:

1. An increase in members per subscription,
2. Higher subscription pricing, and
3. Adoption of an expanded product range by clients.

The transition to an almost entirely digital portfolio has further enabled the company to achieve highly efficient scalability, positioning it to capitalize on its strong subscription base and deliver sustained long-term growth.

Main KPIs growth



Sources: Aspermont, GBC AG

Overall, we anticipate continued growth across all subscription metrics in the coming years, as they remain a critical pillar of the company’s long-term success and strategic focus.

CORPORATE DEVELOPMENT

Revenue Decline Amid Challenging Market Conditions

In FY2024, Aspermont reported a 9.15% decline in total revenue to AUD 17.49M, compared to AUD 19.25M in FY2023. This decrease was primarily driven by volatility in Events and Nexus revenues and the strategic discontinuation of low-margin legacy products. Notably, subscription revenues remained resilient, contributing over 50% of total income, underscoring the strength of Aspermont's core recurring revenue stream. However, the cost of sales increased by 2.46%, reflecting sustained pressure on margins and overall profitability. Moving forward, successful revenue recovery initiatives and cost stabilization will be critical to mitigating these challenges.

Gross Margin Contraction and Rising Investments

Gross margin declined from 57.49% in FY2023 to 52.05% in FY2024, driven by a combination of higher costs of sales and reduced revenues. This margin contraction highlights the company's ongoing struggle to maintain operational efficiency amid competitive and volatile market conditions. Concurrently, marketing expenses increased by 13.13%, reflecting Aspermont's strategic investment in growth initiatives and client outreach. While these investments are expected to enhance long-term performance, their immediate impact has weighed on short-term profitability.

Net Profit Decline and Expense Management

Aspermont reported a net loss of AUD -2.06 million in FY2024, representing a 20.85% increase from FY2023's loss of AUD -1.70 million. Despite reducing corporate and administrative expenses by 15.12%, the benefits were offset by rising operational costs and revenue declines. The worsening net loss highlights the need to achieve a delicate balance between cost control and strategic investment. Moving forward, improving operational efficiency, scaling high-margin digital offerings, and exploring new revenue streams will be essential to restoring profitability.

Outlook and Strategic Positioning

Aspermont's FY2024 results reflect a challenging year shaped by revenue headwinds and cost pressures. However, the company's strategic focus on digital transformation, subscription growth, and the development of high-value data and intelligence products positions it for future recovery. A rebound in key segments, such as live events, alongside efforts to diversify revenue streams and enhance operational efficiency, will be central to driving long-term shareholder value and restoring profitability.

FORECASTS AND VALUATION

	FY2024	FY2025e	FY2026e
Revenues	17.49	19.76	21.93
EBITDA	-1.06	0.96	1.77
EBITDA Margin (%)	Neg.	4.88%	8.05%
Net Profit After Tax	-2.06	0.02	0.91

Sources: Aspermont, GBC AG

FY2025 Strategic Objectives guidance

Aspermont has outlined six refined strategic objectives for FY2025, aiming to restore revenue growth, improve margins, and achieve operational scalability:

1. **Revenue Growth:** Target a return to double-digit revenue growth, driven by core subscription expansion, deeper DataWorks penetration, and a strong rebound in Events revenue.
2. **Operational Efficiency:** Optimize cost structures and enhance gross margins through streamlined operations and the scalability of digital products.
3. **Profitability Focus:** Achieve a return to profitability for FY2025.
4. **New Product Launches:** Introduce high-value offerings under the DataWorks platform, including AI-driven intelligence solutions and multilingual products to drive incremental revenue growth.
5. **Leadership Expansion:** Continue strengthening the senior management team to bolster execution across key global markets, building on prior headcount investments.
6. **Cash Flow and Liquidity:** Enhance net cash reserves to ensure financial stability while maintaining a balance between growth investments and prudent cash management.

Performance Review and FY2025 Outlook

Aspermont navigated a challenging FY2024, with total revenue declining 9.15% YoY to AUD 17.49M. This was primarily due to ongoing volatility in Events and operational investments, alongside higher marketing costs. However, the second half of FY2024 delivered notable improvement, marked by an 18% revenue increase over H1, driven largely by a rebound in Events revenue, particularly the success of the Future of Mining series and ongoing growth in corporate subscriptions.

Looking ahead to FY2025, Aspermont is targeting a revenue recovery to AUD 21.20M, underpinned by three key drivers:

1. **Corporate Subscriptions:** Continued growth through **enhanced account penetration** and **expanded product offerings**.
2. **Events Revenue Recovery:** Strengthened performance from flagship programs such as **Future of Mining**, capitalizing on market recovery.
3. **DataWorks Expansion:** Accelerated growth in high-value **data intelligence solutions**, with increasing demand for ESG metrics and advanced analytics.

Management forecasts a 13% revenue growth to AUD 19.76M in FY2025, supported by tighter cost controls and strategic revenue diversification. This rebound is expected to drive profitability, with a projected Net Profit After Tax (NPAT) of AUD 0.02M.

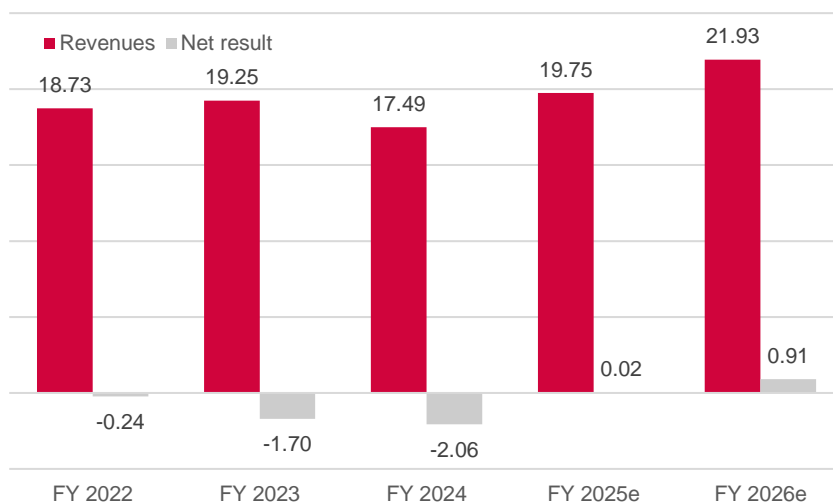
The scalability of Aspermont's predominantly digital product suite remains central to its growth strategy, offering higher margins and enabling efficient resource allocation. Additionally, renewed focus on outbound marketing and customer engagement initiatives will accelerate account penetration and enhance average revenue per user (ARPU).

While FY2024 presented challenges, the company’s second-half momentum and focus on subscription-led growth, operational efficiency, and new product innovation position Aspermont well for a return to profitability and long-term shareholder value creation in FY2025.

Forecast

Based on the company’s guidance, we have lowered our current estimates for FY2025 and subsequent years.

Revenues (\$m) and Net revenues (\$m)



Sources: Aspermont, GBC AG

After a challenging FY2024, Aspermont’s revenues are projected to rebound, growing at a compound annual growth rate (CAGR) of approximately 12% between FY2024 and FY2026. This recovery will be driven by continued subscription growth, the successful launch of new products, and a strong resurgence in Events revenue. These core revenue streams are expected to provide the necessary momentum to support the company’s long-term growth strategy.

Aspermont’s net results are also forecasted to show a significant turnaround. Following a loss of AUD -2.06M in FY2024, the company is projected to achieve a net profit of AUD 0.91M by FY2026. This positive trajectory reflects the successful execution of strategic initiatives, including operational enhancements, cost management efforts, and the development of new revenue-generating opportunities. The return to profitability signals Aspermont’s ability to overcome recent challenges and deliver sustainable value to shareholders.

With its strong foundation in subscription revenues, an expanding data solutions business, and targeted investments in innovation, Aspermont is well-positioned for sustainable growth and profitability over the forecast period. The combination of revenue recovery, profitability improvement, and strategic execution underscores the company’s resilience and its ability to capitalize on emerging opportunities within its core markets.

Aspermont’s FY2025 guidance marks a pivotal turning point, showcasing the company’s ability to leverage its scalable digital product suite and diversified revenue streams. The projected return to profitability and robust revenue growth underscores the resilience of its business model and the effectiveness of its operational strategy.

Successful execution of the company's strategic objectives is expected to position Aspermont to capitalize on emerging opportunities and drive long-term shareholder value.

Based on these projections, we **reaffirm our Buy rating** with a **target price of AUD 0.03 (EUR 0.02)**.

VALUATION

Model assumptions

Aspermont Limited was valued by us using a three-stage DCF model. Starting with the concrete estimates for the years 2025 to 2027 in phase 1, the forecast is made from 2028 to 2031 in the second phase by applying value drivers. We expect annual revenue growth of 25%. We have assumed a target EBITDA margin of 30%. We have considered a tax rate of 15% in phase 2. In the third phase, a residual value is also determined after the end of the forecast horizon using the perpetual annuity. In the terminal value, we assume a growth rate of 1%. The final of growth estimate was reduced to 1% to reflect the achieved maturity of the company reached in 2029 and forward.

Cost of capital

The weighted average cost of capital (WACC) of Aspermont Limited is calculated from the cost of equity and the cost of debt. To determine the cost of equity, the fair market premium, the company-specific beta and the risk-free interest rate must be calculated.

The risk-free interest rate is derived from current yield curves for risk-free bonds in accordance with the recommendations of the Fachausschuss für Unternehmensbewertungen und Betriebswirtschaft (FAUB) of the IDW. This is based on the zero bond interest rates published by the Deutsche Bundesbank using the Svensson method. The currently used value of the risk-free interest rate is 2.50%.

We use the historical market premium of 5.5% as a reasonable expectation of a market premium. This is supported by historical analyses of equity market returns. The market premium reflects the percentage by which the equity market is expected to yield better than low-risk government bonds.

According to the GBC estimation method, a beta of 2.57 is currently determined and remains unchanged from our last report.

Using the assumptions made, we calculate a cost of equity of 16,64% (beta multiplied by risk premium plus risk-free interest rate). Since we assume a sustainable weighting of 90% for the cost of equity, the weighted average cost of capital (WACC) is 15.73%.

Valuation result

Based on our DCF valuation model, we have maintained our Buy rating and adjusted our target price to AUD 0.03. Using an exchange rate of 0.6252 (as of 16-12-2024, 9:11pm), we have a target price 0.02 EUR.

Valuation

Aspermont Ltd. - Discounted Cashflow (DCF) model scenario

Value driver of the DCF - model after estimate phase:

consistency - Phase		final - Phase	
Revenue growth	25.0%	Eternal growth rate	3.0%
EBITDA margin	30.0%	Eternal EBITA margin	29.1%
Depreciation to fixed assets	7.0%	Effective tax rate in final phase	15.0%
Working Capital to revenue	5.0%		

Three phases DCF - Modell:

Phase in mAUD	estimate			consistency					final Terminal value
	FY 25e	FY 26e	FY 27e	FY 28e	FY 29e	FY 30e	FY 31e	FY 32e	
Revenue	19.76	21.93	24.35	30.43	38.04	47.55	59.44	74.30	
Revenue change	13.0%	11.0%	11.0%	25.0%	25.0%	25.0%	25.0%	25.0%	3.0%
Revenue to fixed assets	2.01	2.22	2.44	3.05	3.81	4.75	5.93	7.41	
EBITDA	0.96	1.77	2.70	9.13	11.41	14.26	17.83	22.29	
EBITDA margin	4.9%	8.1%	11.1%	30.0%	30.0%	30.0%	30.0%	30.0%	
EBITA	0.41	1.27	2.25	8.43	10.71	13.57	17.13	21.59	
EBITA margin	2.1%	5.8%	9.2%	27.7%	28.2%	28.5%	28.8%	29.1%	29.1%
Taxes on EBITA	0.00	0.00	-0.34	-1.26	-1.61	-2.03	-2.57	-3.24	
Taxes to EBITA	0.0%	0.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
EBI (NOPLAT)	0.41	1.27	1.91	7.17	9.11	11.53	14.56	18.35	
Return on capital	24.7%	57.3%	69.1%	214.2%	235.0%	262.4%	280.3%	294.8%	249.8%
Working Capital (WC)	-7.63	-7.13	-6.63	-6.11	-5.60	-4.81	-3.79	-2.46	
WC to Revenue	-38.6%	-32.5%	-27.2%	5.0%	5.0%	5.0%	5.0%	5.0%	
Investment in WC	-0.50	-0.50	-0.50	-0.52	-0.51	-0.79	-1.02	-1.33	
Operating fixed assets (OAV)	9.85	9.90	9.98	9.99	10.00	10.01	10.02	10.03	
Depreciation on OAV	-0.55	-0.50	-0.45	-0.70	-0.70	-0.70	-0.70	-0.70	
Depreciation to OAV	5.6%	5.0%	4.5%	7.0%	7.0%	7.0%	7.0%	7.0%	
Investment in OAV	-0.60	-0.55	-0.53	-0.71	-0.71	-0.71	-0.71	-0.71	
Capital employment	2.22	2.77	3.35	3.88	4.40	5.20	6.23	7.57	
EBITDA	0.96	1.77	2.70	9.13	11.41	14.26	17.83	22.29	
Taxes on EBITA	0.00	0.00	-0.34	-1.26	-1.61	-2.03	-2.57	-3.24	
Total investment	-1.10	-1.05	-1.03	-1.23	-1.22	-1.50	-1.73	-2.04	
Investment in OAV	-0.60	-0.55	-0.53	-0.71	-0.71	-0.71	-0.71	-0.71	
Investment in WC	-0.50	-0.50	-0.50	-0.52	-0.51	-0.79	-1.02	-1.33	
Investment in Goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Free cashflows	-0.14	0.72	1.33	6.64	8.59	10.73	13.53	17.01	146.70

Value operating business (due date)	80.37	92.29
Net present value explicit free cashflows	27.60	31.22
Net present value of terminal value	52.76	61.06
Net debt	-1.47	-2.17
Value of equity	81.84	94.46
Minority interests	0.00	0.00
Value of share capital	81.84	94.46
Outstanding shares in m	2470.00	2470.00
Fair value per share in AUD	0.03	0.04
Fair value per share in EUR	0.02	0.02

Cost of capital:

Risk free rate	2.5%
Market risk premium	5.5%
Beta	2.57
Cost of equity	16.6%
Target weight	90.0%
Cost of debt	10.0%
Taxshield	10.0%
Taxshield	25.0%
WACC	15.73%

Return on Capital	WACC				
	5.7%	10.7%	15.7%	20.7%	25.7%
247.8%	0.20	0.06	0.03	0.02	0.02
248.8%	0.20	0.06	0.03	0.02	0.02
249.8%	0.20	0.06	0.03	0.02	0.02
250.8%	0.20	0.06	0.03	0.02	0.02
251.8%	0.20	0.06	0.03	0.02	0.02

ANNEX

I.

Research under MiFID II

1. There is a contract between the research company GBC AG and the issuer regarding the independent preparation and publication of this research report on the issuer. GBC AG is remunerated for this by the issuer.
2. The research report is simultaneously made available to all interested investment services companies.

II.

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Section 2 (I) Updates

A detailed update of the present analysis/analyses at any fixed date has not been planned at the current time. GBC AG reserves the right to update the analysis without prior notice.

Section 2 (II) Recommendation/ Classifications/ Rating

Since 1/7/2006, GBC AG has used a three-level absolute share rating system. Since 1/7/2007, these ratings have related to a time horizon of a minimum of six to a maximum of 18 months. Previously the ratings related to a time horizon of up to 12 months. When the analysis is published, the investment recommendations are defined based on the categories described below, including reference to the expected returns. Temporary price fluctuations outside of these ranges do not automatically lead to a change in classification but can result in a revision of the original recommendation.

The recommendations/ classifications/ ratings are linked to the following expectations:

BUY	The expected return, based on the derived target price, including dividend payments within the horizon, is $\geq + 10\%$.
HOLD	The expected return, based on the derived target price, including dividend payments within the horizon, is $> - 10\%$ and $< + 10\%$.
SELL	The expected return, based on the calculated target price, including dividend payments within the horizon, is $\leq - 10\%$.

GBC AG's target prices are determined using the fair value per share, derived using generally recognised and widely used methods of fundamental analysis, such as the DCF process, peer-group benchmarking and/or the sum-of-the-parts process. This is done by including fundamental factors such as e.g. share splits, capital reductions, capital increases, M&A activities, share buybacks, etc.

Section 2 (III) Past recommendations

Past recommendations by GBC on the current analysis/analyses can be found on the internet at the following address:

<http://www.gbc-ag.de/de/Offenlegung.htm>

Section 2 (IV) Information basis

For the creation of the present analysis/analyses publicly available information was used about the issuer(s) (where available, the last three published annual and quarterly reports, ad hoc announcements, press releases, share prospectuses, company presentations, etc.) which GBC believes to be reliable. In addition, discussions were held with the management of the company/companies involved, for the creation of this analysis/these analyses, in order to review in more detail the information relating to business trends.

Section 2 (V) 1. Conflicts of interest as defined in Section 85 of the Securities Trading Act (WpHG)

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