

Klabin S.A.

Valuation of Sogemar's Brand License Agreement

Base Date: December 31st, 2018

Deloitte Touche Tohmatsu Consultores Ltda.

January 24th, 2019

To
Klabin S.A.

Attn.: Mr. Gustavo Henrique Santos de Sousa, Fabio Fernandes Medeiros, Marcos Paulo C. Ivo and Cristiano Teixeira

Ref.: Valuation of Sogemar’s Brand License Agreement

Dear Sirs,

As per your request, we performed the economic value estimate of Brand License Agreement (*Contrato de Licença para Uso de Marca* - “**Agreement**”) held by **Klabin**, Sociedade Geral de Marcas Ltda. (“**Sogemar**”) and Irmãos Klabin & Cia (“**KIC**”), as of December 31st, 2018, as presented in this report.

We understand that the purpose of this study is to support the Management of Klabin S.A. (“**Klabin**”), in the business valuation of **Sogemar**, which may support the eventual incorporation process (“**Transaction**”) of **Sogemar** by **Klabin**. No other purpose can be implied or inferred and this document is intended for the restricted use of **Klabin**, exclusively for the above mentioned purpose.

METHODOLOGY

In estimating the value of the **Agreement**, the Income Approach was adopted, based on the discounted cash flow methodology.

The value of the **Agreement** was estimated considering the future cash flows related to royalties payments at present value, based on the clauses established in the **Agreement**.

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VALUATION RESULTS

Based on the scope of our analysis, researches, methodology applied, considerations and assumptions adopted and information discussed with **Klabin's** Management during the execution of our work, we estimate that the value of the **Agreement**, as of December 31st of 2018, is of R\$ 702 million (seven hundred and two million Reais), as follows:

	(R\$ million)
<hr/>	
Valuation Result	
Royalties Cash Flow at Present Value (2019 - 2024)	218
(+) Perpetuity	483
Agreement Value	702
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We remain at your service for any further clarification that you may require.

Yours truly,







DELOITTE TOUCHE TOHMATSU
Consultores Ltda.

Portuguese version signed by:



Waderson Mergulhão
Partner

Marcela Yamamoto
Partner

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Important Notes



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1. Deloitte Touche Tohmatsu Consultores Ltda. ("Deloitte Consultores") has been engaged by the Management of Klabin S.A. ("**Klabin**" or "**Company**") to estimate of the economic value of the Brand License Agreement, (*Contrato de Licença para Uso de Marca - "**Agreement**"*) held by **Klabin**, Sociedade Geral de Marcas Ltda. ("**Sogemar**") and Irmãos Klabin & Cia ("**KIC**"), as of December 31st, 2018 as presented in this Report. The purpose of this report is to support the Management of **Klabin** in the business valuation of **Sogemar**, which may support the eventual incorporation process ("**Transaction**") of **Sogemar** by **Klabin**.
2. The engagement was based, among others, on the following information or documents made available to Deloitte Consultores: (i) **Klabin's** historical and projected revenue subjected to royalties payment, including the breakdown of volume and prices per product line (corrugated paperboard and coated boards); (ii) Brand License Agreement and amendments signed between **Sogemar** and **Klabin**; (iii) Projection of revenues related to the payment of royalties prepared by **Klabin's** Management, in accordance with the financial forecasts of the **Company**; (iv) public information regarding the **Company's** business market; and (v) discussions with **Klabin's** Management regarding their expectations related to the revenues subject to the payment of royalties in the future. The detailed list of information used in our engagement is presented in the section "Documents Received".
3. Our engagement did not include any independent verification of the data and information provided by **Klabin's** Management, nor does it constitute an audit as per generally accepted auditing standards. Therefore, we are not issuing any opinion on the projected revenue subject to the payment of royalties in the future.
4. The estimates and projections discussed with **Klabin's** Management, particularly those which occurrence depends on future uncertain events, reflect the best assessment of its Management regarding the future performance of the revenue subject to the payment of royalties.
5. It is important to emphasize that Deloitte Consultores is not responsible for, nor does it provide, any guarantees with respect to attainment of the projections contained in this Report, as such projections are based on strategic plans of the **Klabin's** Management.
6. Deloitte Consultores did not analyze tax, legal and/or societal aspects related to the royalties deductibility incurred by **Klabin**, been adopted the information and assumptions provided by **Company's**.
7. The Managements and shareholders of **Klabin** and **Sogemar** must conduct their own analyzes in order to establish their own opinions on the risks and benefits of the potential **Transaction**, the value of the **Agreement**, including the analysis of the possible share exchange ratio and the fair market values of **Sogemar** and **Klabin**. Deloitte Consultores cannot be held liable for direct or indirect losses or lost profits resulting from the use of this Report.

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8. This Report was exclusively made to support **Klabin's** Management in the eventual **Transaction** and may be disclosed by the **Company** only for the purpose of complying with legal and regulatory requirements applicable within the **Transaction** scope. Therefore, this Report is not intended for general circulation, nor can it be reproduced or used for any purpose other than the aforementioned without our previous written authorization. We assume no responsibilities or contingencies for damages caused or fortuitous loss incurred by any of the parties involved as a result of the circulation, publication, reproduction or use of this document with a purpose different from the proposed one.
9. This Report does not represent any proposal, request, advice or recommendation from Deloitte Consultores of acquisition or incorporation of **Sogemar**, being such decision the sole and exclusive responsibility of **Klabin's** Management. The estimated value of the **Agreement** is a guide to support **Company's** Management in the potential **Transaction**.
10. We reserve the right, but do not bind ourselves, to revise all the calculations included or referred to in this Report if we judge it necessary, and to reconsider our value estimate of **Sogemar's Agreement**, in light of any information that comes to our knowledge after the issue of this Report.



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Brief Companies Description



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Brief Companies Description

Introduction

Founded in 1899, headquartered in São Paulo, **Klabin** is the leading producer and exporter of paper in Brazil. The **Company** is a leader in the production of packaging paper and containerboard, corrugated cardboard packaging, industrial bags, as well as wood logs. It is also the only company in the country to provide, simultaneously, short fiber pulp, long fiber pulpo and fluff.

Klabin operates commercial offices in 8 states in Brazil, one in the United States, one in Austria, as well as 18 industrial units, with more than 18,000 employees, having the following production capacity:

Nominal Production Capacity*

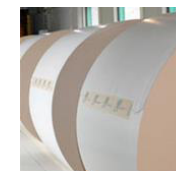
Market Pulp	1.5 millions tpy
Paper	2 millions tpy
Kraftlines	1.25 million tpy
Coated Board	750 k tpy
OCC	265 k tpy
Conversion	920 k tpy
Corrugated Boxes	750 k tpy
Industrial Bags	170 k tpy

* Excluding losses in the process

Source: **Klabin's** Institutional Presentation as of September, 2018.

Business Segments

- Forest: Raw-material for pulp production and sale of wood logs for sawmills and rolling mills.
- Pulp: short fiber pulp, long fiber pulpo and fluff.
- Packaging Paper:
 - Kraftliner;
 - Coated Board; and
 - OCC.



- Conversion:
 - Corrugated Boxes Packaging; and
 - Industrial Bags.



Source: **Klabin's** Institutional Presentation as of September, 2018.

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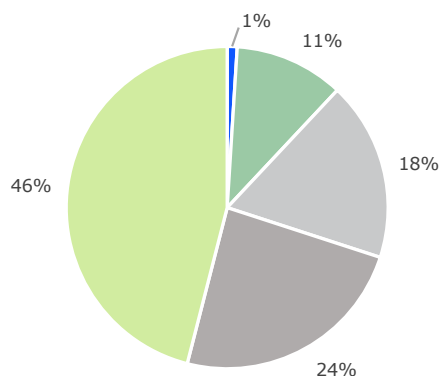
Brief Companies Description

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Operating Revenue Breakdown by Business Segment

According to **Klabin's** quarterly reports as of September 2018, approximately 46% of **Klabin's** sales are concentrated in pulp, 24% in packaging and 18% in paper, as follows:

Revenue Breakdown by Product Line (july-sep/18)



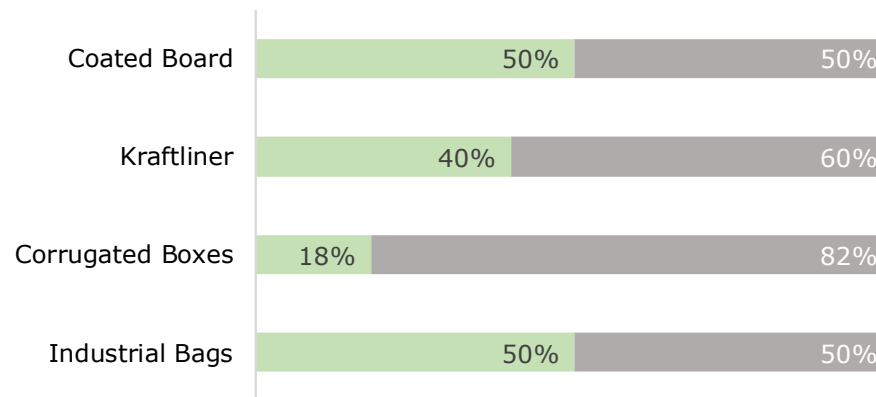
■ Others ■ Kraftliner ■ Coated Board ■ Packaging ■ Pulp

Source: **Klabin's** quarterly financial release as of September, 2018.

Market Share

Klabin's market share in Brasil, reported in its institutional presentation as of September 2018, as follows:

Market Share per Product Line



■ Klabin ■ Others

Source: **Klabin's** Institutional Presentation as of September, 2018.

Brief Companies Description

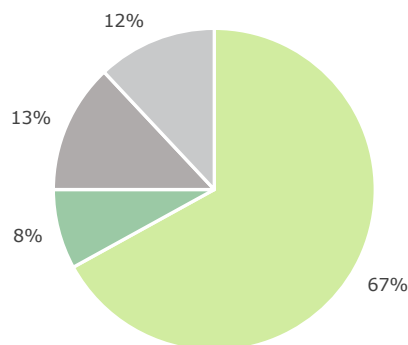
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Main markets of paper and packaging

According to the **Company's** Management, most of **Klabin's** production of paper and packaging is currently destined to the food sector, as follows:

Paper and packaging sales breakdown by sector (sep/18)



■ Food ■ Building ■ Other consumer goods ■ Other

Source: **Klabin's** Institutional Presentation as of September, 2018.

Sogemar – Sociedade Geral de Marcas Ltda.

Sogemar is a limited company whose purpose is the lease, renting or licensing of brands and other assets. According to the **Klabin's** Management, the company uses the brands Klabin Boards, Klabin Liquid Board, Klabin X Rigid Board, Klabin Rigid Board, Klabin Carrier Board and Klabin Freeze Board, owned by **Sogemar**, and "Klabin" (jointly named as "Brands"), currently owned by Klabin Irmãos & Cia. ("**KIC**"), which will be transferred to **Sogemar** in the context of a corporate reorganization that will precede the execution of the **Transaction**.

These brands are related to corrugated paper and coated boards destined to the domestic market (DM) and the external market (EM), and are used for the production of:

- Rigid packaging for products such as food, hygiene and cleaning, appliances, toys and others;
- Packaging for frozen and refrigerated food;
- Packaging for yoghurt and fermented milk, among others; and
- Packaging with high tear resistance, such as cans and bottles of beers, soft drinks and other beverages.

Klabin has a Brand License Agreement with **Sogemar** and **KIC** for an indefinite period, which authorizes the use of the Brands by paying royalties of 1.3657% over net sales of the products covered by the **Agreement**.



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Methodology



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Methodology

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	Income Approach	Asset Approach	Market Approach
Application	Used to appraise going concerns, with a focus on their potential capacity to generate future profits.	Used to appraise holding companies or businesses no longer capable of generating an adequate return on investment, in which case they should be liquidated.	Used to appraise going concerns, with a focus on their potential capacity to generate future profits.
Methods	<ul style="list-style-type: none">Discounted cash flow: <i>company's future operating cash flows</i> discounted to present value.Capitalization of profits: normalized historical profits are capitalized by index (capitalization rate).	<ul style="list-style-type: none">Appraisal of assets and liabilities at liquidation or market value, and adjustment of the company's equity accordingly.	<ul style="list-style-type: none">Guidelines Public Companies: application of market multiples obtained from the capital market (e.g. share price/earnings).Guidelines Transaction Multiples: refers to past transactions involving comparable companies to obtain the price paid/sales, EBITDA, etc.
Main Advantages	<ul style="list-style-type: none">Considers the most relevant and intrinsic aspects of the business.Accepted worldwide as the most complete and suitable method.	<ul style="list-style-type: none">Easy to apply.	<ul style="list-style-type: none">Reference to market parameters.Provides best value estimate in the case of acquisition of shareholding control.
Main Disadvantages	<ul style="list-style-type: none">Assumptions and projections may involve a high degree of subjectivity.Appropriate discount rate calculation.Relevant residual value (perpetuity).	<ul style="list-style-type: none">Does not reflect the company's potential value.Not suitable for appraising intangible assets.	<ul style="list-style-type: none">Data not always available to the public.Difficulty in determining the comparability of guideline data.Difficulty in defining a sample of guideline companies.

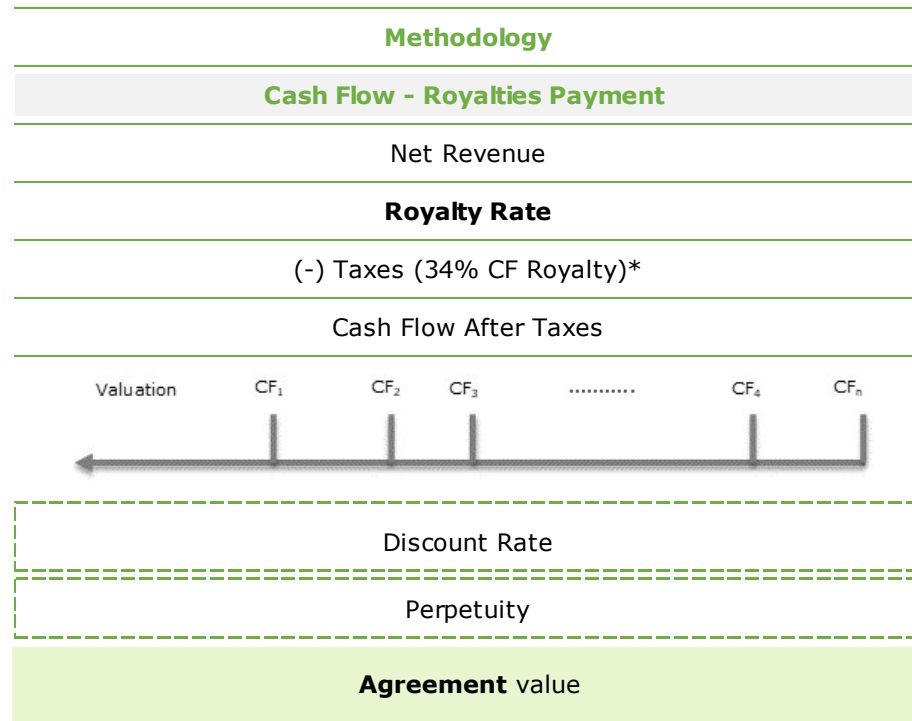
Methodology



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In estimating the value of the **Agreement**, the Income Approach was adopted, based on the discounted cash flow methodology.

The value of the **Agreement** was estimated considering the future cash flows related to royalties payments at present value, based on the clauses established in the **Agreement**.



*Respecting the tax deductibility limit.



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Documents Received



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Documents Received

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During the valuation process, we based our estimates on documents and information, which, for the most part, were provided by **Klabin's** Management. The documents and information used were not audited and include, but are not limited to the following:

- **Company's** financial information of the Quarterly Information Release of September 2018;
- Historical revenue subject to payment of royalties per product line (corrugated paperboard and coated board) between 2016 and the base date;
- Historical sales volume per product line between 2016 and the base date;
- Average sales price per product line between 2016 and the base date;
- **Klabin** projection from 2019 to 2024 (budget and long-term business plan), containing sales revenue, indirect taxes, fixed and variable costs, operating expenses, EBITDA, depreciation and financial result, approved by the **Company's** Management;
- Revenue projection per product line related to the **Agreement**, and subject to the payment of royalties in accordance with the referred **Agreement** for the periods from 2019 to 2024;
- **Klabin** Management's outlook for the performance of long-term revenue lines related to the **Agreement** (from 2024 on), considering the **Company's** strategy and **Klabin** Management's expectations on the market dynamics of coated boards and corrugated paperboard in the future;
- **Klabin's** tax deductibility limit for royalties expenses equivalent to 1.0%, in accordance to Portaria MF Nº 436/58, as informed by **Klabin's** Management;
- Assumptions used in **Klabin's** long-term business plan, including volume and price assumptions for the explicit period and perpetuity;
- Agreement, Amendments to the Agreement and minutes of the meeting of **Klabin's** Board of Directors, containing information on the royalty rate applied between the **Company** and **Sogemar**, contractual term and periodicity of payments, being:
 - Private Instrument of License Agreement for Use of Brands, named in Portuguese as "*Instru mento Particular de Contrato de Licença Para Uso de Marca*", dated May 1st, 2000;
 - Agreement Addendum to the Instrument of Private License Agreement for Use of Brands, named in Portuguese as "*Aditamento ao Instru mento Particular de Contrato de Licença Para Uso de Marca*", dated April 24th, 2002;
 - Agreement for Participation in Compensation for License Use of the Brands, named in Portuguese as "*Acordo de Participação e remuneração por Licença de Uso da Marca*", dated September 1st, 2000; and
 - Agreement Addendum to the Participation in Compensation for License Use of the Brands, named in Portuguese as "*Aditamento ao Acordo de Participação e remuneração por Licença de Uso da Marca*", dated April 24th, 2002.

Documents Received

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- The "Klabin" brand, related to the corrugated paper board will be transferred by **KIC** to **Sogemar** on a subsequent date to the base data, in the context of a corporate reorganization that will precede the execution of the **Transaction**. The effects of such transfer will be subject to the approval of the **Transaction** by the **Company's** at shareholder's Extraordinary General Meeting;
- Composition of the **Company's** debt as of December, 2018, in line with the non audited prior information on related to the financial statements of the period ended December 31st, 2018;
- Macroeconomic data used in the projections prepared by **Klabin's** Management regarding the period from 2019 to 2024, based on the Focus report published by BACEN;
- Consultation to the **Company's** website;
- Deloitte's data base and other public information; and
- Macroeconomic's projections indicators of the Central Bank of Brazil - BACEN and Economist Intelligence Unit (EIU).

In addition, discussions were held with **Klabin's** Management, seeking information that would improve the understanding of the contractual clauses related to the payment of royalties, as well to discuss the main assumptions and considerations that were used in the analysis and in the value estimate.



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Assumptions and Projections



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Assumptions and Projections

General Assumptions

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The main assumptions and considerations that led our estimation were provided by **Klabin's** Management, which were discussed and analyzed and are described as follows:

- Valuation base date: December 31st 2018.
- The projections are presented in nominal terms and in millions of Reais (R\$ million), except when otherwise mentioned.
- The adopted projection period was between January 2019 and December 2024. Considering that the **Agreement** has an indefinite term, the residual value was calculated based on the perpetuity of the last royalties payment projection period.
- The perpetuity growth was estimated at 4.72% p.a., in nominal terms, equivalent to the weighted average of the estimated growth for the product lines, being:
 - (i) Corrugated Paperboard volume: According to **Company's** Management, the demand for corrugated paperboard is correlated to the domestic economic activity and, therefore, a perpetuity growth (after 2024) equivalent to the expectation of GDP was considered in the long term.
 - (ii) Coated boards volume: no growth in perpetuity was considered, as **Klabin** reaches its current production capacity during the projections and no new investments are foreseen.

- (iii) Selling Price: prices were projected based on **Klabin's** Management long-term expectation, considering: (i) the average proportion of price adjustment relative to the projected inflation for prices in Reais; and (ii) projected CPI adjustments (US inflation) to Dollar prices.
- Royalty rate of 1.3657% equivalent to the rate currently practiced between the parties, according to the **Agreement**.
- Income tax and social contribution rate of 34%. According to MF 436/58, the maximum percentage for tax deduction of royalties for the exploitation of brands and patents in this business segment is of 1%, considering the actual Profit regime.
- Revenue projection subject to royalties payments according to the expectations of **Klabin's** Management regarding the evolution of the volume and price of the products related to the **Agreement**.
- Nominal discount rate of 11.39% p.a., based on the WACC calculated by Deloitte with market parameters for **Klabin** (see Attachment I).
- The macroeconomic data used in the projections are presented as follows:

Macroeconomic Assumptions	2018	2019	2020	2021	2022	2023	2024
IPCA (Brazilian Inflation)	3.9%	4.1%	4.0%	3.8%	3.8%	3.8%	3.8%
CPI U.S.	2.6%	2.4%	1.6%	1.8%	1.7%	1.7%	1.7%
PIB Real	1.4%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Exchange Rate - BRL/USD	3.67	3.76	3.74	3.80	3.87	3.95	4.03

Source: BACEN Expectations System and EIU.

Assumptions and Projections

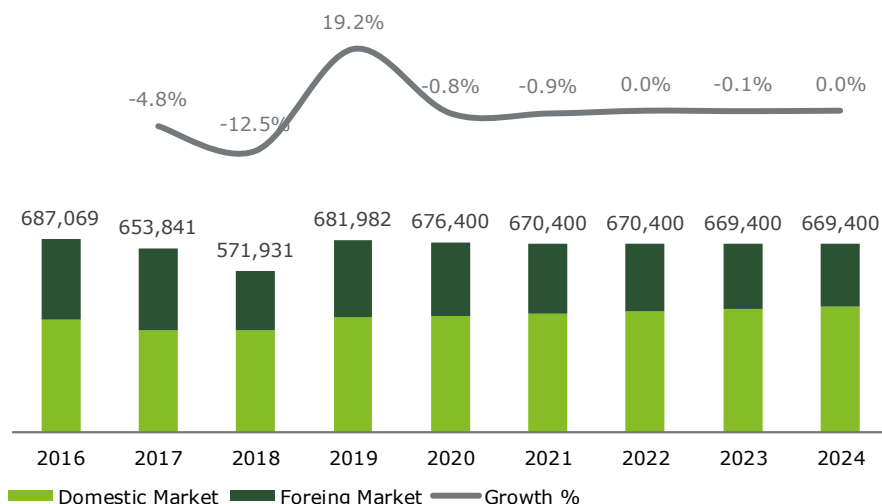
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Coated Boards

Sales volume subject to royalties

- The projected volume was based on **Klabin's** Management expected growth for this product line, the expected dynamics of the packaging market and the current nominal installed capacity (700 thousand tons/year for both foreign and domestic market).

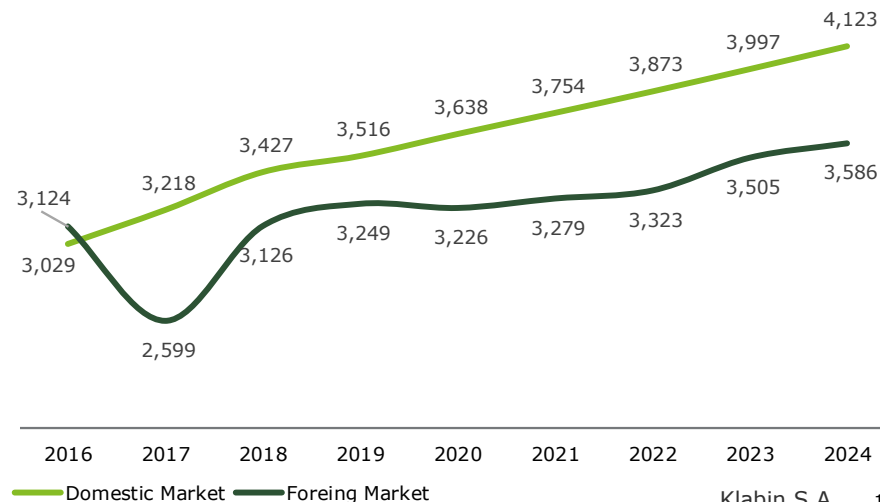
Coated Boards Volume subject to royalties (ton)



Net Price of Coated Boards revenues subject to royalties

- The prices were projected based on the Business Plan of **Klabin's** Management, considering the distribution of volumes between the domestic market and the foreign market, the commercial effort to improve the mix of customers and expectations of increased supply, given the planned investments of other players.
- Domestic market prices reflect the expectations of **Klabin's** Management, considering its customer profile and historical price adjustment in relation to inflation.
- Foreign market prices were projected based on the USD price, the projected exchange rate and the focusing of volume for the domestic market in the long term.

Net Price of Coated Boards revenues subject to royalties (R\$/ton)



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Assumptions and Projections

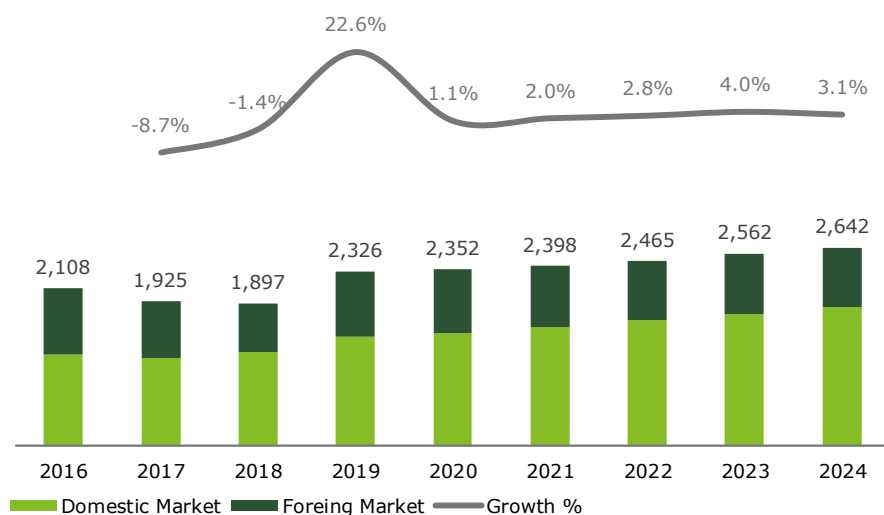
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Coated Boards (cont.)

Net Revenue subject to royalties

- Considering the volume and price assumptions, the projected Net Revenue of Coated Boards subject to royalties is as follow:

Coated Boards net revenue subject to royalties (R\$ million)

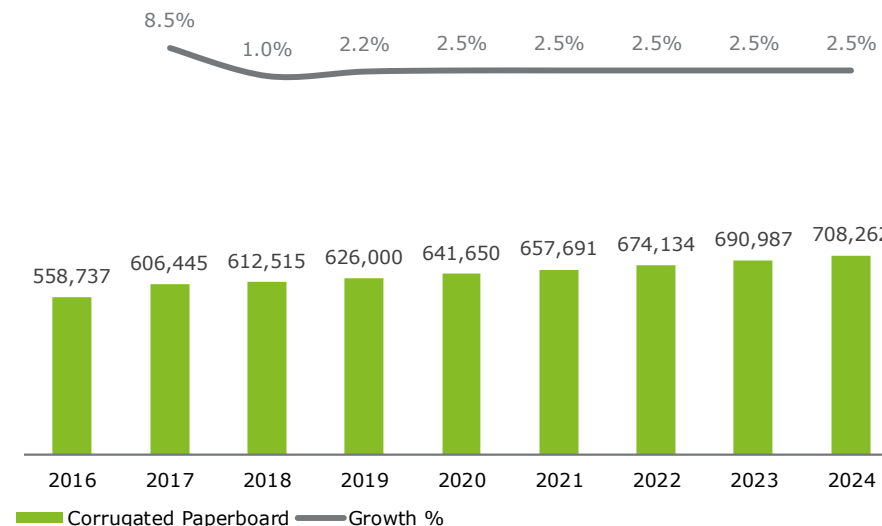


Corrugated Paperboard

Volume subject to royalties

- The volume was projected considering the expected increase in economic activity in the long term, in line with Klabin's Management expectation growth for this product line between 2019 and 2024.

Corrugated Paperboard Volume subject to royalties (ton)



Assumptions and Projections

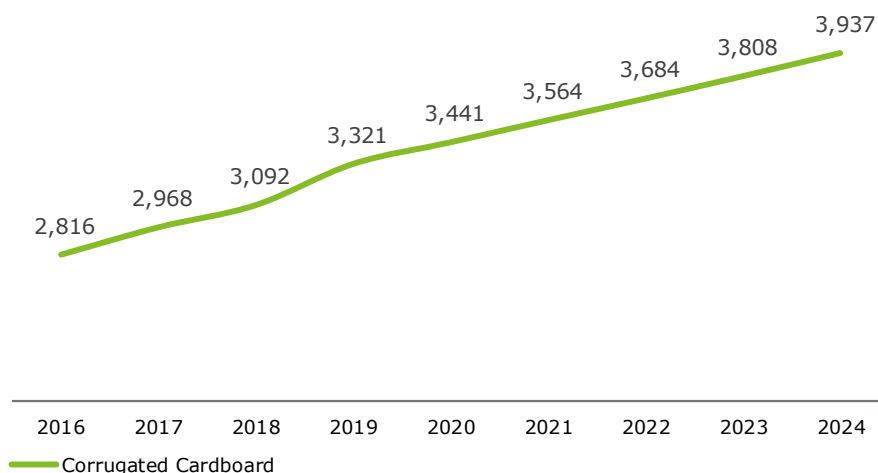
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Corrugated Paperboard (cont.)

Net Price subject to royalties

- **Klabin** has been making commercial efforts to improve its customer mix and to rebalance the prices adjusted on in previous years, which results are reflected in the prices practiced in 2017 and 2018 and projected for 2019.
- According to **Klabin's** Management, the expectation of future price adjustments of Corrugated Paperboard in the long term reflects the average historical adjustments of 90.1% over the expected inflation (IPCA) up to 2024.

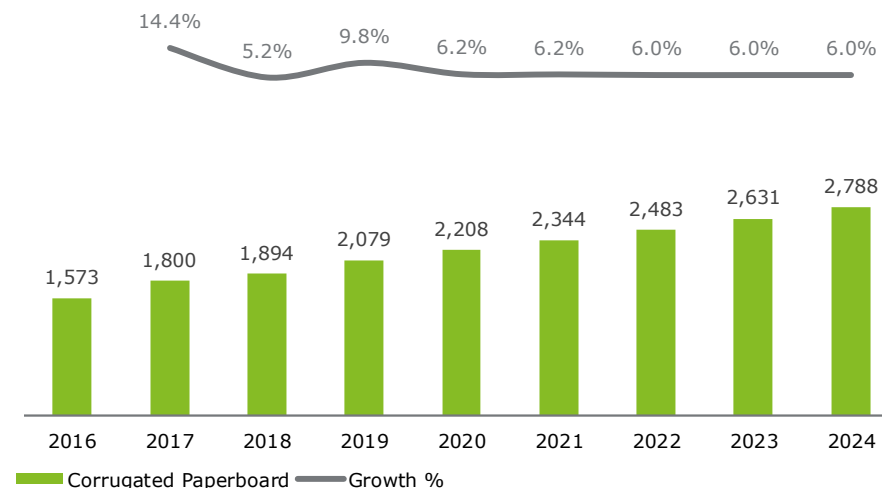
Net Price of Corrugated Paperboard subject to royalties (R\$/ton)



Net Revenue subject to royalties

- Considering the volume and price assumptions, the projected Net Revenue of Corrugated Cardboard subject to royalties is as follows:

Corrugated Paperboard Net Revenue subject to royalties (R\$ million)



Assumptions and Projections

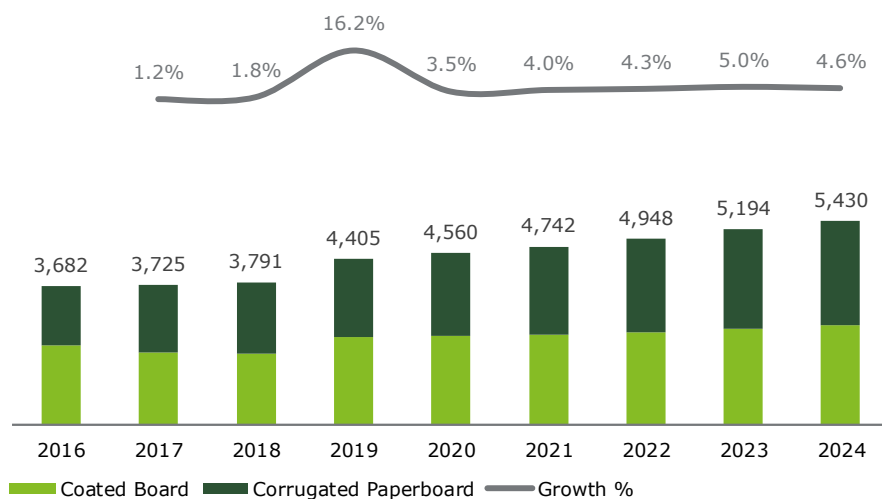
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Consolidated

Net Revenue Subject to Royalties Payment

- The projected Net Revenue related to the **Agreement** is as follows:

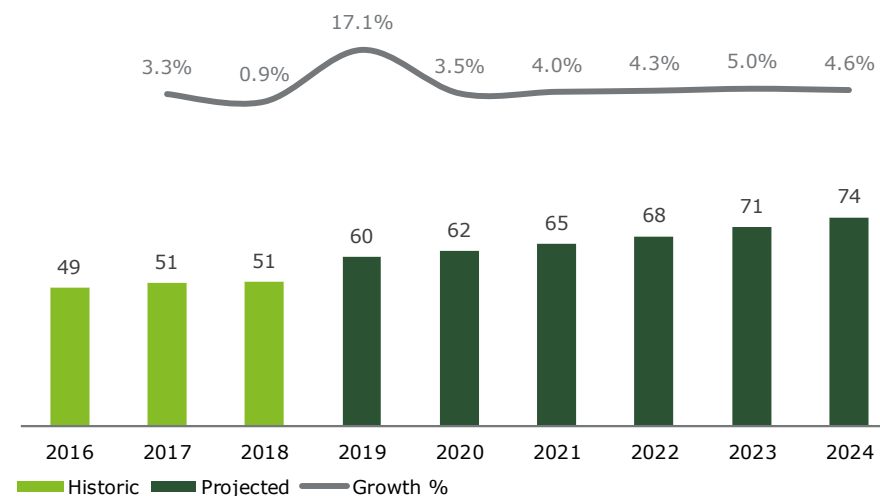
Consolidated Net Revenue subject to royalties (R\$ million)



Royalties Cash Flow

- The income tax and social contribution tax rate of 34% was applied on the royalties flow, considering that royalties expenses (limited to 1%) are deductible for tax purposes, according to Portaria MF No. 436/58.
- Considering the assumptions aforementioned for revenue projection and the royalty rate of 1.3657%, the projected royalty cash flow is as follows:

Royalties Cash Flow (R\$ million)





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Results



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Results

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Agreement Value

Based on the scope of our analysis, researches, methodology applied, considerations and assumptions adopted and information discussed with **Klabin's** Management during the execution of our work, we estimate that the value of the **Agreement**, as of December 31st of 2018, is of R\$ 702 million (seven hundred and two million Reais), as follows:

(R\$ million)

Valuation Result

Royalties Cash Flow at Present Value (2019 - 2024)	218
(+) Perpetuity	483
Agreement Value	702

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Attachments



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Attachments

Attachment I – Discount Rate



Discount Rate

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For the valuation of the **Agreement**, the discount rate calculated for **Klabin** was adopted, considering that the risk associated with the **Agreement** reflects the **Company's** operational risk, since the revenue related to the **Agreement** has historically represented approximately 40% of **Klabin's** revenues.

Discount Rate

$$\text{WACC}^1 = K_e(E/(E+D)) + K_d(1-\text{tax})(D/(D+E))$$

$$\text{CAPM}^2 = R_f + \beta(\text{ERP}) + \text{CRP} + \text{SP}$$

Risk Free Rate (Rf)	2.84% (a)
Equity Risk Premium (ERP)	6.94% (b)
Beta β	0.81 (c)
Country Risk Premium (CRP)	2.27% (d)
Size Premium (SP)	1.02% (e)
Real Cost of Equity (Ke)	11.78%
CPI (US Inflation)	1.97% (f)
Brazilian Inflation	3.75% (g)
Nominal Cost of Equity (CAPM) - R\$	13.73%
% Equity (E)	71.6% (h)
Nominal Cost of Debt (gross)	8.33%
Tax Rate	34.0%
Nominal Cost of Debt (Kd)	5.50% (i)
% Debt (D)	28.4% (h)
Nominal WACC - adopted discount factor	11.39%
Real WACC - discount rate for reference	7.36%

¹Weighted Average Cost of Capital

²Capital Asset Pricing Model

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Notas:

- Represents the return required by investors for investing in securities that are, conceptually, risk-free. In this case, the arithmetic average return obtained over the last 24 months from U.S. T-Bonds – 20 years was adopted as the risk-free rate. Source: Deloitte's analysis.
- Represents the return in excess of the risk-free rate that an investor would demand for investing in the capital market (Equity Risk Premium) due to the risks involved. The average premium offered by the shares (appreciation and dividend payouts) of large U.S. corporations since 1926 was adopted. Source: Morningstar (ex-Ibbotson Associates).
- Represents the risk associated with the company or industry under consideration. In calculating Beta, the average unlevered Beta of companies engaged in the same industry as the **Company** was used, based on their individual capital structure and income tax rate. Source: Deloitte's analysis.
- Represents the additional premium required by an institutional investor for investing in Brazil (Country Risk Premium). In this case, the arithmetic average spread between U.S. and Brazilian Government bonds with similar terms to maturity over the last 12 months was adopted. Source: Deloitte's analysis.
- Represents the additional premium required by an institutional investor depending on the size of the Target in question (company-size premium). The average premium observed for the shares (appreciation and dividend payouts) of micro U.S. companies since 1926 was adopted. Source: Morningstar (ex-Ibbotson Associates).

Discount Rate

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- f. Represents the U.S. long-term annual inflation rate, calculated in accordance with the inflation forecasts included in U.S. T-Bonds – 20 years, whose yield is related to CPI (Consumer Price Index) variations. Source: The Economist Intelligence Unit.
- g. Brazilian inflation rate projected for the long term, according to the expectations of the Central Bank of Brazil.
- h. For the calculation of the financial leverage, a arithmetic average of the debt/equity ratio was considered for a sample of comparable companies in the same segment of **Klabin**. Source: Deloitte analyzes.
- i. The nominal cost of debt was estimated based on **Klabin's** funding cost (5.5% p.a.), net of tax benefits. Source: Deloitte's analysis

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Attachments

Attachments II – Royalties Cash Flow Projections



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Royalties Cash Flow Projections

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(R\$ million)

Klabin S.A.

Brand License Agreement Value

Base data: December 31st, 2018

	2019	2020	2021	2022	2023	2024	Perpetuity
Net Revenue for Royalties Calculation	4,405	4,560	4,742	4,948	5,194	5,430	5,687
Coated Board (DM)	1,445	1,500	1,580	1,667	1,756	1,854	1,912
Coated Board (FM)	880	852	818	797	806	788	818
Corrugated Paperboard	2,079	2,208	2,344	2,483	2,631	2,788	2,956
Royalties Cash Flow	60	62	65	68	71	74	78
Royalties Rate (% on Net Revenue)	1.3657%	1.3657%	1.3657%	1.3657%	1.3657%	1.3657%	1.3657%
Deductible Royalties	44	46	47	49	52	54	57
% Net Revenue	1%	1%	1%	1%	1%	1%	1%
Income Tax and Social Contribution	(15)	(15)	(16)	(17)	(18)	(18)	(19)
% IR/CSLL	34%	34%	34%	34%	34%	34%	34%
Royalties Cash Flow After Taxes	45.2	46.8	48.7	50.8	53.3	55.7	58.4
Discount Factor	0.9475	0.8506	0.7636	0.6855	0.6154	0.5525	0.5525
Discounted Royalties Cash Flow	42.8	39.8	37.2	34.8	32.8	30.8	32.2
Royalties Cash Flow at Present Value (2009 - 2024)	218						
Perpetuity	483						
Agreement Value	702						

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