

Copperstone Resources

Materials
Sweden

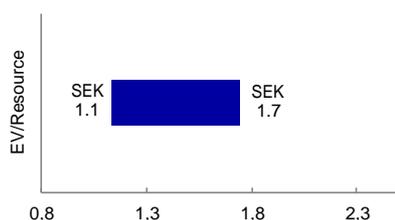
KEY DATA

| | |
|---------------------|--------------------|
| Stock country | Sweden |
| Bloomberg | COPPB.SS |
| Reuters | COPPB.ST |
| Share price (close) | SEK 0.41 |
| Free Float | 100% |
| Market cap. (bn) | EUR 0.01/SEK 0.10 |
| Website | www.copperstone.se |
| Next report date | |

PERFORMANCE



VALUATION APPROACH, SEK PER SHARE



Source: Nordea estimates

ESTIMATE CHANGES

| Year | 2019E | 2020E | 2021E |
|------------|-------|-------|-------|
| Sales | 0% | 0% | 0% |
| EBIT (adj) | 0% | 0% | 0% |

Source: Nordea estimates

Nordea Markets - Analysts

Christian Kopfer
Chief Analyst, Sector Coordinator

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Analyst

Drilling permit pending, rights issue completed

In Q2 2019, Copperstone reported a net loss before taxes of SEK ~4.7m and a cash position of SEK ~6.5m. The company signed an agreement with Kati Oy to diamond drill 8,000 metres at the Viscaria property, and the work permit application is pending. Although the near-term financial impact is somewhat uncertain, we view this development as encouraging and a step in the right direction.

Strong growth of copper resources

Copperstone reported a pre-tax loss of SEK ~4.7m for Q2 (SEK 6.6m profit in Q2 2018), which was roughly in line with what we expected. Cash flow from operations was about SEK -6m and the cash balance SEK ~6.5m (SEK ~7.8m in Q2 2018). The burn run-rate is around SEK 0.8m per month, according to the company, and management is confident of continuously securing working capital for its ongoing operations, for the coming 12 months and beyond. The resources increased organically by 132% y/y and 535% structurally, driven by the Viscaria acquisition which we view as a project with high potential.

Share divestment and rights issue strengthen the balance sheet

During the second quarter, Copperstone's rights issue was fully subscribed, improving the financial position by SEK 24m, adding further financial headroom. The company also strengthened its balance sheet by divesting its shares in Nordic Iron Ore (NIO) for SEK 4.5m. Copperstone will retain its convertible of SEK 7.1m with annual interest of 5.5% for the period June 2018-June 2020. Furthermore, it has signed an agreement with Kati Oy to diamond drill 8,000 metres at Viscaria in Kiruna, Sweden. The work permit application and the exploration permits associated with the project are pending. If the work permit is approved, Copperstone will pursue its first drilling campaign on the Viscaria property. Management confirms its prospects of a successful mine reopening. In addition, management foresees mine planning as well as new discoveries during the next 18-24 months.

We lower our fair value range slightly

We trim our fair equity value range to SEK 1.1-1.7 (1.2-1.9) per share to account for a slight valuation rerating of the peer group on the back of more challenging market sentiment that has brought multiples down for junior mining companies.

SUMMARY TABLE - KEY FIGURES

| SEKm | 2015 | 2016 | 2017 | 2018 | 2019E | 2020E | 2021E |
|--------------------------|-------|---------|--------|-------|---------|-------|-------|
| Total revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EBITDA (adj) | -1 | -7 | -8 | -5 | -4 | -3 | -1 |
| EBIT (adj) | -2 | -9 | -8 | -5 | -4 | -3 | -1 |
| EBIT (adj) margin | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| EPS (adj) | -0.03 | -0.08 | -0.03 | 0.00 | -0.02 | -0.01 | -0.01 |
| EPS (adj) growth | 88.5% | -170.2% | 59.9% | 94.7% | -812.1% | 25.8% | 35.8% |
| DPS (ord) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| EV/Sales | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| EV/EBIT (adj) | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| P/E (adj) | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| P/BV | 1.9 | 2.5 | 4.0 | 2.9 | 1.4 | 1.1 | 0.9 |
| Dividend yield (ord) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| FCF Yield bef A&D, lease | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Net debt | 2 | 7 | -19 | 6 | 3 | 2 | 3 |
| Net debt/EBITDA | -1.9 | -1.0 | 2.5 | -1.2 | -0.7 | -0.8 | -2.3 |
| ROIC after tax | -6.8% | -32.2% | -20.2% | -9.1% | -5.4% | -3.1% | -1.0% |

Source: Company data and Nordea estimates

Valuation

We base our fair value range on a probability-weighted relative valuation approach, applying an EV/resource multiple supported by its junior prospecting peers. With the relative valuation approach, we derive a fair value range of SEK 1.1-1.7 (1.2-1.9) per share. We trim the equity value range to account for the more challenging market sentiment that has brought multiples down significantly for junior mining companies.

Viscaria is located close to other known Cu porphyries including Aitik

Copperstone has estimated a tonnage for Viscaria of ~50 million tonnes at a CuEq of 1.2%, which implies a contained metal range of 0.6-0.8 million tonnes. We employ a somewhat lower EV/resource multiple of USD 55/t (USD 60/t in Q1) to account for lasting headwinds from weakening markets that have put pressure on junior mining companies. The multiple valuation implies a range of SEK 194-491m. In our valuation approach below, we use the mid-range value of SEK 324m, which implies a premium to the peer group.

Viscaria is located close to other known Cu porphyries including Aitik, which is the largest Cu-Au open pit mine in Europe with proven resources of 823 million tonnes at 0.23% Cu and 0.15 g/t Au.

We consider an EV/resource multiple of USD 40/t (USD 45/t in Q1) appropriate for Granliden and Svartliden, implying a sizeable premium to the peer group. We apply a multiple of zero for EVA and Copperstone's other properties.

We argue that valuation slightly above the peer group is justified by Copperstone's low political risk, proximity to existing mines (the Boliden area), and favourable royalties and taxation compared with some peers operating in Argentina and Chile, etc. When examining the peer group multiples, we find a clear correlation between exploration maturity and a higher multiple.

When it comes to Copperstone's EVA and 'Other operations', we take a defensive position and pencil in a zero value owing to early-phase exploration properties and as we believe the estimated tonnage volumes currently are too low for commercial production. Nevertheless, we would consider positive drilling results as offering upside to our estimates, which could lead us to ascribe value to this property.

Based on our low/base/high scenarios for Copperstone excluding probability weighting, we derive a fair value range of between SEK 0.9 and SEK 2.6 per share. The low case reflects the risk of not finding enough minerals to proceed to the production phase.

- In our prudent approach, we apply 60% probability to the low scenario materialising, 30% to the base scenario and 10% to the high scenario; accordingly, we derive a fair value of SEK 1.1 per share.
- In our best guess scenario, we apply 10% probability to the low scenario, 60% to the base scenario and 30% to the high scenario, thereby deriving a fair value of SEK 1.6 per share.
- In our optimistic scenario, we apply a 5% weight to the low scenario, 55% to the base scenario and 40% to the high scenario, thereby reaching a fair value of SEK 1.7 per share.

COPPERSTONE: RESOURCES VALUATION APPROACH

| SOTP | Tonnage, Mt | | | CuEq (%) | Contained metal, Cu, Mt | | | EV/Resour USD/t | EV, SEKm | | | Value per share, SEK | | |
|--|----------------|------------|-----------------|--------------|----------------------------|-------------|------------|-----------------|------------|-------------|-------------------|----------------------|-------------|-------------|
| | Low | Base | High | | Low | Base | High | | Low | Base | High | Low | Base | High |
| Granliden | 16,9 | 50 | 180 | 0,5% | 0,1 | 0,3 | 0,9 | 40 | 33,2 | 98 | 354 | 0,1 | 0,2 | 0,9 |
| Svartliden | 9,4 | 30 | 150 | 0,5% | 0,0 | 0,2 | 0,8 | 40 | 18,5 | 59 | 295 | 0,0 | 0,1 | 0,7 |
| EVA | 5,0 | 5,0 | 8,0 | 0,2% | 0,0 | 0,0 | 0,0 | 0 | 0,0 | 0,00 | 0,0 | 0,0 | 0,0 | 0,0 |
| Viscaria | 52,4 | 60,0 | 70,0 | 1,2% | 0,6 | 0,7 | 0,8 | 55 | 340 | 389 | 454 | 0,8 | 0,9 | 1,1 |
| Other | 0,0 | 0,0 | 0,0 | 0,1% | 0,0 | 0,0 | 0,0 | 0 | 0,0 | 0,00 | 0,0 | 0,0 | 0,0 | 0,0 |
| Total | 84 | 145 | 408 | 0,41% | 0,8 | 1,13 | 2,5 | 22 | 391 | 546 | 1102 | 0,9 | 1,3 | 2,6 |
| Acquisition cost | | | | | | | | | | | | | | 0,0 |
| Net Debt 2019E | | | | | | | | | | | 36 | | | 0,1 |
| Minorities | | | | | | | | | | | 0 | | | 0,0 |
| Total EV | | | | | | | | | 355 | 510 | 1066 | 0,85 | 1,23 | 2,56 |
| Total shares outstanding, millions | | | | | | | | | | | | | | 416 |
| Current shareprice, SEK | | | | | | | | | | | | | | 0,4 |
| Upside to shareprice, (%) | | | | | | | | | | | | 114% | 207% | 541% |
| Peer multiples | Mineralisation | Metal | Location | EV USDm | Contained metal, Cu Tonnes | | | Exposure (%) | | | EV/Resource USD/t | | | |
| | | | | | M&I | Inferred | Total | M&I | Inferred | Total | | | | |
| SoiGold | Porphyry | Cu, Au | Ecuador | 491 | 12,3 | 3,2 | 15,5 | 80% | 20% | 100% | 32 | | | |
| Filo Mining | Porphyry | Cu, Au, Ag | Chile/Argentina | 147 | 1,8 | 0,7 | 2,5 | 71% | 29% | 100% | 58 | | | |
| Regulus Resources | Porphyry | Cu, Au | Peru, US etc | 90 | 1,9 | 1,8 | 3,6 | 51% | 49% | 100% | 25 | | | |
| Western Copp and Gold | Porphyry | Cu, Au, Ag | Canada | 66 | 5,5 | 6,4 | 11,9 | 47% | 53% | 100% | 6 | | | |
| Xanadu Mines | Porphyry | Cu, Au | Mongolia | 23 | 0,7 | 0,7 | 1,4 | 50% | 50% | 100% | 17 | | | |
| Cordoba Mines | Porphyry | Cu, Au | Colombia | 12 | 0,3 | 0,2 | 0,5 | 56% | 44% | 100% | 25 | | | |
| Kaizen Discovery | Porphyry | Cu, Au | Peru | 12 | 0,3 | 0,2 | 0,5 | 54% | 46% | 100% | 24 | | | |
| Median | | | | 66 | 1,8 | 0,7 | 2,5 | 54% | 46% | 100% | 25 | | | |
| Average | | | | 120 | 3,2 | 1,9 | 5,1 | 58% | 42% | 100% | 27 | | | |
| Implied discount/premium, median | | (%) | | | | | | | | | | | | |
| Granliden | | 61% | | | | | | | | | | | | |
| Svartliden | | 61% | | | | | | | | | | | | |
| Implied discount/premium, average | | (%) | | | | | | | | | | | | |
| Granliden | | 50% | | | | | | | | | | | | |
| Svartliden | | 50% | | | | | | | | | | | | |

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

| SEKm | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019E | 2020E | 2021E |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|
| Net revenue | 6 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revenue growth | -35.5% | -86.5% | -17.1% | 4.7% | -87.2% | 5.8% | -87.9% | -100.0% | n.a. | n.a. | n.a. |
| of which organic | n.a. | n.a. | n.a. | n.a. | n.a. |
| of which FX | n.a. | n.a. | n.a. | n.a. | n.a. |
| EBITDA | -4 | -7 | -8 | -7 | -1 | -7 | -8 | -5 | -4 | -3 | -1 |
| Depreciation and impairments PPE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| of which leased assets | n.a. | n.a. | n.a. | n.a. | n.a. |
| EBITA | -4 | -7 | -8 | -7 | -1 | -7 | -8 | -5 | -4 | -3 | -1 |
| Amortisation and impairments | -1 | -4 | -2 | -9 | 0 | -3 | -1 | 0 | 0 | 0 | 0 |
| EBIT | -4 | -11 | -11 | -16 | -2 | -9 | -8 | -5 | -4 | -3 | -1 |
| of which associates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Associates excluded from EBIT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net financials | 0 | 0 | 0 | 0 | 0 | -4 | 0 | 5 | 0 | -1 | -1 |
| of which lease interest | n.a. | n.a. | n.a. | n.a. | n.a. |
| Changes in value, net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pre-tax profit | -4 | -11 | -11 | -16 | -2 | -14 | -8 | 0 | -4 | -3 | -2 |
| Reported taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net profit from continued operations | -4 | -11 | -11 | -16 | -2 | -14 | -8 | 0 | -4 | -3 | -2 |
| Discontinued operations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Minority interests | -2 | -3 | 0 | 6 | -1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net profit to equity | -6 | -14 | -11 | -10 | -3 | -14 | -8 | 0 | -4 | -3 | -2 |
| EPS | -0.86 | -0.81 | -0.42 | -0.26 | -0.03 | -0.08 | -0.03 | 0.00 | -0.02 | -0.01 | -0.01 |
| DPS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| of which ordinary | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| of which extraordinary | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Profit margin in percent

| | | | | | | | | | | | |
|--------|--------|---------|------|------|------|------|------|------|------|------|------|
| EBITDA | -62.5% | -889.8% | n.m. |
| EBITA | -62.5% | -889.8% | n.m. |
| EBIT | -73.2% | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |

Adjusted earnings

| | | | | | | | | | | | |
|--------------|-------|-------|-------|-------|-------|-------|-------|------|-------|-------|-------|
| EBITDA (adj) | -4 | -7 | -8 | -7 | -1 | -7 | -8 | -5 | -4 | -3 | -1 |
| EBITA (adj) | -4 | -7 | -8 | -7 | -1 | -7 | -8 | -5 | -4 | -3 | -1 |
| EBIT (adj) | -4 | -11 | -11 | -16 | -2 | -9 | -8 | -5 | -4 | -3 | -1 |
| EPS (adj) | -0.86 | -0.81 | -0.42 | -0.26 | -0.03 | -0.08 | -0.03 | 0.00 | -0.02 | -0.01 | -0.01 |

Adjusted profit margins in percent

| | | | | | | | | | | | |
|--------------|--------|---------|------|------|------|------|------|------|------|------|------|
| EBITDA (adj) | -62.5% | -889.8% | n.m. |
| EBITA (adj) | -62.5% | -889.8% | n.m. |
| EBIT (adj) | -73.2% | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |

Performance metrics

| | | | | | | | | | | | |
|-----------------------|------|------|------|------|--------|--------|--------|------|------|------|------|
| CAGR last 5 years | | | | | | | | | | | |
| Net revenue | n.a. | n.a. | n.a. | n.a. | -60.4% | -56.3% | -57.3% | n.m. | n.m. | n.m. | n.m. |
| EBITDA | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| EBIT | n.a. | n.a. | n.a. | n.a. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| EPS | n.a. | n.a. | n.a. | n.a. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| DPS | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| Average last 5 years | | | | | | | | | | | |
| Average EBIT margin | n.a. | n.a. | n.a. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| Average EBITDA margin | n.a. | n.a. | n.a. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |

VALUATION RATIOS - ADJUSTED EARNINGS

| SEKm | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019E | 2020E | 2021E |
|-----------------|------|------|------|------|------|------|------|------|-------|-------|-------|
| P/E (adj) | n.m. | n.m. | n.m. |
| EV/EBITDA (adj) | n.m. | n.m. | n.m. |
| EV/EBITA (adj) | n.m. | n.m. | n.m. |
| EV/EBIT (adj) | n.m. | n.m. | n.m. |

VALUATION RATIOS - REPORTED EARNINGS

| SEKm | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019E | 2020E | 2021E |
|------------------------------|--------|---------|--------|--------|--------|--------|-------|--------|--------|--------|--------|
| P/E | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| EV/Sales | 1.77 | 10.20 | 12.14 | 15.17 | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| EV/EBITDA | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| EV/EBITA | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| EV/EBIT | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| Dividend yield (ord.) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| FCF yield | -51.2% | -151.0% | -49.0% | -96.5% | -23.6% | -23.6% | -8.9% | -14.2% | -12.8% | -23.2% | -24.2% |
| FCF Yield bef A&D, lease adj | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Payout ratio | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Source: Company data and Nordea estimates

BALANCE SHEET

| SEKm | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019E | 2020E | 2021E |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| Intangible assets | 12 | 12 | 12 | 3 | 22 | 27 | 39 | 59 | 81 | 105 | 131 |
| of which R&D | 12 | 12 | 12 | 3 | 22 | 27 | 39 | 59 | 81 | 105 | 131 |
| of which other intangibles | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| of which goodwill | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tangible assets | 1 | 1 | 2 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| of which leased assets | n.a. | n.a. | n.a. |
| Shares associates | 8 | 15 | 10 | 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest bearing assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred tax assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other non-IB non-current assets | 0 | 0 | 0 | 0 | 0 | 6 | 0 | 0 | 0 | 0 | 0 |
| Other non-current assets | 0 | 0 | 0 | 0 | 4 | 2 | 3 | 13 | 0 | 0 | 0 |
| Total non-current assets | 21 | 27 | 25 | 22 | 27 | 35 | 42 | 73 | 82 | 106 | 132 |
| Inventory | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accounts receivable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Short-term leased assets | n.a. | n.a. | n.a. |
| Other current assets | 1 | 1 | 2 | 5 | 1 | 1 | 8 | 1 | 0 | 0 | 0 |
| Cash and bank | 12 | 6 | 9 | 2 | 2 | 3 | 28 | 1 | 30 | 30 | 30 |
| Total current assets | 14 | 8 | 12 | 6 | 3 | 3 | 36 | 2 | 30 | 30 | 30 |
| Assets held for sale | 0 | 0 | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Total assets | 35 | 35 | 36 | 29 | 30 | 38 | 79 | 75 | 111 | 136 | 162 |
| Shareholders equity | 31 | 32 | 32 | 23 | 23 | 26 | 67 | 65 | 79 | 103 | 129 |
| Of which preferred stocks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Of which equity part of hybrid debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Minority interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Equity | 31 | 32 | 32 | 23 | 23 | 26 | 67 | 65 | 79 | 103 | 129 |
| Deferred tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Long term interest bearing debt | 0 | 0 | 1 | 1 | 4 | 3 | 4 | 5 | 33 | 33 | 33 |
| Pension provisions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other long-term provisions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other long-term liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-current lease debt | n.a. | n.a. | n.a. |
| Convertible debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shareholder debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hybrid debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total non-current liabilities | 0 | 0 | 1 | 1 | 4 | 3 | 4 | 5 | 33 | 33 | 33 |
| Short-term provisions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accounts payable | 1 | 1 | 1 | 0 | 1 | 1 | 1 | 0 | 0 | 0 | 0 |
| Current lease debt | n.a. | n.a. | n.a. |
| Other current liabilities | 3 | 2 | 2 | 3 | 1 | 1 | 1 | 1 | 0 | 0 | 0 |
| Short term interest bearing debt | 0 | 0 | 0 | 0 | 1 | 6 | 5 | 3 | 0 | 0 | 0 |
| Total current liabilities | 3 | 3 | 3 | 4 | 3 | 8 | 8 | 4 | 0 | 0 | 0 |
| Liabilities for assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total liabilities and equity | 35 | 35 | 36 | 29 | 30 | 38 | 79 | 75 | 111 | 136 | 162 |
| Balance sheet and debt metrics | | | | | | | | | | | |
| Net debt | -12 | -6 | -7 | 0 | 2 | 7 | -19 | 6 | 3 | 2 | 3 |
| of which lease debt | n.a. | n.a. | n.a. |
| Working capital | -2 | -1 | 0 | 1 | -2 | -2 | 6 | -1 | 0 | 0 | 0 |
| Invested capital | 19 | 26 | 25 | 23 | 26 | 33 | 48 | 72 | 82 | 106 | 132 |
| Capital employed | 31 | 32 | 34 | 25 | 27 | 30 | 71 | 71 | 111 | 136 | 162 |
| ROE | -22.6% | -44.2% | -33.2% | -35.8% | -13.3% | -55.1% | -16.9% | -0.7% | -6.0% | -3.7% | -1.9% |
| ROIC | -24.4% | -49.8% | -41.9% | -66.0% | -6.8% | -32.2% | -20.2% | -9.1% | -5.4% | -3.1% | -1.0% |
| ROCE | -13.3% | -35.0% | -31.6% | -64.1% | -6.2% | -31.7% | -11.5% | -7.7% | -3.7% | -2.1% | -0.7% |
| Net debt/EBITDA | 3.3 | 0.9 | 0.9 | 0.0 | -1.9 | -1.0 | 2.5 | -1.2 | -0.7 | -0.8 | -2.3 |
| Interest coverage | n.m. | 0.2 | n.m. | n.m. | -0.1 |
| Equity ratio | 89.5% | 91.2% | 88.3% | 81.6% | 77.2% | 69.1% | 85.3% | 87.6% | 70.6% | 76.0% | 79.8% |
| Net gearing | -38.2% | -18.4% | -22.9% | -1.3% | 10.5% | 25.5% | -28.5% | 9.5% | 3.9% | 2.3% | 2.1% |

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

| SEKm | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019E | 2020E | 2021E |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| EBITDA (adj) for associates | -4 | -7 | -8 | -7 | -1 | -7 | -8 | -5 | -4 | -3 | -1 |
| Paid taxes | -2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net financials | 0 | 0 | 0 | 0 | 0 | -4 | 0 | 5 | 0 | -1 | -1 |
| Change in provisions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Change in other LT non-IB | 0 | 0 | 0 | 0 | -4 | -4 | 5 | -10 | 13 | 0 | 0 |
| Cash flow to/from associates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends paid to minorities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other adj to reconcile to cash flow | -3 | 0 | 0 | 0 | -6 | 7 | -6 | 5 | 0 | 0 | 0 |
| Funds from operations (FFO) | -8 | -7 | -8 | -7 | -12 | -7 | -9 | -6 | 9 | -3 | -2 |
| Change in NWC | 1 | -1 | -1 | 0 | 3 | 5 | 0 | 0 | -1 | 0 | 0 |
| Cash flow from operations (CFO) | -7 | -7 | -10 | -7 | -9 | -2 | -9 | -6 | 8 | -3 | -2 |
| Capital expenditure | -5 | -13 | 2 | -3 | -2 | -14 | -15 | -21 | -22 | -24 | -26 |
| Free cash flow before A&D | -11 | -21 | -7 | -10 | -10 | -16 | -24 | -27 | -14 | -27 | -28 |
| Proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisitions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Free cash flow | -11 | -21 | -7 | -10 | -10 | -16 | -24 | -27 | -14 | -27 | -28 |
| Free cash flow bef A&D, lease adj | n.a. |
| Dividends paid | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Equity issues / buybacks | 20 | 15 | 11 | 1 | 8 | 17 | 49 | 0 | 17 | 28 | 28 |
| Net change in debt | 0 | 0 | 0 | 1 | 3 | 0 | 1 | 0 | 25 | 0 | 0 |
| Other financing adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other non-cash adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Change in cash | 9 | -6 | 3 | -8 | 0 | 1 | 26 | -27 | 28 | 1 | 0 |
| Cash flow metrics | | | | | | | | | | | |
| Capex/D&A | n.m. | n.m. | -88.8% | 33.0% | n.m. |
| Capex/Sales | 78.9% | n.m. |
| Key information | | | | | | | | | | | |
| Share price year end (/current) | 3 | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 |
| Market cap. | 22 | 14 | 15 | 10 | 44 | 66 | 269 | 190 | 111 | 117 | 117 |
| Enterprise value | 10 | 8 | 8 | 10 | 46 | 73 | 250 | 196 | 114 | 120 | 120 |
| Diluted no. of shares, year-end (m) | 6.4 | 11.8 | 36.4 | 38.7 | 100.9 | 169.8 | 242.4 | 263.6 | 273.6 | 288.6 | 288.6 |

Source: Company data and Nordea estimates

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