

Copperstone Resources

Materials
Sweden

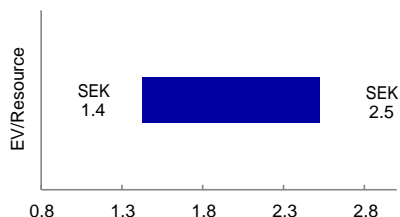
KEY DATA

Stock country	Sweden
Bloomberg	COPPB.SS
Reuters	COPPB.ST
Share price (close)	SEK 0.71
Free Float	100%
Market cap. (bn)	EUR 0.02/SEK 0.17
Website	www.copperstone.se
Next report date	

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2019E	2020E	2021E
Sales	n.a.	n.a.	n.a.
EBIT (adj)	18%	23%	40%

Source: Nordea estimates

Nordea Markets - Analysts

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The Viscaria acquisition emerge

Copperstone ended an eventful year with some solid figures reflecting management's focus on cost control, as operational expenses continuously decreased. It is also positive that the financing seems to be in place and therefore lowers the Viscaria acquisition risk. On the other hand, the soft resource update was somewhat disappointing, even though we raise our valuation range thanks to a less cautious valuation of Viscaria, which we previously valued at acquisition cost.

Operationally, an eventful Q4

Copperstone's Q4 figures were as expected, with an operating loss of SEK -1.4m. The result was a slight y/y improvement compared with SEK -2.5m in 2017 and was driven by good cost control where other external costs decreased y/y by ~ SEK 1.7m. Regarding the operational activities, the quarter was intensive with a sale and purchase agreement signed for the Viscaria copper project; both Copperstone and Sunstone shareholders voted in favour. In addition, Copperstone announced an exploration target potential of 150-200m tonnes of ore at a grade of 0.25-0.45%, for the Granliden area of the project. However, the inferred resources in both the Granliden and Svartliden areas amount to 26m tonnes at a grade of 0.43%. The resource update was fairly soft as both the inferred resources of 26m tonnes as well as the target, was well below our base estimates of 120m in Granliden and 80m in Svartliden.

The financing is in place

The financing risk related to the acquisition of the Viscaria project was dramatically reduced due to the announced financing update. Copperstone has signed a five-year SEK 25m credit facility, and a non-binding term sheet regarding a convertible debt facility of SEK 100m has been signed. As we expect the Viscaria acquisition to be closed during March, we are now incorporating it into our valuation via a multiple valuation approach. Our increased valuation of Viscaria offsets the lowering of the mid and high resource assumption range of Granliden and Svartliden. Looking further ahead, after the closing and with more information coming to hand, we find a DCF-valuation appropriate for Viscaria.

Valuation

We lower our base and high range resource assumptions for both Granliden and Svartliden while we increase our EV/resource multiple for Viscaria in order to close the valuation gap to peers such as Nevsun and SolGold. We thus take up our fair equity value range to SEK 1.4-2.5 (1.2-2.1).

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	2.5	2.0	1.6
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef acq & disp	-23.6%	-23.6%	-8.9%	-14.2%	-7.4%	-13.3%	-13.9%
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 based on an EV/resource multiple supported by our junior prospecting peers. Based on the relative valuation approach, we derive a fair value range of SEK 1.4-2.5 per share.

Viscaria is located close to other known Cu porphyries including Aitik

Viscaria fully included in the valuation

Copperstone has estimated a tonnage for Viscaria of ~50 million tonnes at a CuEq of 1.2%, which implies a contained metal range of 0.4-0.9 million tonnes. We consider an EV/resource multiple of USD 70/t fair, implying a slight premium to the peer group multiples. The multiple valuation implies a value range of SEK 396-529m. In our valuation approach below, we use the mid-range value of SEK 454m (excluding the acquisition cost).

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. As Copperstone's acquisition of Viscaria has not yet closed, we have not taken into account any realisation of cost synergies at this time.

We consider an EV/resource multiple of USD 50/t appropriate for Granliden and Svartliden, in line with the peer group. We consider an EV/resource multiple of USD 50/t appropriate for Granliden and Svartliden, whereas we apply a multiple of zero for EVA and Copperstone's other properties. The USD 50/t multiple is in line with our peer group median. We argue that valuation in line with 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 the exploration maturity and a higher multiple. Nevsun Resources, which already has a mine operation up and running and mature exploration properties with low political risk, is rewarded with an EV/resource of USD 128/t, a premium versus the peer group of around 100%.

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 result in ascribing value to this property.

Excluding probability weighting, we derive a fair value range between SEK 1.7 and SEK 4.8 per share

Based on our low/base/high scenarios for Copperstone excluding probability weighting, we derive a fair value range between SEK 1.7 and SEK 4.8 per share. The low case reflects the risk of not finding enough minerals to proceed to the production phase.

- In our low scenario, 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 1.4 per share.
- In our base 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 2.2 per share.
- In our high 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 2.5 per share.

COPPERSTONE: SOTP VALUATION

SOTP	Tonnage, Mt			CuEq (%)	Contained metal, Cu, Mt			EV/Resou 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	50	38.1	113	405	0.1	0.4	1.5
Svartliden	9.4	30	150	0.5%	0.0	0.2	0.8	50	21.2	68	338	0.1	0.3	1.3
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	70	396	454	529	1.5	1.7	2.0
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	28	455	634	1272	1.7	2.4	4.8
Acquisition cost												206		0.8
Net Debt 2019E												10		0.0
Minorities												0		0.0
Total EV									445	624	1262	0.91	1.58	4.01
Total shares outstanding, millions														264
Current shareprice, SEK														0.7
Upside to shareprice, (%)												29%	125%	468%
Peer multiples	Mineralisation	Metal	Location	EV USDm	Contained metal, Cu			Exposure (%)			EV/Reso USD/t			
					M&I	Inferred	Total	M&I	Inferred	Total				
Nevsun	Porphyry	Cu, Au	Serbia	1,438	1.26	10.0	11.3	11%	89%	100%	128			
SolGold	Porphyry	Cu, Au	Ecuador	1,108	3.4	4.2	7.6	45%	55%	100%	146			
NGEX Resources	Porphyry	Cu, Au, Ag	Chile/Argentina	245	10.9	4.6	15.5	71%	29%	100%	16			
Filo Mining	Porphyry	Cu, Au, Ag	Chile/Argentina	146	1.8	0.7	2.5	71%	29%	100%	58			
Regulus Resources	Porphyry	Cu, Au	Peru, US etc	152	0.34	2.90	3.2	10%	90%	100%	47			
Western Copp and Gold	Porphyry	Cu, Au, Ag	Canada	90	5.54	6.36	11.9	47%	53%	100%	8			
Xanadu Mines	Porphyry	Cu, Au	Mongolia	65	0.35	0.73	1.1	32%	68%	100%	60			
Cordoba Mines	Porphyry	Cu, Au	Colombia	32	0.26	0.21	0.5	56%	44%	100%	68			
Kaizen Discovery	Porphyry	Cu, Au	Peru	15	0.26	0.22	0.5	54%	46%	100%	31			
Median				146	1.3	2.9	3.2	47%	53%	100%	58			
Average				366	2.7	3.3	6.0	44%	56%	100%	62			
Implied discount, median (%)														
Granliden														-13%
Svartliden														-13%
Implied discount, average (%)														
Granliden														-20%
Svartliden														-20%

Source: Company data and Nordea estimates

Key risk factors and concerns

The mining industry regularly experiences volatility. Although junior mining stocks have strong profit potential, they entail higher risk than more established players. Most exploration projects will not generate any revenue, even though a significant amount of capital is invested in them. This is one of the inherent risks in this industry. We discuss the key risk factors and potential concerns investors face when investing in Copperstone. The purpose of this is not to provide a comprehensive picture of all of the risks that the company may be subject to, but rather to highlight those that we find most relevant.

Price volatility of commodities

Recognised as one of the most volatile asset classes, commodities fluctuate daily and are affected by numerous factors including:

- Speculative positions taken by investors;
- Recession or reduced economic activity in major industrialised or developing countries;
- Decreased industrial, jewellery or investment demand;
- Increased import and export taxes;
- Increased supply from production, disinvestment and scrap;
- Forward sales by producers in hedging or similar transactions; and
- Availability of cheaper substitute materials.

Exploration risks

Copperstone is a junior mining company focused on exploration and mine development. The exploration of natural resources and the development and production of mining operations are activities that involve a high level of uncertainty. Additionally, risks inherent in exploration primarily include successful exploration and identification of ore reserves. Data indicates that only one in every 3,000 potential mines ever makes it from the early developmental stages to actual production.

Factors that contribute to risks that are associated with exploration may include:

- Poor access to exploration areas as a result of remoteness or difficult terrain;
- Poor weather conditions over an extended period which might adversely affect mining and exploration activities and potentially the timing of revenue;
- Unforeseen major failures, breakdowns or repairs of major exploration equipment and vehicles, mining plant and equipment or mine structure resulting in significant delays, despite regular repair, maintenance and upkeep;
- The mining industry has been impacted, from time to time, by increased demand for critical resources such as input commodities, drilling equipment, trucks, shovels and tyres. These shortages may impact the efficiency of the operations and result in cost increases and delays in construction of projects, thereby impacting operating costs, capital expenditure and production and construction schedules.

Pricing and financial estimates uncertainty

A common valuation technique for mining stocks is to look at the value of the mineral resource of the company versus its enterprise value. In a favourable price environment, many junior mining stocks can soar without any change in operations. However, when metals prices are subdued, junior stock performance can come under significant pressure.

In the meantime, mine development projects typically require longer timelines and significant expenditure during the development phase before production is possible. The projects could experience unexpected problems and delays during development, construction and mine startup. Therefore, estimates for development projects are uncertain; costs may be higher than expected and economic returns lower. The decision to develop a project is typically based on the results of feasibility studies, which estimate the anticipated economic returns of a project. The actual project profitability or economic feasibility may differ from estimates as a result of a wide range of factors:

- Changes in tonnage, grades and metallurgical characteristics of ore to be mined and processed;
- Delays in obtaining environmental or other regulatory permits or approvals or changes in the laws and regulations related to project development;
- The quality of the data on which engineering assumptions were made;
- Weather or severe climate impacts, including prolonged or unexpected precipitation and/or sub-zero temperatures;
- Adverse geotechnical conditions;
- Potential delays relating to social and community issues, including, without limitation, issues resulting in protests, road blockages or work stoppages;
- Potential challenges to permits or other approvals or delays in development and construction of projects based on claims of disturbance of cultural resources.

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.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	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
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
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.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBITA	-62.5%	-889.8%	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	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.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBITA (adj)	-62.5%	-889.8%	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	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.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EV/EBITDA (adj)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EV/EBITA (adj)	n.m.	n.m.	n.m.	n.m.	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.	n.m.	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%	-7.4%	-13.3%	-13.9%
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
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
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
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
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
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.	n.m.	n.m.	n.m.	n.m.	n.m.	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
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.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/Sales	-78.9%	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

Key information

Share price year end (/current)	3	1	0	0	0	0	1	1	1	1	1
Market cap.	22	14	15	10	44	66	269	190	194	204	204
Enterprise value	10	8	8	10	46	73	250	196	197	207	207
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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