

Copperstone Resources

Viscaria timeline expected to be reiterated

- Q3 report due on Friday 19 November
- '21e-'23e opex raised as operations grow
- Fair value range of SEK 1.1-2.4 per share

We expect the Viscaria project timeline to be reiterated

We expect Q3 sales of SEK 0m and EBIT of SEK -7m (-2m) as the opex base grows in tandem with Copperstone expanding its team and accelerating work towards the environmental permit application.

According to the communicated timeline, the permit application is to be submitted during Q1'22, and we expect the company to reiterate this timeline in the upcoming report. Furthermore, Q3 saw some exciting headlines, chief among them was Copperstone's announcement to expand the Viscaria project. This entails increasing the annual milled run-rate production to 3mt (up from 2mt) at 1.0% Cu grade, raising the company estimated annual net profit to SEK 850m (up from SEK 400m) and also increasing total development capex to SEK 3-4bn (up from SEK 1.5bn). These company estimates assume a Cu price of USD 9,000/t (spot price of USD 9,785/t as of 05/11/2021).

'21e-'23e opex raised, long-term Viscaria ests. unchanged

We scale up the opex base for '21e-'23e. However, our long-term estimates for the Viscaria project, which include the first revenues during H1'24e, remain unchanged as the company has not released any further news on the project since our previous research update.

Viscaria to deliver ~SEK 1bn annual EBIT at full capacity

On our estimates, Viscaria will start generating revenues from H1'24e onwards and will take ~3 years to reach full capacity, with underground operations (~2/3 of milled tonnage) taking longer to ramp up than open pit operations (~1/3 of milled tonnage). On our estimates, Viscaria will generate ~SEK 2.5bn in annual revenues and ~SEK 1bn in EBIT when operating at full capacity of 30kt copper concentrate mined per year. Finally, since our long-term view remains unchanged, we reiterate our fair value range of SEK 1.1-2.4 per share.

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| SEKm | 2019 | 2020 | 2021e | 2022e | 2023e |
|---------------------|----------|-------|--------|-------|--------|
| Sales | 0 | 0 | 0 | 0 | 0 |
| EBITDA | -11 | -9 | -22 | -28 | -28 |
| EBITDA margin (%) | nm | nm | nm | nm | nm |
| EBIT adj | -12 | -9 | -14 | -28 | -98 |
| EBIT adj margin (%) | nm | nm | nm | nm | nm |
| Pretax profit | -15 | 7 | -34 | -71 | -175 |
| EPS rep | -0.03 | 0.01 | -0.03 | -0.06 | -0.16 |
| EPS adj | -0.03 | 0.01 | -0.03 | -0.06 | -0.16 |
| Sales growth (%) | na | na | na | na | na |
| EPS growth (%) | -1,343.2 | 141.5 | -401.1 | -91.4 | -144.4 |

Source: ABG Sundal Collier, Company data

Reason: Preview of results

Company sponsored research

Not rated

Estimate changes (%)

| | 2021e | 2022e | 2023e |
|------------|--------|--------|-------|
| Sales | 0.0% | 0.0% | 0.0% |
| EBIT (rep) | -21.7% | -40.0% | -8.9% |
| EPS (rep) | -13.2% | -12.6% | -4.8% |

Source: ABG Sundal Collier

| | | |
|------------------------------|------------|---------|
| Share price (SEK) | 05/11/2021 | 1.2 |
| Fair value range (per share) | | 1.1-2.4 |

Metals & Mining, Sweden
 COPPB.ST/COPPB SS

| | |
|-----------------|-------|
| MCap (SEKm) | 1,377 |
| MCap (EURm) | 139 |
| Net debt (EURm) | -17 |

| | |
|----------------------|-------|
| No. of shares (m) | 1,111 |
| Free float (%) | 89 |
| Av. daily volume (k) | 28 |

Next event Q3 report: 19 Nov

Performance



| | 1m | 3m | 12m |
|--------------|------|------|------|
| Absolute (%) | -3.4 | -5.2 | 62.3 |

Source: FactSet

| | 2021e | 2022e | 2023e |
|------------------------|-------|-------|-------|
| P/E (x) | -36.9 | -19.3 | -7.9 |
| P/E adj (x) | -49.1 | -19.3 | -7.9 |
| P/BVPS (x) | 2.64 | 3.06 | 4.99 |
| EV/EBITDA (x) | -54.2 | -47.1 | -91.5 |
| EV/EBIT adj (x) | -86.7 | -47.1 | -26.1 |
| EV/sales (x) | nm | nm | nm |
| ROE adj (%) | -6.3 | -14.7 | -48.1 |
| Dividend yield (%) | 0 | 0 | 0 |
| FCF yield (%) | -6.3 | -8.5 | -85.3 |
| Lease adj. FCF yld (%) | -6.3 | -8.5 | -85.3 |
| Net IB debt/EBITDA | 7.7 | 2.0 | -42.3 |
| Lease adj. ND/EBITDA | 13.1 | 2.3 | -42.0 |

Please refer to important disclosures at the end of this report

This research product is commissioned and paid for by the company covered in this report. As such, this report is deemed to constitute an acceptable minor non-monetary benefit (i.e. not investment research) as defined in MiFID II.

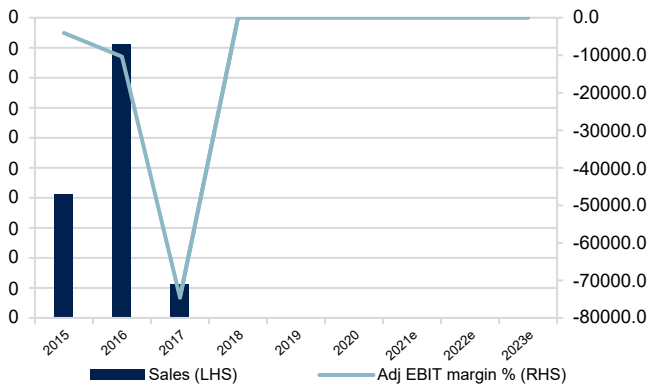
Company description

Copperstone Resources AB (“Copperstone”) is a Swedish mineral exploration company with a focus on base and precious metals. The company has made a copper discovery in Arvidsjaur and acquired the Viscaria copper project in the recognised mining district of Kiruna in northern Sweden, and now targets becoming a metal production company, with the ambition to achieve first production by H2’23. The stock has been listed on the Nasdaq First North Growth Market since 2011, with c. 8,900 shareholders.

Risks

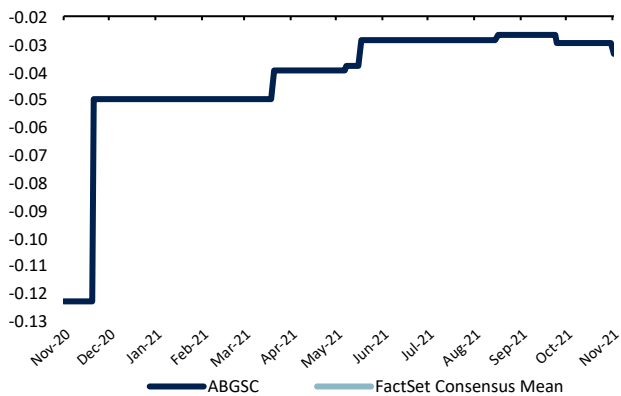
Weaker demand for Cu in the global market. Protracted process of obtaining acceptance from the land- and environmental permit. Higher than expected costs.

Annual sales and adj. EBIT margin



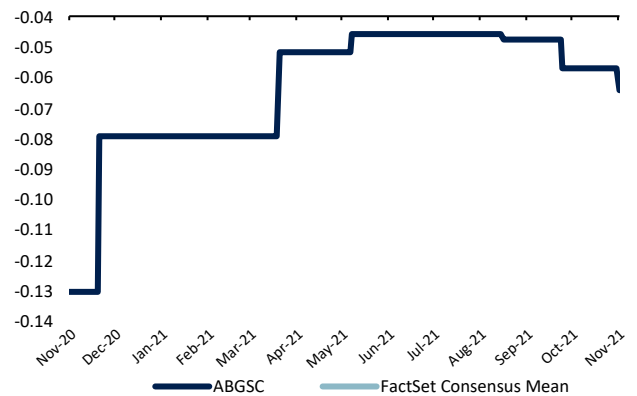
Source: ABG Sundal Collier, Company data

EPS estimate changes, 2021e, SEK



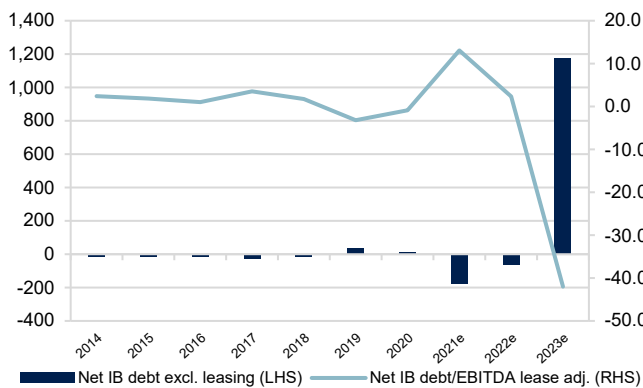
Source: ABG Sundal Collier, FactSet

EPS estimate changes, 2022e, SEK



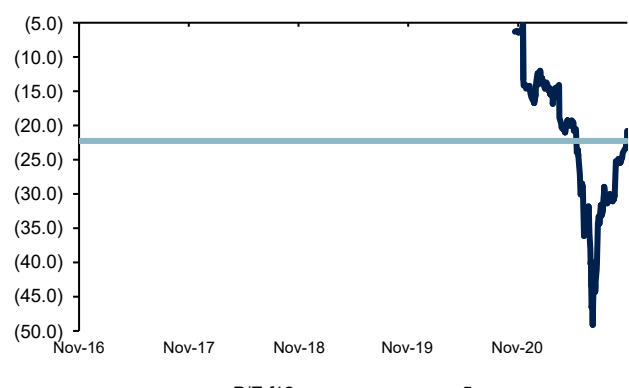
Source: ABG Sundal Collier, FactSet

Lease adj. net debt and ND/EBITDA



Source: ABG Sundal Collier, Company data

12-month forward-looking P/E



Source: ABG Sundal Collier, Company data

Mineral resource portfolio per project

| Resource area | Classification | Mineral (kt) | Cu grade (%) | Copper (kt) | Fe grade (%) | Iron (kt) | Zn grade (%) | Zinc (kt) | Au grade (g/t) | Gold (t) | Ag grade (g/t) | Silver (t) | Pb grade (%) | Lead (kt) |
|---------------------------|----------------|---------------|--------------|--------------|---------------|--------------|--------------|-------------|----------------|----------|----------------|------------|--------------|-----------|
| A Zone | Measured | 14,440 | 1.7% | 240.0 | | | | | | | | | | |
| | Indicated | 4,690 | 1.2% | 57.2 | | | | | | | | | | |
| | Inferred | 2,480 | 1.0% | 25.5 | | | | | | | | | | |
| Subtotal A Zone | | 21,610 | 1.5% | 322.7 | | | | | | | | | | |
| B Zone | Measured | 120 | 1.3% | 1.6 | | | | | | | | | | |
| | Indicated | 4,120 | 0.7% | 29.7 | | | | | | | | | | |
| | Inferred | 15,410 | 0.8% | 118.7 | | | | | | | | | | |
| Subtotal B Zone | | 19,650 | 0.8% | 150.0 | | | | | | | | | | |
| D Zone | Measured | | | | | | | | | | | | | |
| | Indicated | 12,770 | 1.3% | 169.5 | 28.07% | 3,585 | | | | | | | | |
| | Inferred | 4,930 | 1.2% | 58.2 | 29.43% | 1,451 | | | | | | | | |
| Subtotal D Zone | | 17,700 | 1.3% | 227.7 | 28.45% | 5,036 | | | | | | | | |
| Fe Domain | Measured | | | | | | | | | | | | | |
| | Indicated | 10,950 | 0.2% | 21.9 | 25.76% | 2,821 | | | | | | | | |
| | Inferred | 4,120 | 0.1% | 6.1 | 27.42% | 1,130 | | | | | | | | |
| Subtotal Fe Domain | | 15,070 | 0.2% | 28.0 | 26.22% | 3,951 | | | | | | | | |
| Total Viscaria | | 74,030 | 1.0% | 728.4 | 27.42% | 8,987 | | | | | | | | |
| Granliden & Svartliden | Measured | | | | | | | | | | | | | |
| | Indicated | | | | | | | | | | | | | |
| | Inferred | 26,400 | 0.4% | 114.0 | | | 0.12% | 32.4 | 0.08 | 2 | 5.87 | 155 | | |
| Total Arvidsjaur | | 26,400 | 0.4% | 114.0 | | | 0.12% | 32.4 | 0.08 | 2 | 5.87 | 155 | | |
| EVA | | 5,200 | 0.25% | 13.0 | | | 2.40% | 125 | 0.96 | 5 | 38 | 198 | 0.37% | 19 |
| Smedjebacken | | 900 | | | | | 3.00% | 27 | | | 21 | 19 | 2.44% | 22 |

Source: ABG Sundal Collier, company data

Mineral resource value per project as of 04/11/2021

| Resource value (Viscaria + Granliden + Svartliden) | Copper resources (kt) | Iron resources (kt) | Copper value (SEKm) | Iron value (SEKm) | Other mineral value (SEKm) | Total mineral value (SEKm) |
|--|-----------------------|---------------------|---------------------|-------------------|----------------------------|----------------------------|
| Viscaria | | | | | | |
| Measured | 242 | | 20,290 | | | 20,290 |
| Measured + indicated | 520 | 6,406 | 43,661 | 5,342 | | 49,004 |
| Measured + indicated + inferred | 728 | 8,987 | 61,171 | 7,495 | | 68,666 |
| Arvidsjaur (Granliden & Svartliden) | | | | | | |
| Measured | | | | | | |
| Measured + indicated | | | | | | |
| Measured + indicated + inferred | 114 | | 9,574 | | 3,128.5 | 12,702 |
| Resource value (historic resources) (EVA + Tvistbo) | | | | | | |
| Arvidsjaur | | | | | | |
| EVA | 1,092 | 3,585 | 2,714 | 1,422 | 393 | 9,207 |
| Smedjebacken | | | | | | |
| Tvistbo | | 774 | | 136 | 456 | 1,366 |

Source: ABG Sundal Collier, company data, FactSet

Rough approximation of the Viscaria project timeline

| Event | 2021 | | | | 2022 | | | | 2023 | | | | 2024 | | | | 2025 | | | |
|--------------------------------------|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Expl. concession K nr 7 confirmed | | | | | | | | | | | | | | | | | | | | |
| Permit application submitted | | | | | | | | | | | | | | | | | | | | |
| Processing plant planning | | | | | | | | | | | | | | | | | | | | |
| Assumed permit approval | | | | | | | | | | | | | | | | | | | | |
| Sale of first copper | | | | | | | | | | | | | | | | | | | | |
| Processing plant construction | | | | | | | | | | | | | | | | | | | | |
| First copper from processing plant | | | | | | | | | | | | | | | | | | | | |
| Continued drilling (A, B and D zone) | | | | | | | | | | | | | | | | | | | | |

Source: ABG Sundal Collier, company data

Initial 10-year life-of-mine estimates

| Initial 10y LoM plan estimates | 2023e | 2024e | 2025e | 2026e | 2027e | 2028e | 2029e | 2030e | 2031e | 2032e | 2033e | 2034e |
|--------------------------------|--------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Mine details | | | | | | | | | | | | |
| Reserves, kt (FY end) | 30,000 | 29,000 | 26,450 | 23,450 | 20,450 | 17,450 | 14,450 | 11,450 | 8,450 | 5,450 | 2,450 | 0 |
| Milled tonnage, kt | 1,000 | 2,550 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 2,450 |
| of which OP | 100% | 89% | 50% | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% |
| of which UG | 0% | 11% | 50% | 67% | 67% | 67% | 67% | 67% | 67% | 67% | 67% | 67% |
| Cu grade | 0.8% | 0.8% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% |
| OP grade | 0.8% | 0.8% | 0.8% | 0.8% | 0.8% | 0.8% | 0.8% | 0.8% | 0.8% | 0.8% | 0.8% | 0.8% |
| UG grade | 1.1% | 1.1% | 1.1% | 1.1% | 1.1% | 1.1% | 1.1% | 1.1% | 1.1% | 1.1% | 1.1% | 1.1% |
| Fe grade | | | | 6% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% |
| Cu conc produced, kt | | 8 | 21 | 29 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 25 |
| Fe conc produced, kt | | 0 | 0 | 0 | 180 | 360 | 360 | 360 | 360 | 360 | 360 | 294 |
| Cu recoveries | | 92% | 92% | 92% | 92% | 92% | 92% | 92% | 92% | 92% | 92% | 92% |
| Fe recoveries | | 66% | 66% | 66% | 66% | 66% | 66% | 66% | 66% | 66% | 66% | 66% |
| Cu metal content, kt | | 7 | 20 | 26 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 23 |
| Fe metal content, kt | | 0 | 0 | 0 | 119 | 238 | 238 | 238 | 238 | 238 | 238 | 194 |
| Cash cost, USD/t | | 3,500 | 3,568 | 3,800 | 3,902 | 3,902 | 3,902 | 3,902 | 3,902 | 3,902 | 3,902 | 3,902 |
| OP cash cost | | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 |
| UG cash cost | | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 |
| Income statement | | | | | | | | | | | | |
| Revenue, total | | 592 | 1,575 | 2,110 | 2,347 | 2,471 | 2,471 | 2,471 | 2,471 | 2,471 | 2,471 | 2,018 |
| of which Cu | | 592 | 1,575 | 2,110 | 2,224 | 2,224 | 2,224 | 2,224 | 2,224 | 2,224 | 2,224 | 1,816 |
| of which Fe | | 0 | 0 | 0 | 124 | 248 | 248 | 248 | 248 | 248 | 248 | 202 |
| Costs | | -285 | -769 | -1088 | -1173 | -1173 | -1173 | -1173 | -1173 | -1173 | -1173 | -958 |
| EBITDA | | 308 | 806 | 1,022 | 1,174 | 1,298 | 1,298 | 1,298 | 1,298 | 1,298 | 1,298 | 1,060 |
| EBITDA margin | | 52% | 51% | 48% | 50% | 53% | 53% | 53% | 53% | 53% | 53% | 53% |
| D&A | | -70 | -141 | -215 | -246 | -259 | -272 | -285 | -297 | -310 | -323 | -347 |
| EBIT | | -70 | 167 | 591 | 776 | 1,026 | 1,013 | 1,001 | 988 | 975 | 962 | 713 |
| EBIT margin | | 28% | 38% | 37% | 39% | 42% | 41% | 40% | 40% | 39% | 39% | 35% |
| Capex | | | | | | | | | | | | |
| Total capex | | -1,050 | -1,062 | -1,097 | -455 | -188 | -198 | -198 | -198 | -198 | -198 | -161 |
| Development capex | | -1,050 | -1,050 | -1,050 | -350 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sustaining capex | | 0 | -12 | -47 | -106 | -188 | -198 | -198 | -198 | -198 | -198 | -161 |

Source: ABG Sundal Collier estimates

Copperstone Resources

| Income Statement (SEKm) | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021e | Q4 2021e |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| Sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| COGS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gross profit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other operating items | -1 | -2 | -2 | -4 | -5 | -3 | -7 | -7 |
| EBITDA | -1 | -2 | -2 | -4 | -5 | -3 | -7 | -7 |
| Depreciation and amortisation | -0 | -0 | -0 | -0 | -0 | -0 | 0 | 0 |
| EBITA | -2 | -2 | -2 | -4 | -5 | -3 | -7 | -7 |
| EO items | 0 | 0 | 0 | 0 | -7 | -2 | 0 | 0 |
| Impairment and PPA amortisation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EBIT | -2 | -2 | -2 | -4 | -5 | -3 | -7 | -7 |
| Net financial items | -0 | 2 | -5 | 20 | -0 | -0 | -6 | -6 |
| Pretax profit | -2 | -0 | -7 | 16 | -5 | -4 | -13 | -13 |
| Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net profit | -2 | -0 | -7 | 16 | -5 | -4 | -13 | -13 |
| Minority interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net profit discontinued | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net profit to shareholders | -2 | -0 | -7 | 16 | -5 | -4 | -13 | -13 |
| EPS | -0.00 | -0.00 | -0.01 | 0.03 | -0.01 | -0.00 | -0.01 | -0.01 |
| EPS Adj | -0.00 | -0.00 | -0.01 | 0.03 | 0.00 | -0.00 | -0.01 | -0.01 |
| Total extraordinary items after tax | 0 | 0 | 0 | 0 | -7 | -2 | 0 | 0 |
| Tax rate (%) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gross margin (%) | nm | nm | nm | nm | nm | nm | nm | nm |
| EBITDA margin (%) | nm | nm | nm | nm | nm | nm | nm | nm |
| EBITA margin (%) | nm | nm | nm | nm | nm | nm | nm | nm |
| EBIT margin (%) | nm | nm | nm | nm | nm | nm | nm | nm |
| Pretax margin (%) | nm | nm | nm | nm | nm | nm | nm | nm |
| Net margin (%) | nm | nm | nm | nm | nm | nm | nm | nm |
| Growth rates Y/Y | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021e | Q4 2021e |
| Sales growth (%) | na | na | na | na | na | na | na | na |
| EBITDA growth (%) | +chg | +chg | +chg | -chg | -chg | -chg | -chg | -chg |
| EBIT growth (%) | +chg | +chg | +chg | -chg | -chg | -chg | -chg | -chg |
| Net profit growth (%) | +chg | +chg | -chg | +chg | -chg | -chg | -chg | -chg |
| EPS growth (%) | +chg | +chg | -chg | +chg | -chg | -chg | -chg | -chg |
| Adj earnings numbers | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021e | Q4 2021e |
| EBITDA Adj | -1 | -2 | -2 | -4 | 2 | -2 | -7 | -7 |
| EBITDA Adj margin (%) | nm | nm | nm | nm | nm | nm | nm | nm |
| EBITA Adj | -2 | -2 | -2 | -4 | 2 | -2 | -7 | -7 |
| EBITA Adj margin (%) | nm | nm | nm | nm | nm | nm | nm | nm |
| EBIT Adj | -2 | -2 | -2 | -4 | 2 | -2 | -7 | -7 |
| EBIT Adj margin (%) | nm | nm | nm | nm | nm | nm | nm | nm |
| Pretax profit Adj | -2 | -0 | -7 | 16 | 2 | -2 | -13 | -13 |
| Net profit Adj | -2 | -0 | -7 | 16 | 2 | -2 | -13 | -13 |
| Net profit to shareholders Adj | -2 | -0 | -7 | 16 | 2 | -2 | -13 | -13 |
| Net Adj margin (%) | nm | nm | nm | nm | nm | nm | nm | nm |

Source: ABG Sundal Collier, Company data

Copperstone Resources

| Income Statement (SEKm) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
|-------------------------------------|-----------------|-----------------|------------------|------------------|---------------|-----------------|--------------|---------------|---------------|---------------|
| Sales | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| COGS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gross profit | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other operating items | -8 | -1 | -7 | -8 | -5 | -11 | -9 | -22 | -28 | -28 |
| EBITDA | -7 | -1 | -7 | -8 | -5 | -11 | -9 | -22 | -28 | -28 |
| Depreciation and amortisation | -8 | -0 | -3 | -1 | -0 | -1 | -0 | -0 | 0 | -70 |
| Of which leasing depreciation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EBITA | -16 | -2 | -9 | -8 | -5 | -12 | -9 | -22 | -28 | -98 |
| EO items | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -9 | 0 | 0 |
| Impairment and PPA amortisation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EBIT | -16 | -2 | -9 | -8 | -5 | -12 | -9 | -22 | -28 | -98 |
| Net financial items | -3 | -1 | -4 | 0 | 5 | -3 | 16 | -12 | -43 | -77 |
| Pretax profit | -19 | -2 | -14 | -8 | -0 | -15 | 7 | -34 | -71 | -175 |
| Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net profit | -19 | -2 | -14 | -8 | -0 | -15 | 7 | -34 | -71 | -175 |
| Minority interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net profit discontinued | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net profit to shareholders | -19 | -2 | -14 | -8 | -0 | -15 | 7 | -34 | -71 | -175 |
| EPS | -0.41 | -0.03 | -0.12 | -0.04 | -0.00 | -0.03 | 0.01 | -0.03 | -0.06 | -0.16 |
| <i>EPS Adj</i> | <i>-0.41</i> | <i>-0.03</i> | <i>-0.12</i> | <i>-0.04</i> | <i>-0.00</i> | <i>-0.03</i> | <i>0.01</i> | <i>-0.03</i> | <i>-0.06</i> | <i>-0.16</i> |
| Total extraordinary items after tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -9 | 0 | 0 |
| Leasing payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Tax rate (%)</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> |
| <i>Gross margin (%)</i> | <i>100.0</i> | <i>100.0</i> | <i>100.0</i> | <i>100.0</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> |
| <i>EBITDA margin (%)</i> | <i>-1,109.4</i> | <i>-3,085.4</i> | <i>-7,457.1</i> | <i>-69,900.0</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> |
| <i>EBITA margin (%)</i> | <i>-2,355.6</i> | <i>-4,063.4</i> | <i>-10,358.2</i> | <i>-74,536.4</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> |
| <i>EBIT margin (%)</i> | <i>-2,355.6</i> | <i>-4,063.4</i> | <i>-10,358.2</i> | <i>-74,536.4</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> |
| <i>Pretax margin (%)</i> | <i>-2,822.2</i> | <i>-6,056.1</i> | <i>-14,964.8</i> | <i>-72,581.8</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> |
| <i>Net margin (%)</i> | <i>-2,822.2</i> | <i>-6,056.1</i> | <i>-14,964.8</i> | <i>-72,581.8</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> |
| Growth rates Y/Y | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
| <i>Sales growth (%)</i> | <i>4.7</i> | <i>-93.9</i> | <i>122.0</i> | <i>-87.9</i> | <i>-100.0</i> | <i>na</i> | <i>na</i> | <i>na</i> | <i>na</i> | <i>na</i> |
| <i>EBITDA growth (%)</i> | <i>10.4</i> | <i>83.0</i> | <i>-436.4</i> | <i>-13.3</i> | <i>29.8</i> | <i>-97.1</i> | <i>14.3</i> | <i>-143.9</i> | <i>-25.9</i> | <i>0</i> |
| <i>EBIT growth (%)</i> | <i>-48.6</i> | <i>89.5</i> | <i>-465.8</i> | <i>13.0</i> | <i>33.5</i> | <i>-119.9</i> | <i>21.8</i> | <i>-139.1</i> | <i>-24.9</i> | <i>-250.0</i> |
| <i>Net profit growth (%)</i> | <i>-78.4</i> | <i>86.9</i> | <i>-448.4</i> | <i>41.4</i> | <i>94.3</i> | <i>-3,081.3</i> | <i>147.3</i> | <i>-596.3</i> | <i>-108.4</i> | <i>-144.4</i> |
| <i>EPS growth (%)</i> | <i>-41.5</i> | <i>92.1</i> | <i>-277.1</i> | <i>69.8</i> | <i>94.9</i> | <i>-1,343.2</i> | <i>141.5</i> | <i>-401.1</i> | <i>-91.4</i> | <i>-144.4</i> |
| Profitability | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
| <i>ROE (%)</i> | <i>-68.1</i> | <i>-10.7</i> | <i>-55.1</i> | <i>-17.1</i> | <i>-0.7</i> | <i>-8.9</i> | <i>2.5</i> | <i>-8.4</i> | <i>-14.7</i> | <i>-48.1</i> |
| <i>ROE Adj (%)</i> | <i>-68.1</i> | <i>-10.7</i> | <i>-55.1</i> | <i>-17.1</i> | <i>-0.7</i> | <i>-8.9</i> | <i>2.5</i> | <i>-6.3</i> | <i>-14.7</i> | <i>-48.1</i> |
| <i>ROCE (%)</i> | <i>-54.8</i> | <i>-6.0</i> | <i>-27.0</i> | <i>-11.4</i> | <i>5.3</i> | <i>-5.6</i> | <i>4.2</i> | <i>-7.1</i> | <i>-6.8</i> | <i>-8.5</i> |
| <i>ROCE Adj (%)</i> | <i>-54.8</i> | <i>-6.0</i> | <i>-27.0</i> | <i>-11.4</i> | <i>5.3</i> | <i>-5.6</i> | <i>4.2</i> | <i>-5.2</i> | <i>-6.8</i> | <i>-8.5</i> |
| <i>ROIC (%)</i> | <i>-173.0</i> | <i>-12.3</i> | <i>-40.1</i> | <i>-23.2</i> | <i>-10.5</i> | <i>-6.6</i> | <i>-3.1</i> | <i>-6.8</i> | <i>-7.5</i> | <i>-10.6</i> |
| <i>ROIC Adj (%)</i> | <i>-173.0</i> | <i>-12.3</i> | <i>-40.1</i> | <i>-23.2</i> | <i>-10.5</i> | <i>-6.6</i> | <i>-3.1</i> | <i>-4.2</i> | <i>-7.5</i> | <i>-10.6</i> |
| Adj earnings numbers | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
| EBITDA Adj | -7 | -1 | -7 | -8 | -5 | -11 | -9 | -14 | -28 | -28 |
| <i>EBITDA Adj margin (%)</i> | <i>-1,109.4</i> | <i>-3,085.4</i> | <i>-7,457.1</i> | <i>-69,900.0</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> |
| EBITDA lease Adj | -7 | -1 | -7 | -8 | -5 | -11 | -9 | -14 | -28 | -28 |
| <i>EBITDA lease Adj margin (%)</i> | <i>-1,109.4</i> | <i>-3,085.4</i> | <i>-7,457.1</i> | <i>-69,900.0</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> |
| EBITA Adj | -16 | -2 | -9 | -8 | -5 | -12 | -9 | -14 | -28 | -98 |
| <i>EBITA Adj margin (%)</i> | <i>-2,355.6</i> | <i>-4,063.4</i> | <i>-10,358.2</i> | <i>-74,536.4</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> |
| EBIT Adj | -16 | -2 | -9 | -8 | -5 | -12 | -9 | -14 | -28 | -98 |
| <i>EBIT Adj margin (%)</i> | <i>-2,355.6</i> | <i>-4,063.4</i> | <i>-10,358.2</i> | <i>-74,536.4</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> | <i>nm</i> |
| Pretax profit Adj | -19 | -2 | -14 | -8 | -0 | -15 | 7 | -26 | -71 | -175 |
| Net profit Adj | -19 | -2 | -14 | -8 | -0 | -15 | 7 | -26 | -71 | -175 |
| Net profit to shareholders Adj | -19 | -2 | -14 | -8 | -0 | -15 | 7 | -26 | -71 | -175 |
| Net Adj margin (%) | -2,822.2 | -6,056.1 | -14,964.8 | -72,581.8 | nm | nm | nm | nm | nm | nm |

Source: ABG Sundal Collier, Company data

Copperstone Resources

| Cash Flow Statement (SEKm) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|---------------|
| EBITDA | -7 | -1 | -7 | -8 | -5 | -11 | -9 | -22 | -28 | -28 |
| Net financial items | -3 | -1 | -4 | 0 | 5 | -3 | 16 | -12 | -43 | -77 |
| Paid tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-cash items | 4 | -9 | 9 | 6 | -13 | 0 | 0 | 0 | 0 | 0 |
| Cash flow before change in WC | -6 | -11 | -2 | -1 | -13 | -13 | 7 | -34 | -71 | -105 |
| Change in WC | -1 | 3 | -0 | -7 | 7 | -2 | 21 | -1 | -25 | 0 |
| Operating cash flow | -7 | -9 | -2 | -8 | -6 | -15 | 28 | -35 | -96 | -104 |
| CAPEX tangible fixed assets | 1 | 0 | 0 | -0 | 0 | 0 | -0 | -0 | 0 | -1,050 |
| CAPEX intangible fixed assets | -2 | -2 | -6 | -13 | -20 | -6 | -41 | -45 | -20 | -20 |
| Acquisitions and disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Free cash flow | -9 | -10 | -8 | -21 | -26 | -21 | -14 | -80 | -116 | -1,174 |
| Dividend paid | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Share issues and buybacks | 1 | 8 | 17 | 49 | 0 | 45 | 26 | 252 | 0 | 0 |
| Lease liability amortisation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other non cash items | 4 | -12 | -9 | -7 | 11 | -72 | -8 | 8 | 28 | -67 |
| Balance Sheet (SEKm) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
| Goodwill | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other intangible assets | 3 | 22 | 27 | 39 | 59 | 303 | 345 | 387 | 403 | 419 |
| Tangible fixed assets | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 1,051 |
| Right-of-use asset | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 |
| Total other fixed assets | 18 | 4 | 8 | 3 | 13 | 0 | 0 | 0 | 0 | 0 |
| Fixed assets | 22 | 27 | 35 | 42 | 73 | 305 | 345 | 389 | 405 | 1,471 |
| Inventories | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Receivables | 4 | 1 | 1 | 8 | 1 | 9 | 1 | 3 | 3 | 3 |
| Other current assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash and liquid assets | 1 | 2 | 3 | 28 | 1 | 19 | 1 | 226 | 447 | 186 |
| Total assets | 28 | 30 | 38 | 79 | 75 | 333 | 348 | 618 | 856 | 1,661 |
| Shareholders equity | 23 | 23 | 26 | 67 | 65 | 264 | 297 | 522 | 451 | 276 |
| Minority | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total equity | 23 | 23 | 26 | 67 | 65 | 264 | 297 | 522 | 451 | 276 |
| Long-term debt | 1 | 4 | 3 | 4 | 5 | 53 | 9 | 47 | 382 | 1,362 |
| Pension debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Convertible debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Leasing liability | 0 | 1 | 6 | 5 | 3 | 7 | 0 | 8 | 8 | 8 |
| Total other long-term liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Short-term debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accounts payable | 0 | 1 | 1 | 1 | 0 | 5 | 10 | 10 | 10 | 10 |
| Other current liabilities | 3 | 1 | 1 | 1 | 1 | 3 | 31 | 31 | 6 | 6 |
| Total liabilities and equity | 28 | 30 | 38 | 79 | 75 | 333 | 348 | 618 | 856 | 1,661 |
| Net IB debt | -18 | -2 | -1 | -22 | -7 | 41 | 8 | -172 | -57 | 1,184 |
| Net IB debt excl. pension debt | -18 | -2 | -1 | -22 | -7 | 41 | 8 | -172 | -57 | 1,184 |
| Net IB debt excl. leasing | -18 | -2 | -7 | -27 | -9 | 34 | 8 | -180 | -65 | 1,176 |
| Capital invested | 6 | 22 | 25 | 45 | 59 | 305 | 305 | 351 | 393 | 1,460 |
| Working capital | 1 | -2 | -2 | 6 | -1 | 1 | -40 | -38 | -12 | -12 |
| EV breakdown | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
| Market cap. diluted (m) | na | 44 | 66 | 266 | 177 | 233 | 535 | 1,377 | 1,377 | 1,377 |
| Net IB debt Adj | -18 | -2 | -1 | -22 | -7 | 41 | 8 | -172 | -57 | 1,184 |
| Market value of minority | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reversal of shares and participations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reversal of conv. debt assumed equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EV | na | 42 | 65 | 244 | 170 | 274 | 544 | 1,206 | 1,320 | 2,561 |
| Capital efficiency | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
| Total assets turnover (%) | 2.1 | 0.1 | 0.3 | 0.0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Working capital/sales (%) | 77.8 | -857.3 | -1,827.5 | 18,495.5 | nm | nm | nm | nm | nm | nm |
| Financial risk and debt service | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
| Net debt/equity | -0.76 | -0.07 | -0.03 | -0.33 | -0.11 | 0.16 | 0.03 | -0.33 | -0.13 | 4.29 |
| Net debt/market cap | na | -0.08 | -0.02 | -0.06 | -0.02 | 0.13 | 0.02 | -0.12 | -0.04 | 0.86 |
| Equity ratio (%) | 82.4 | 77.0 | 69.1 | 85.3 | 87.6 | 79.3 | 85.3 | 84.4 | 52.7 | 16.6 |
| Net IB debt adj./equity | -0.76 | -0.07 | -0.03 | -0.33 | -0.11 | 0.16 | 0.03 | -0.33 | -0.13 | 4.29 |
| Current ratio | 1.62 | 0.88 | 0.41 | 4.81 | 0.51 | 1.85 | 0.06 | 4.73 | 20.08 | 8.47 |
| EBITDA/net interest | -2.38 | -1.55 | -1.62 | -35.76 | -1.08 | -4.07 | -0.56 | -1.87 | -0.64 | -0.37 |
| Net IB debt/EBITDA | 2.40 | 1.30 | 0.13 | 2.85 | 1.28 | -3.86 | -0.89 | 7.71 | 2.05 | -42.28 |
| Net IB debt/EBITDA lease Adj | 2.41 | 1.85 | 1.02 | 3.53 | 1.74 | -3.20 | -0.89 | 13.07 | 2.34 | -41.99 |
| Interest cover | -4.79 | -1.71 | -1.67 | -3.93 | 0.90 | -3.23 | 2.09 | -10.75 | -2.05 | -1.54 |

Source: ABG Sundal Collier, Company data

Copperstone Resources

| Valuation and Ratios (SEKm) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| Shares outstanding adj. | 39 | 101 | 170 | 242 | 249 | 556 | 641 | 1,111 | 1,111 | 1,111 |
| Fully diluted shares Adj | 39 | 101 | 170 | 242 | 249 | 556 | 641 | 1,111 | 1,111 | 1,111 |
| EPS | -0.41 | -0.03 | -0.12 | -0.04 | -0.00 | -0.03 | 0.01 | -0.03 | -0.06 | -0.16 |
| Dividend per share Adj | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EPS Adj | -0.41 | -0.03 | -0.12 | -0.04 | -0.00 | -0.03 | 0.01 | -0.03 | -0.06 | -0.16 |
| BVPS | 0.60 | 0.23 | 0.15 | 0.28 | 0.26 | 0.48 | 0.46 | 0.47 | 0.41 | 0.25 |
| BVPS Adj | 0.60 | 0.23 | 0.15 | 0.28 | 0.26 | 0.48 | 0.46 | 0.47 | 0.41 | 0.25 |
| Net IB debt / share | -0.5 | -0.0 | -0.0 | -0.1 | -0.0 | 0.1 | 0.0 | -0.2 | -0.1 | 1.1 |
| Share price | na | 0.43 | 0.39 | 1.10 | 0.71 | 0.42 | 0.84 | 1.24 | 1.24 | 1.24 |
| Market cap. (m) | na | 44 | 66 | 266 | 177 | 233 | 535 | 1,377 | 1,377 | 1,377 |
| Valuation | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
| P/E | na | -13.3 | -3.2 | -29.8 | -381.6 | -15.6 | 74.8 | -36.9 | -19.3 | -7.9 |
| EV/sales | na | 1,020.99 | 711.56 | 22,193.94 | nm | nm | nm | nm | nm | nm |
| EV/EBITDA | na | -33.1 | -9.5 | -31.8 | -31.5 | -25.8 | -59.6 | -54.2 | -47.1 | -91.5 |
| EV/EBITA | na | -25.1 | -6.9 | -29.8 | -31.2 | -22.9 | -58.0 | -53.8 | -47.1 | -26.1 |
| EV/EBIT | na | -25.1 | -6.9 | -29.8 | -31.2 | -22.9 | -58.0 | -53.8 | -47.1 | -26.1 |
| Dividend yield (%) | na | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FCF yield (%) | na | -31.4 | -19.1 | -8.9 | -15.1 | -9.2 | -2.6 | -6.3 | -8.5 | -85.3 |
| Lease adj. FCF yield (%) | na | -31.4 | -19.1 | -8.9 | -15.1 | -9.2 | -2.6 | -6.3 | -8.5 | -85.3 |
| P/BVPS | na | 1.88 | 2.50 | 3.97 | 2.71 | 0.88 | 1.80 | 2.64 | 3.06 | 4.99 |
| P/BVPS Adj | na | 1.88 | 2.50 | 3.97 | 2.71 | 0.88 | 1.80 | 2.64 | 3.06 | 4.99 |
| P/E Adj | na | -13.3 | -3.2 | -29.8 | -381.6 | -15.6 | 74.8 | -49.1 | -19.3 | -7.9 |
| EV/EBITDA Adj | na | -33.1 | -9.5 | -31.8 | -31.5 | -25.8 | -59.6 | -87.7 | -47.1 | -91.5 |
| EV/EBITA Adj | na | -25.1 | -6.9 | -29.8 | -31.2 | -22.9 | -58.0 | -86.7 | -47.1 | -26.1 |
| EV/EBIT Adj | na | -25.1 | -6.9 | -29.8 | -31.2 | -22.9 | -58.0 | -86.7 | -47.1 | -26.1 |
| EV/cap. employed | na | 1.5 | 1.8 | 3.2 | 2.3 | 0.8 | 1.8 | 2.1 | 1.6 | 1.6 |
| Investment ratios | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021e | 2022e | 2023e |
| Capex/sales | 196.1 | 3,753.7 | 7,073.6 | 117,536.4 | nm | nm | nm | nm | nm | nm |
| Capex/depreciation | 15.7 | 383.8 | 243.8 | 2,535.1 | 40,122.0 | 462.3 | 16,506.4 | 27,241.8 | nm | 1,528.6 |
| Capex tangibles/tangible fixed assets | -4,545.5 | 0 | 0 | 97.1 | 0 | 0 | 115.1 | nm | 0 | 99.9 |
| Capex intangibles/definite intangibles | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm |
| Depreciation on intangibles/definite intai | nm | nm | nm | nm | nm | nm | nm | nm | nm | nm |
| Depreciation on tangibles/tangibles | 76,018.2 | 10,025.0 | 66,000.0 | 184.8 | 22.2 | 257.4 | 134.9 | nm | 0 | 6.7 |

Source: ABG Sundal Collier, Company data

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