

## Production looking to pick up in H2

Revenue in Q4 was as expected very limited, with Friday in care and maintenance. Profitability figures were burdened by US Grant payments and write-downs.

- Revenue\* in Q4 amounted to SEK 0.7m, with our estimates at SEK 0.5m. The Friday mine was put into care and maintenance during Q3 and as such no significant new gold concentrate production took place during Q4.
- EBITDA\* in Q4 was at SEK -39.6m, below our estimate of SEK -14.0m. Adj. EBITDA\* excl. payments for claims of the US Grant project amounted to SEK -9.7m, slightly better than expected.
- EBIT\* amounted to SEK -99.0m (Evli SEK -16.9m). EBIT was affected by a clear increase in depreciations and write-downs due to write-downs performed at year-end.  
\*Figures not reported, derived from Q1-Q3 and 2020 figures
- At Pampalo, deepening of the mine is expected to start in late March/early April after mining contractor has been selected and mobilized to the site and mining to start later in the year. At Friday the technical problems at the mill are being addressed and production is expected to start as soon as weather conditions permits in late spring.
- Liquid assets amounted to SEK 11.3m at the end of the quarter.
- During January 2021 Endomines carried out its rights issue, raising approximately SEK 214m.
- Endomines has not given a production guidance for 2021 but aims to specify its production guidance in connection with the Q1 release.

 Rating 🟡 HOLD

Q4/20	Actual	Evli	Year ago	Q3/20
Revenue	0.7	0.5	0.7	1.9
EBITDA	-39.6	-14.0	-15.1	-22.6
EBIT	-99.0	-16.9	-13.7	-28.7

Deviation	Actual	Evli	Year ago	Q3/20
Net sales		40%	0%	-63%
EBITDA		<-100%	<-100%	-76%
EBIT		<-100%	<-100%	<-100%

Figures derived from Q1-Q3 and 2020 figures

 Share price, SEK (Last trading day's closing price) 2.53

 Target price, SEK 2.9

Latest change in recommendation	02-Dec-20
Latest report on company	15-Jan-21
Research paid by issuer:	YES
No. of shares outstanding, '000's	131,305
No. of shares fully diluted, '000's	131,305
Market cap, SEKm	332
Free float, %	0.0
Exchange rate EUR/SEK	10.230
Reuters code	ENDO.ST
Bloomberg code	ENDO SS
Average daily volume, SEKm	0.2
Next interim report	18-Feb-21
Web site	endomines.com/investors

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+ BUY 🟡 HOLD - SELL

### PRE-REPORT KEY FIGURES

	Sales SEKm	EBIT SEKm	EBIT %	FCF SEKm	EPS SEK	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS SEK
2018E	104.0	-48.5	-46.6%	-166.5	-1.06	-5.6	3.9	-8.4	-79.0	0.00
2019E	5.8	-52.4	-903.4%	-159.8	-0.75	-7.5	112.7	-12.5	-35.7	0.00
2020E	12.9	-102.5	-794.6%	-146.3	-1.10	-2.3	34.4	-4.3	-44.0	0.00
2021E	64.8	-56.9	-87.9%	-139.2	-0.25	-10.1	4.0	-4.6	-41.9	0.00
2022E	183.1	-28.6	-15.6%	-198.9	-0.09	-28.0	2.5	-16.1	-59.9	0.00
Market cap, SEKm		332	BV per share 2011E, SEK		25.8	CAGR EPS 2010-13, %				-50.6
Net debt 2011E, SEKm		112	Price/book 2011E		0.8	CAGR sales 2010-13, %				216.0
Enterprise value, SEKm		444	Dividend yield 2011E, %		0.0	ROE 2011E, %				-37.5
Total assets 2011E, SEKm		578	Tax rate 2011E, %		0.1	ROCE 2011E, %				-18.6
Goodwill 2011E, SEKm		0	Equity ratio 2011E, %		74.8	PEG, P/E 11/CAGR				0.0

All the important disclosures can be found on the last pages of this report.

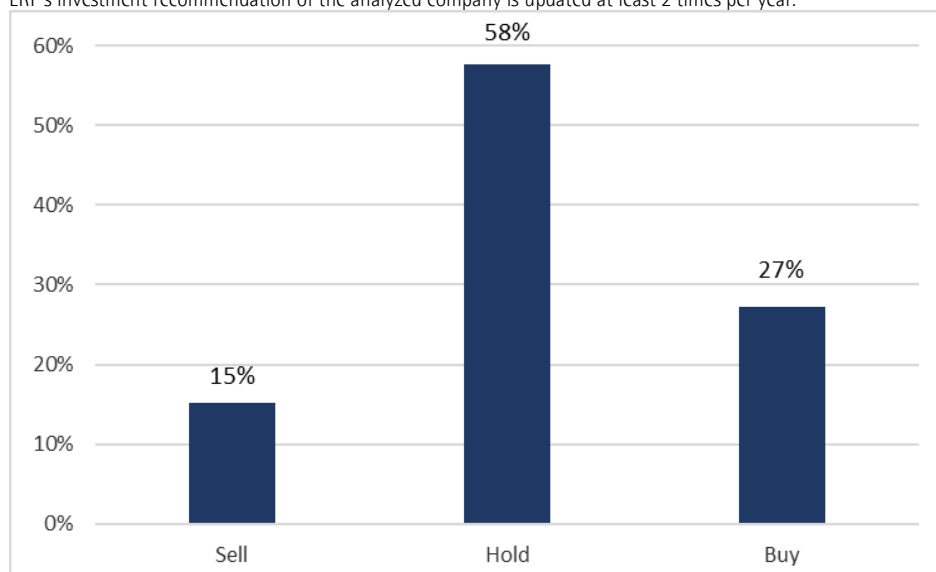
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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Name(s) of the analyst(s): Salokivi

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February 18, 2021

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