

## Short-term concerns remain

Endomines is set to start showing serious production figures in the coming quarters, with Friday having started up and Pampalo set to follow during the start of 2022. Cash flows remain crucial, as the company's financial position remains weak.

### Friday restarted; full capacity seen to be reached in 2021

Endomines reported its Q3 results which, as production was still starting up, were not particularly eventful in terms of production. Revenue\* amounted to SEK 1.7m (Evlí 0.0m) and EBIT\* to SEK -38.2m (Evlí -33.0m) \*not reported, derived from Q1-Q3 and H1). At Friday initial production started up during the quarter, with most of the technical challenges that have faced the commissioning of the mill having been addressed. The planned production capacity of 150 tons per day is expected to be reached the end of Q4. The re-opening of Pampalo has gone largely as planned. According to current schedules ore production will start in December 2021. Ore processing at the mill is expected to commence early 2022.

### Financial position remains challenging

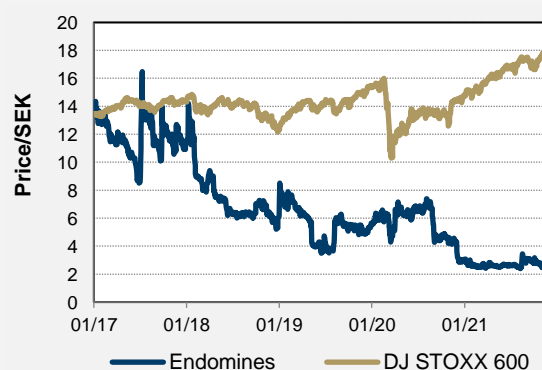
As a result of refocusing the Pampalo production schedule to Q1 2022 from previously planned Q2 2022 Endomines adjusted its short-term Q4 2021 production guidance to 1,200 oz (prev. 1,500oz) and we have adjusted our short-term estimates accordingly. Production should pick up clearly during 2022, with our estimates for Friday and Pampalo at approx. 8,300oz and 6,300oz respectively (co's mid-term full production goals 7,800-9,000oz and 10,000-11,500oz respectively). The cash flows remain essential, as Endomines has been without production the last 12 months and has had to seek financing several times. The liquid assets at the end of the period were only SEK 8.4m.

### HOLD with a target price of SEK 2.7 (2.8)

We have made some adjustments to our SOTP-model relating to share issues and changes in the financial position, based on which we adjust our target price to SEK 2.7 (2.8). Financing remains a key concern but the company is steadily nearing decent production figures, which would sort out some concerns.

Rating

■ HOLD



Share price, SEK (Last trading day's closing price) 2.60

Target price, SEK 2.7

Latest change in recommendation 20-Aug-21

Latest report on company 20-Aug-21

Research paid by issuer: YES

No. of shares outstanding, '000's 223,120

No. of shares fully diluted, '000's 223,120

Market cap, SEKm 580

Free float, % 0.0

Exchange rate EUR/SEK 10.150

Reuters code ENDO.ST

Bloomberg code ENDO SS

Average daily volume, SEKm 0.2

Next interim report -

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■ BUY ■ HOLD ■ SELL

## KEY FIGURES

	Sales SEKm	EBIT SEKm	EBIT %	FCF SEKm	EPS SEK	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS SEK
2019	5.8	-52.4	-903.4%	-159.2	-0.75	-7.5	112.7	-12.5	-35.6	0.00
2020	13.1	-184.7	-1,410.0%	-103.5	-1.50	-1.9	38.8	-2.8	-28.2	0.00
2021E	19.1	-167.4	-875.9%	-231.8	-0.90	-2.9	39.5	-4.5	-40.0	0.00
2022E	217.9	-46.9	-21.5%	-327.8	-0.43	-6.1	5.0	-23.1	-56.5	0.00
2023E	516.0	52.7	10.2%	-263.3	-0.30	-8.6	2.6	25.5	-45.4	0.00
Market cap, SEKm		580	Gearing 2021E, %			53.2	CAGR EPS 2020-23, %			-41.4
Net debt 2021E, SEKm		175	Price/book 2021E			1.8	CAGR sales 2020-23, %			240.3
Enterprise value, SEKm		755	Dividend yield 2021E, %			0.0	ROE 2021E, %			-61.0
Total assets 2021E, SEKm		610	Tax rate 2021E, %			0.0	ROCE 2021E, %			-33.7
Goodwill 2021E, SEKm		0	Equity ratio 2021E, %			53.9	PEG, P/E 21/CAGR			0.0

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

Endomines (SEKm)	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21	Q3/'21	Q4/'21E	2021E	2022E	2023E
Net sales	5.8	3.0	7.5	1.9	0.7	13.1	0.1	0.0	1.7	17.3	19.1	217.9	516.0
sales growth %	-94.5%	42.9%	>100%	18.8%	0.0%	>100%	-96.7%	-100.0%	-10.5%	>100%	46 %	>100%	>100%
EBITDA	-48.8	-27.8	-17.4	-23.1	-39.5	-108.0	-14.5	-25.8	-38.0	-23.7	-102.3	32.7	184.9
EBIT	-52.4	-29.2	-27.7	-28.7	-98.9	-184.7	-18.6	-76.9	-40.0	-33.7	-169.5	-46.9	52.7
EBIT margin	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	<-100%	-21.5%	10.2%
Gold production (Oz)	0	0	326	212	0	538	0	0	0	1,204	1,204	14,595	34,561
<b>Finland</b>	<b>2019</b>	<b>Q1/'20</b>	<b>Q2/'20</b>	<b>Q3/'20</b>	<b>Q4/'20</b>	<b>2020</b>	<b>Q1/'21</b>	<b>Q2/'21</b>	<b>Q3/'21**</b>	<b>Q4/'21E</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
Net sales*	5.8	3.0	2.5	0.0	0.0	5.5	0.0	0.0	0.0	0.0	0.0	94.4	152.4
Gold production (Oz)	0	0	0	0	0	0	0	0	0	0	0.0	6320	10208
<b>United States</b>	<b>2019</b>	<b>Q1/'20</b>	<b>Q2/'20</b>	<b>Q3/'20</b>	<b>Q4/'20</b>	<b>2020</b>	<b>Q1/'21</b>	<b>Q2/'21</b>	<b>Q3/'21**</b>	<b>Q4/'21E</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
Net sales*	0.0	0.0	5.0	1.9	0.7	7.6	0.1	0.0	1.7	17.3	19.1	123.6	363.6
Gold production (Oz)	0	0	326	212	0	538	0	0	0	1,204	1204	8276	24352
<b>Assumptions</b>	<b>2019</b>	<b>Q1/'20</b>	<b>Q2/'20</b>	<b>Q3/'20</b>	<b>Q4/'20</b>	<b>2020</b>	<b>Q1/'21</b>	<b>Q2/'21</b>	<b>Q3/'21</b>	<b>Q4/'21E</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
Gold price USD/Oz	1393	1582	1711	1908	1874	1769	1794	1817	1789	1830	1807	1900	1900
Gold price EUR/Oz	1245	1437	1555	1631	1575	1552	1489	1509	1516	1551	1532	1610	1610
USD/SEK	9.46	9.67	9.69	8.87	8.61	9.20	8.40	8.42	8.65	8.64	8.64	8.64	8.64
EUR/SEK	10.58	10.66	10.66	10.37	10.27	10.49	10.12	10.15	10.19	10.19	10.19	10.19	10.19
EUR/USD	1.12	1.10	1.10	1.17	1.19	1.14	1.21	1.20	1.18	1.18	1.18	1.18	1.18

\*Net sales split Evli estimate (not reported)

\*\*Production figures not reported

Source: Endomines, Evli Research

Valuation	Evli est. MSEK	Spot MSEK	Estimate basis
Friday	195	182	LOM 8 years, avg. CC 830 USD/oz, ~92,000oz concentrate produced
Other assets (US)	545	525	
Pampalo	101	95	Real option model, assuming profitability above 1,500 USD/oz gold price
Karelia other	89	87	In-situ value for assets. Exploration ~200USD/m
Corporate/other	-214	-214	DCF estimate assuming active operations until 2030
Net cash (debt)	-121	-121	
Total	595	554	
Per share	2.7	2.5	
Long-term gold price (USD/Oz)	1900		Evli
Spot price (USD/Oz)		1858	
Shares (m)	223.1	223.1	

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	2.60 PV of Free Cash Flow	1,164 Long-term growth, %	-100.0 Risk-free interest rate, %
DCF share value	4.58 PV of Horizon value	0 WACC, %	8.7 Market risk premium, %
Share price potential, %	76.1 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	4.8 Marketable securities	11 Minimum WACC, %	8.2 Equity beta coefficient
Minimum value	4.4 Debt - dividend	-154 Maximum WACC, %	9.2 Target debt ratio, %
Horizon value, %	0.0 Value of stock	1,021 Nr of shares, Mn	223.1 Effective tax rate, %

DCF valuation, SEKm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	13	19	218	516	1,274	1,319	1,372	1,372	766	421	0	0
<i>Sales growth, %</i>	<i>125.9</i>	<i>45.9</i>	<i>1,040</i>	<i>136.8</i>	<i>146.8</i>	<i>3.6</i>	<i>4.0</i>	<i>0.0</i>	<i>-44.2</i>	<i>-45.1</i>	<i>-100.0</i>	<i>0.0</i>
Operating income (EBIT)	-185	-167	-47	53	476	519	551	581	244	119	0	0
<i>Operating income margin, %</i>	<i>-1,410</i>	<i>-875.9</i>	<i>-21.5</i>	<i>10.2</i>	<i>37.4</i>	<i>39.3</i>	<i>40.2</i>	<i>42.3</i>	<i>31.9</i>	<i>28.4</i>	<i>32.7</i>	<i>0.0</i>
+ Depreciation+amort.	77	67	73	127	133	139	139	129	126	70	0	
EBITDA	-108	-100	26	180	609	657	690	710	370	190	0	
- Paid taxes	0	0	9	-11	-95	-104	-110	-116	-49	-24	0	
- Change in NWC	4	-3	-88	-132	-335	-20	-23	0	268	152	120	
<i>NWC / Sales, %</i>	<i>-456.7</i>	<i>-299.1</i>	<i>14.1</i>	<i>31.5</i>	<i>39.0</i>	<i>39.2</i>	<i>39.4</i>	<i>39.4</i>	<i>35.6</i>	<i>28.6</i>	<i>0.0</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	-35	
- Operative CAPEX	-27	-95	-217	-191	-69	-70	-70	-70	-23	-21	392	
<i>opCAPEX / Sales, %</i>	<i>202.8</i>	<i>497.1</i>	<i>99.6</i>	<i>37.0</i>	<i>5.4</i>	<i>5.3</i>	<i>5.1</i>	<i>5.1</i>	<i>3.0</i>	<i>5.0</i>	<i>0.0</i>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	40	0	0	0	0	0	0	0	0	0	0	
= FCFF	-91	-198	-270	-154	110	463	487	524	567	297	477	0
= Discounted FCFF		-196	-245	-129	85	329	318	315	313	151	223	0
= DFCF min WACC		-196	-247	-130	86	335	325	324	324	157	233	0
= DFCF max WACC		-196	-244	-127	84	322	310	306	303	146	214	0

## INTERIM FIGURES

EVLI ESTIMATES, SEKm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2	2021Q3	2021Q4E	2021E	2022E	2023E
Net sales	3.0	7.5	1.9	0.7	13.1	0.1	0.0	1.7	17.3	19.1	217.9	516.0
EBITDA	-27.8	-17.4	-23.1	-39.7	-108.0	-14.5	-25.8	-36.3	-23.7	-100.3	25.7	179.6
<i>EBITDA margin (%)</i>	<i>-926.7</i>	<i>-232.2</i>	<i>-1,215.8</i>	<i>-5,671.0</i>	<i>-824.5</i>	<i>-14,500.0</i>	<i>-2,580,000</i>	<i>-2,135.3</i>	<i>-136.8</i>	<i>-524.8</i>	<i>11.8</i>	<i>34.8</i>
EBIT	-29.2	-27.7	-28.7	-99.1	-184.7	-18.6	-76.9	-38.2	-33.7	-167.4	-46.9	52.7
<i>EBIT margin (%)</i>	<i>-973.3</i>	<i>-369.3</i>	<i>-1,510.5</i>	<i>-14,159.3</i>	<i>-1,410.0</i>	<i>-18,600.0</i>	<i>-7,690,000</i>	<i>-2,247.1</i>	<i>-194.6</i>	<i>-875.9</i>	<i>-21.5</i>	<i>10.2</i>
Net financial items	-15.1	3.9	-15.5	14.4	-12.3	-21.8	-3.6	12.3	-3.0	-33.8	-72.5	-136.9
Pre-tax profit	-44.3	-23.8	-44.2	-84.7	-197.0	-40.4	-80.5	-25.9	-36.7	-201.2	-119.3	-84.2
Tax	0.0	0.2	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	23.9	16.8
<i>Tax rate (%)</i>	<i>0.0</i>	<i>0.7</i>	<i>0.0</i>	<i>-0.1</i>	<i>0.1</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.1</i>	<i>0.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	-44.3	-23.6	-44.2	-84.7	-196.9	-40.4	-80.5	-25.9	-36.7	-201.2	-95.5	-67.4
EPS	-0.34	-0.18	-0.34	-0.65	-1.50	-0.18	-0.36	-0.12	-0.16	-0.90	-0.43	-0.30
EPS adjusted (diluted no. of shares)	-0.34	-0.18	-0.34	-0.65	-1.50	-0.18	-0.36	-0.12	-0.16	-0.90	-0.43	-0.30
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>SALES, SEKm</b>												
Endomines	3.0	7.5	1.9	0.7	13.1	0.1	0.0	1.7	17.3	19.1	217.9	516.0
Total	3.0	7.5	1.9	0.7	13.1	0.1	0.0	1.7	17.3	19.1	217.9	516.0
<b>SALES GROWTH, Y/Y %</b>												
Endomines	42.9	435.7	18.8	0.0	125.9	-96.7	-100.0	-10.5	2,372.9	45.9	1,040.3	136.8
Total	42.9	435.7	18.8	0.0	125.9	-96.7	-100.0	-10.5	2,372.9	45.9	1,040.3	136.8
<b>EBIT, SEKm</b>												
Endomines	-29.2	-27.7	-28.7	-99.1	-184.7	-18.6	-76.9	-38.2	-33.7	-167.4	-46.9	52.7
Total	-29.2	-27.7	-28.7	-99.1	-184.7	-18.6	-76.9	-38.2	-33.7	-167.4	-46.9	52.7
<b>EBIT margin, %</b>												
Endomines	-973.3	-369.3	-1,510.5	-14,159.3	-1,410.0	-18,600.0	-7,690,000	-2,247.1	-194.6	-875.9	-21.5	10.2
Total	-973.3	-369.3	-1,510.5	-14,159.3	-1,410.0	-18,600.0	-7,690,000	-2,247.1	-194.6	-875.9	-21.5	10.2

INCOME STATEMENT, SEKm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	101.1	122.2	104.0	5.8	13.1	19.1	217.9	516.0
<i>Sales growth (%)</i>	<i>-10.5</i>	<i>21.0</i>	<i>-14.9</i>	<i>-94.4</i>	<i>125.9</i>	<i>45.9</i>	<i>1,040.3</i>	<i>136.8</i>
EBITDA	-7.7	-5.7	-5.5	-48.8	-108.0	-100.3	25.7	179.6
<i>EBITDA margin (%)</i>	<i>-7.6</i>	<i>-4.7</i>	<i>-5.3</i>	<i>-841.1</i>	<i>-824.5</i>	<i>-524.8</i>	<i>11.8</i>	<i>34.8</i>
Depreciation	-95.4	-59.1	-43.0	-3.6	-76.7	-67.1	-72.6	-126.9
EBITA	-103.1	-64.8	-48.5	-52.4	-184.7	-167.4	-46.9	52.7
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-103.1	-64.8	-48.5	-52.4	-184.7	-167.4	-46.9	52.7
<i>EBIT margin (%)</i>	<i>-102.1</i>	<i>-53.0</i>	<i>-46.6</i>	<i>-903.4</i>	<i>-1,410.0</i>	<i>-875.9</i>	<i>-21.5</i>	<i>10.2</i>
Reported EBIT	-103.1	-64.8	-48.5	-52.4	-184.7	-167.4	-46.9	52.7
<i>EBIT margin (reported) (%)</i>	<i>-102.1</i>	<i>-53.0</i>	<i>-46.6</i>	<i>-903.4</i>	<i>-1,410.0</i>	<i>-875.9</i>	<i>-21.5</i>	<i>10.2</i>
Net financials	-1.5	-4.5	11.0	-7.7	-12.3	-33.8	-72.5	-136.9
Pre-tax profit	-104.7	-69.3	-37.5	-60.1	-197.0	-201.2	-119.3	-84.2
Taxes	-20.3	0.0	0.1	0.0	0.1	0.0	23.9	16.8
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	-125.0	-69.3	-37.4	-60.1	-196.9	-201.2	-95.5	-67.4
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>BALANCE SHEET, SEKm</b>								
<b>Assets</b>								
Fixed assets	171	130	476	573	568	596	740	804
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	0	0	0	0	0	0	0	0
Inventory	1	2	2	0	2	4	41	97
Receivables	21	12	4	1	3	5	55	131
Liquid funds	29	16	19	16	11	6	33	52
Total assets	222	161	501	590	585	610	869	1,084
<b>Liabilities</b>								
Shareholder's equity	115	45	252	336	331	329	233	166
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	169	175	0	0	0	0
Lease liabilities	0	0	0	0	0	0	0	0
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	84	84	44	46	154	181	535	818
Non-interest bearing current liabilities	0	0	0	0	0	0	0	0
Other interest-free debt	24	32	36	32	100	100	100	100
Total liabilities	222	161	501	590	585	610	869	1,084
<b>CASH FLOW, SEKm</b>								
+ EBITDA	-8	-6	-5	-49	-108	-100	26	180
- Net financial items	-2	-4	11	-8	-12	-34	-72	-137
- Taxes	-1	0	0	0	0	0	24	17
- Increase in Net Working Capital	0	9	8	-5	4	-3	-88	-132
+/- Other	-3	2	-22	-17	40	0	0	0
= Cash flow from operations	-14	1	-8	-79	-77	-137	-111	-72
- Capex	-38	-14	-100	-82	-27	-95	-217	-191
- Acquisitions	0	0	-59	0	0	0	0	0
+ Divestments	0	0	0	2	0	0	0	0
= Free cash flow	-52	-13	-167	-159	-103	-232	-328	-263
+/- New issues/buybacks	71	0	244	144	192	199	0	0
- Paid dividend	0	0	0	0	0	0	0	0
+/- Other	-10	-1	-74	12	-93	27	355	282
Change in cash	9	-14	3	-3	-4	-6	27	19

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	126	211	448	366	580	580	580
Net debt (excl. convertibles)	68	25	30	143	175	503	766
Enterprise value	194	405	654	509	755	1,083	1,346
Sales	122	104	6	13	19	218	516
EBITDA	-6	-5	-49	-108	-100	26	180
EBIT	-65	-48	-52	-185	-167	-47	53
Pre-tax	-69	-37	-60	-197	-201	-119	-84
Earnings	-69	-37	-60	-197	-201	-95	-67
Equity book value (excl. minorities)	45	252	336	331	329	233	166
<b>Valuation multiples</b>							
EV/sales	1.6	3.9	112.7	38.8	39.5	5.0	2.6
EV/EBITDA	-34.0	-73.7	-13.4	-4.7	-7.5	42.1	7.5
EV/EBITA	-3.0	-8.4	-12.5	-2.8	-4.5	-23.1	25.5
EV/EBIT	-3.0	-8.4	-12.5	-2.8	-4.5	-23.1	25.5
EV/OCF	198.3	-53.2	-8.3	-6.6	-5.5	-9.8	-18.6
EV/FCFF	-28.6	-2.3	-4.3	-5.6	-3.8	-4.0	-8.8
P/FCFE	-13.9	-1.3	-2.8	-3.5	-2.5	-1.8	-2.2
P/E	-1.8	-5.6	-7.5	-1.9	-2.9	-6.1	-8.6
P/B	2.8	0.8	1.3	1.1	1.8	2.5	3.5
Target EV/EBITDA	0.0	0.0	0.0	0.0	-7.8	43.0	7.6
Target EV/EBIT	0.0	0.0	0.0	0.0	-4.6	-23.6	26.0
Target EV/FCF	0.0	0.0	0.0	0.0	-3.4	-3.4	-5.2
Target P/B	0.0	0.0	0.0	0.0	1.8	2.6	3.6
Target P/E	0.0	0.0	0.0	0.0	-3.0	-6.3	-8.9
<b>Per share measures</b>							
Number of shares	15,280	35,148	79,957	131,305	223,120	223,120	223,120
Number of shares (diluted)	15,280	35,148	79,957	131,305	223,120	223,120	223,120
EPS	-4.53	-1.06	-0.75	-1.50	-0.90	-0.43	-0.30
Operating cash flow per share	0.06	-0.22	-0.99	-0.59	-0.61	-0.50	-0.32
Free cash flow per share	-0.86	-4.74	-1.99	-0.79	-1.04	-1.47	-1.18
Book value per share	2.97	7.16	4.20	2.52	1.47	1.05	0.74
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend payout ratio, %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend yield, %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF yield, %	-10.5	-79.0	-35.6	-28.2	-40.0	-56.5	-45.4
<b>Efficiency measures</b>							
ROE	-86.6	-25.2	-20.5	-59.1	-61.0	-33.9	-33.7
ROCE	-39.6	-9.9	-10.3	-35.5	-33.7	-7.3	6.0
<b>Financial ratios</b>							
Inventories as % of sales	1.8	1.7	0.6	18.8	18.8	18.8	18.8
Receivables as % of sales	9.9	3.6	22.8	25.4	25.4	25.4	25.4
Non-interest bearing liabilities as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NWC/sales, %	-7.9	-20.8	-310.5	-456.7	-299.1	14.1	31.5
Operative CAPEX/sales, %	11.6	95.9	1,414.7	202.8	497.1	99.6	37.0
CAPEX/sales (incl. acquisitions), %	11.6	39.0	1,414.7	202.8	497.1	99.6	37.0
FCFF/EBITDA	1.2	32.3	3.1	0.8	2.0	-10.5	-0.9
Net debt/EBITDA, book-weighted	-11.9	-4.6	-0.6	-1.3	-1.7	19.6	4.3
Debt/equity, market-weighted	0.7	0.2	0.1	0.4	0.3	0.9	1.4
Equity ratio, book-weighted	28.3	84.0	86.7	56.5	53.9	26.9	15.3
Gearing, %	149.3	6.0	6.0	43.1	53.2	215.3	461.2

**COMPANY DESCRIPTION:** Endomines engages in exploration, mining, and extraction of gold deposits. Its sites are found in Eastern Finland along the Karelian Gold line and in Idaho, USA. The company was founded in 2005 and is headquartered in Stockholm, Sweden. Endomines focuses its operations to assets in stable jurisdictions that can be brought to production rapidly and with limited investment.

**INVESTMENT CASE:** The ramp-up of operations at the Friday-mine has been burdened by challenges and the operations were put under care and maintenance in August 2020 due to a weak cash position. The company has now taken actions to improve its financial situation and has reinitiated the ramp-up of operations at its Friday and Pampalo mines. Supportive development in gold prices offer additional potential for increased revenue.

OWNERSHIP STRUCTURE	SHARES	SEKm	%
Clearstream Banking S.A.	31,465,363	81.810	14.1%
Northern Trust Global Services	30,448,229	79.165	13.6%
Joensuun Kauppa ja Kone	22,297,592	57.974	10.0%
Nordea Bank Abp (Publ)	16,038,436	41.700	7.2%
Evli Pankki Plc	13,001,965	33.805	5.8%
Skandinaviska Enskilda Banken	7,055,899	18.345	3.2%
Aktia Bank Abp	6,130,050	15.938	2.7%
LDA Capital Limited	6,100,000	15.860	2.7%
Kakkonen Kari Heikki Ilmari	3,065,366	7.970	1.4%
K22 Finance Oy	2,667,002	6.934	1.2%
Ten largest	138,269,902	359.502	62%
Residual	84,850,098	220.610	38%
Total	223,120,000	580.112	100%

## EARNINGS CALENDAR

## OTHER EVENTS

## COMPANY MISCELLANEOUS

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CFO:

Tel: +46 8 611 66 45

IR:

## DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	DPS	Dividend for the financial period per share
Market cap	Price per share * Number of shares	OCF (Operating cash flow)	EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	FCF (Free cash flow)	Operating cash flow – operative CAPEX – acquisitions + divestments
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	FCF yield, %	$\frac{\text{Free cash flow}}{\text{Market cap}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	Operative CAPEX/sales	$\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Net working capital	Current assets – current liabilities
Net debt	Interest bearing debt – financial assets	Capital employed/Share	$\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
Total assets	Balance sheet total	Gearing	$\frac{\text{Net debt}}{\text{Equity}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		



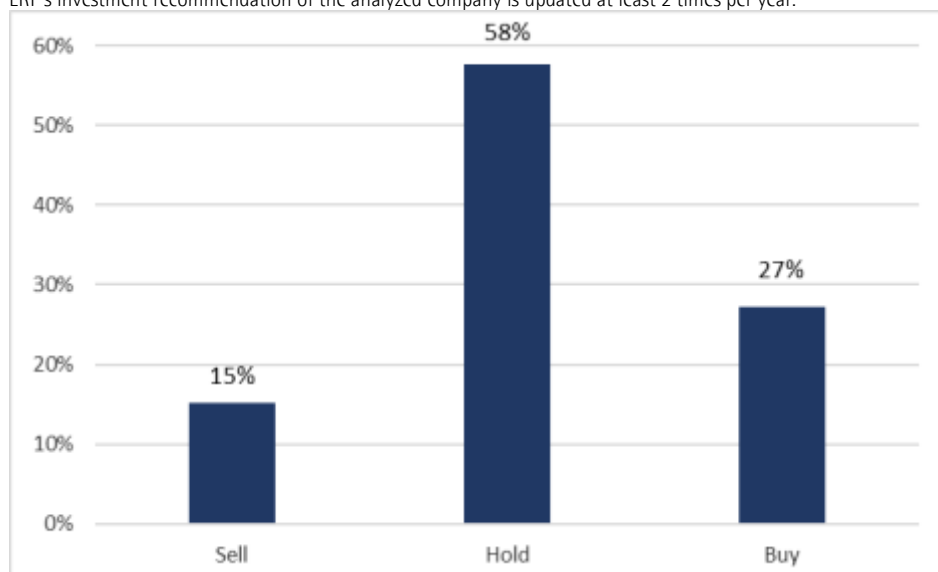
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Investment recommendations are defined as follows:

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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