

Initial production started

Initial production at Friday commenced during Q3, with planned milling capacity seen to be reached at the end of Q4. The Pampalo startup is progressing well, ore production at the mine and ore processing at the mill are expected in Q4 2021 and Q1 2022 respectively.

- Revenue in Q3 amounted to SEK 1.7*m, with our estimates at SEK 0.0m. Revenue in Q3 was still as expected not significant, as the Friday mine and mill are only just re-starting production.
- EBITDA in Q3 was at SEK -36.3m*, below our estimate of SEK -28.0m.
- EBIT amounted to SEK -38.2m* (EvlI SEK -33.0m).
*Figures derived from Q1-Q3 and H1 figures
- During Q3 the Pampalo mine decline was driven down to a new production area. Work remains within budget and timeline. At Friday, the technical challenges relating to the mill have mostly been resolved. An underground core drilling program is being carried out, to be completed during Q4.
- The Orogrande processing facility is under commenced production and is forecasted to reach planned milling capacity (150 tons/day) by the end of Q4 2021. Ore production at the Pampalo mine will start in Q4 2021 and ore processing at the mill will begin early Q1 2022.
- Liquid assets amounted to SEK 8.4m at the end of Q3.
- Due to the refocusing of the Pampalo production schedule from previously planned Q2 2022 to Q1 2022, the short-term Q4 2021 gold production guidance for the operations has been amended to approximately 1,200 oz by year end.

Rating 🟡 HOLD

Q3/21	Actual	EvlI	Year ago	Q2/21
Revenue	1.7	0.0	1.9	0.0
EBITDA	-36.3	-28.0	-23.1	-25.8
EBIT	-38.2	-33.0	-28.7	-76.9

Deviation	Actual	EvlI	Year ago	Q2/21
Net sales		-	-11 %	-
EBITDA		-30 %	-57 %	-41 %
EBIT		-16 %	-33 %	50 %

Figures derived from Q1-Q3 and H1 figures

Share price, SEK (Last trading day's closing price)	2.64
Target price, SEK	2.8
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	221,120
No. of shares fully diluted, '000's	221,120
Market cap, SEKm	584
Free float, %	-
Exchange rate EUR/SEK	10.150
Reuters code	ENDO.ST
Bloomberg code	ENDO SS
Average daily volume, SEKm	0.2
Next interim report	11-Nov-21
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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
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	20.9	-147.0	-704.2%	-206.6	-0.81	-3.3	35.1	-5.0	-35.4	0.00
2022E	212.7	-48.8	-23.0%	-321.8	-0.42	-6.3	5.0	-21.6	-55.1	0.00
2023E	503.8	46.7	9.3%	-259.4	-0.30	-8.8	2.6	28.1	-44.4	0.00

Market cap, SEKm	584	BV per share 2021E, SEK	42.6	CAGR EPS 2020-23, %	-41.4
Net debt 2021E, SEKm	150	Price/book 2021E	1.7	CAGR sales 2020-23, %	237.5
Enterprise value, SEKm	733	Dividend yield 2021E, %	0.0	ROE 2021E, %	-52.3
Total assets 2021E, SEKm	608	Tax rate 2021E, %	0.0	ROCE 2021E, %	-29.6
Goodwill 2021E, SEKm	0	Equity ratio 2021E, %	57.8	PEG, P/E 21/CAGR	0.0

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

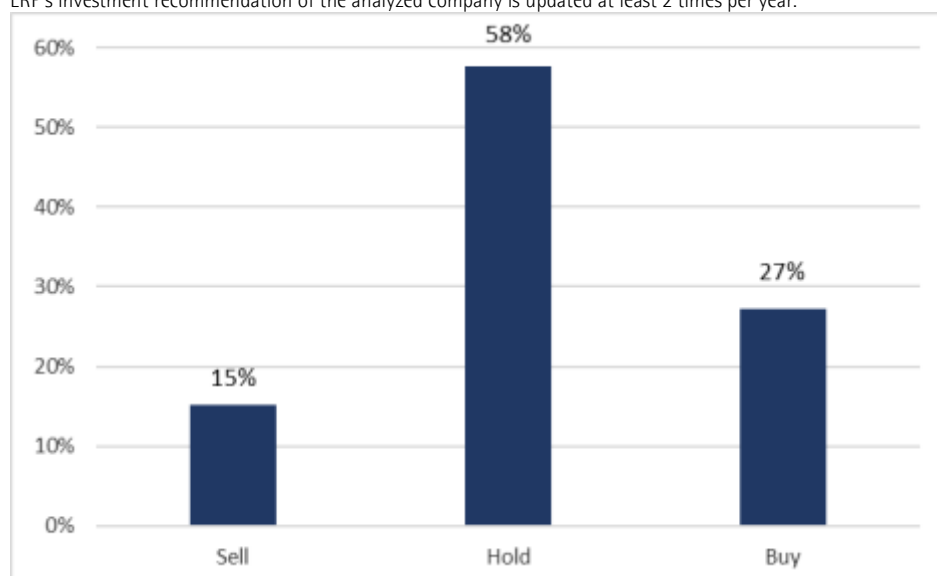
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Investment recommendations are defined as follows:

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

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November 11, 2021

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