

# KOPY GOLDFIELDS

Kopy Goldfields AB (publ)  
Press release 6/2021  
Stockholm, March 25, 2021

## KOPY GOLDFIELDS AB (publ) Year-end Report January – December 2020

The consolidated financial statements of the Kopy Goldfields Group ("Kopy Goldfields", "the Company"), of which Kopy Goldfields AB (publ) with corporate identity number 556723-6335 is the parent company ("the Parent Company"), are hereby presented for the full-year period ended on 31 December 2020. Following the transaction with Amur Zoloto, Kopy Goldfields has chosen to change the presentation currency from Swedish krona (SEK) to US dollars (USD). In accordance with the Swedish Accounting Act, the Parent Company's financial information is reported in SEK and not the Group's presentation currency of USD.

### July – December 2020 (H2 2019)

- Revenue TUSD 54,606 (40,215), +36%
- EBITDA TUSD 27,815 (15,392), +81%
- Profit before tax TUSD 12,404 (5,928), +109%
- Profit for the period TUSD 9,429 (4,662), +102%
- Earnings per share before dilution USD 0.01 (0.01)
- Announcement of long-term production target of >100 koz of gold and gold equivalent by 2025.
- Construction and development activities started for the production growth projects Perevalnoe Heap Leach and Maluytka Heap Leach.
- New estimation of Mineral Resources and Reserves announced. Total estimated M, I&I Mineral Resources amount to 2,756 koz of gold, including total new Probable Ore Reserves of 1,313 koz of gold.

### January – December 2020 (2019)

- Revenue TUSD 98,841 (70,114), +41%
- EBITDA TUSD 45,620 (27,310), +67%
- Profit before tax TUSD 24,728 (11,719), +111%
- Profit for the period TUSD 19,153 (9,160), +109%
- Earnings per share before dilution USD 0.02 (0.01)
- Acquisition of Amur Zoloto announced in May and completed in September 2020.
- The Board of Directors proposes that no dividend be paid.

### Summary of financial information

	Jul-Dec 2020	Jul-Dec 2019	%	Jan-Dec 2020	Jan-Dec 2019	%
Gold production (GE), koz	29.0	26.3	+10	53.1	52.3	+2
Gold sales, koz	28.9	26.1	+11	55.4	48.7	+14
Average realized gold price, USD/oz	1 878	1 495	+26	1 773	1 400	+27
Revenue, TUSD	54 606	40 215	+36	98 841	70 114	+41
Gross profit, TUSD	21 095	12 291	+72	40 973	23 298	+76
Gross margin, %	39%	31%		41%	33%	
EBITDA, TUSD	27 815	15 392	+81	45 620	27 310	+67
EBITDA margin, %	51%	38%		46%	39%	
Profit before tax, TUSD	12 404	5 928	+109	24 728	11 719	+111
Profit for the period, TUSD	9 429	4 662	+102	19 153	9 160	+109
Earnings per share before dilution, USD	0.01	0.01		0.02	0.01	
Earnings per share after dilution, USD	0.01	0.01		0.02	0.01	
Equity per share, USD	0.11	0.07		0.11	0.07	
Cash & cash equivalents at the end of the period, TUSD	10 388	396		10 388	396	
Net Debt, TUSD	41 938	43 619		41 938	43 619	
Net debt/ EBITDA, x	0.92	1.60		0.92	1.60	

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## Comments from the CEO

**2020 was truly a “game changer” for Kopy Goldfields. Through the reverse takeover of Amur Zoloto, we created a leading Swedish gold producer operating in the most renowned gold mining regions of Russia. Despite the challenges caused by the Covid-19 virus, the transaction went very smoothly, followed by the successful integration of the two companies. On the back of historically high gold prices and with strong production development plans, Kopy Goldfields enters 2021 with an exciting growth story.**

With a clear focus on profitable growth, the significantly enlarged company has identified, explored, and developed high potential areas for gold mining for several decades, resulting in a solid track record of bringing profitable ounces online. Our strategy to combine local geological and mining knowledge and science with modern and efficient technology allows us to identify and develop mineral deposits in a cost-efficient, safe and transparent way. By combining Kopy Goldfields’ strong exploration knowledge and asset portfolio with Amur Zoloto’s well-established gold production assets and capabilities, we have created a leading gold company active in all aspects of gold mining from exploration to production and gold sales.

### **Strong financial results and gold production growth**

During the second half of the year, the total gold equivalent production amounted to 29.0 koz (903 kg), which is a 10% increase compared to the H2 2019 production of 26.3 koz (818 kg), largely due to gold production growth at the Perevalnoe project. Total gold production for the full year 2020 amounted to 53.1 koz (1,652 kg). Revenues for the year increased by 41% and totaled TUSD 98,841 compared to TUSD 70,114 during 2019, following higher production levels and metal prices. EBITDA for 2020 amounted to TUSD 45,620, which is a 67% increase compared to last year’s TUSD 27,310. Our strong cash flow from operations fuels our growth projects and allows us to maintain a healthy debt ratio. The solid balance sheet allows us to borrow over the long term on an unsecured basis from the leading Russian commercial banks. Going forward the company will maintain a prudent approach to financial leverage, focusing on keeping the right balance between an optimal capital structure, capex investments, leverage and dividends. It is satisfying to see that despite the negative impact Covid-19 has had, we have delivered a record year in terms of both gold production and profits.

### **Covid-19**

Covid-19 has affected us all both personally and professionally. Kopy Goldfields is no exception and even though we managed to avoid major outbreaks within the company, a few cases were reported at the Yubileyniy site in December. In close coordination with the Russian authorities, all employees at the site were tested, and infected personnel were evacuated from the site. Testing and evacuating personnel slowed down the mineral processing and mining operations and thus affected the site’s production levels during the interruption. Since January, all operations have been restored to the planned scale and no additional Covid-19 cases have been reported at Yubileyniy or elsewhere within the company’s mining sites. We have also offered all our employees in Russia the opportunity to have a free vaccination. Travel restrictions due to Covid-19 also had a negative impact, particularly on our alluvial mining operations which underperformed during 2020.

### **Bright prospects ahead**

Our long-term target is to double our current gold production to above 100 koz per year by 2025 from Perevalnoe, Yubileyniy, Maluytka and placer operations. On top of that we expect additional upside to come from Krasny and our other exploration projects that have not been included in the production modelling so far. We have already commenced all construction projects leading towards the long-term production target and we expect to make further important progress in the coming year. For 2021 we have budgeted more than USD 55 million for construction and exploration projects, which is almost half of our total long-term investment plan. The Krasny project will be our priority exploration target during 2021, and together with our partner GV Gold, we aim to advance Krasny into the feasibility stage and production planning by the end of the year. For 2021 we forecast gold production of between 56-59 koz, an increase of 5-11 percent compared to 2020, in line with our long-term goal and supportive of further financial growth.

Finally, I would like to thank all our shareholders and employees. 2020 was in many ways a challenging year, but by working together we have made more progress in the company development than ever before.

Mikhail Damrin, CEO Kopy Goldfields

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## **Presentation for investors, analysts, and the media**

CEO Mikhail Damrin and CFO Tim Carlsson will present the report and answer questions via a webcast on 25 March 2021 at 10.00 a.m. CET. The presentation will be in English and can be followed online or via telephone. Number for participation by telephone: Sweden +46856642695 (no PIN) / UK +443333009271 (no PIN) / Russia +88005009867 (PIN: 74613423#). Follow the presentation at <https://tv.streamfabriken.com/kopy-goldfields-q4-2020>

## **For more information, please contact:**

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*This information is information that Kopy Goldfields AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 8 am CET on 25 March 2021.*

## **About Kopy Goldfields**

Kopy Goldfields is a leading Swedish gold exploration and production company operating in the most renowned gold mining regions of Russia. Kopy Goldfields' strategy is to combine Russian geologic knowledge and science with international management, best industry practices and modern, efficient technology to identify and develop mineral deposits in a cost-efficient, safe and transparent way. The Company is listed on Nasdaq First North Growth Market in Stockholm.

Kopy Goldfields applies International Financial Reporting Standards (IFRS), as approved by the European Union. Nordic Certified Advisers acts as Certified Adviser, contact number: +46 707 94 90 73, e-mail: [info@certifiedadviser.se](mailto:info@certifiedadviser.se).

## **The Share**

Ticker: KOPY

<http://www.nasdaqomxnordic.com/shares/microsite?Instrument=SSE77457>

Outstanding shares: 889,064,175