

Endomines

(Company registration no. 556694-2974)

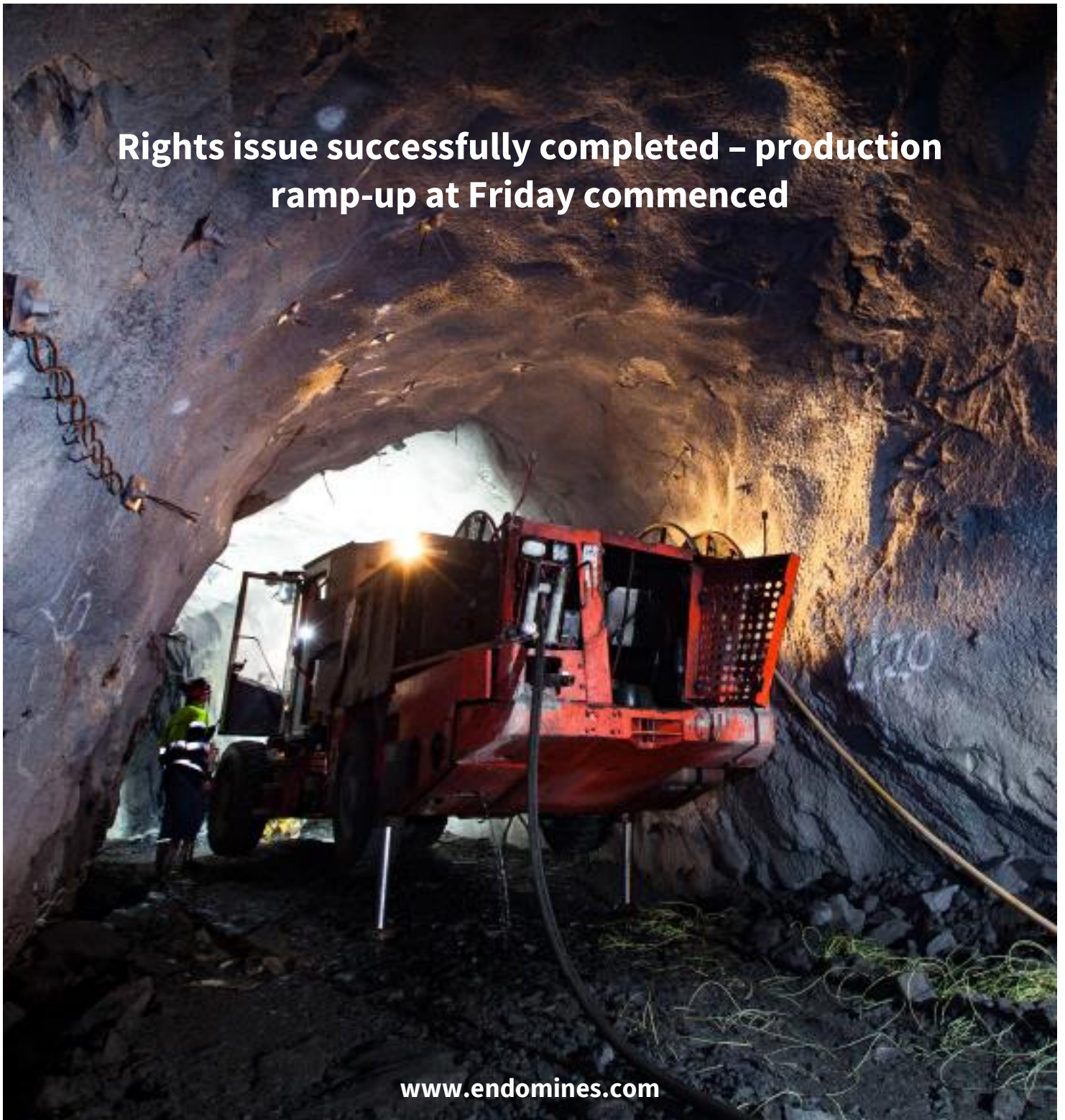
Half-year interim report for 2019

This interim report is a translation from the Swedish original which was published on 16 August 2019. In the event of difference between the English translation and the Swedish original, the Swedish business review shall prevail.

1 JANUARY – 30 JUNE 2019

Rights issue successfully completed – production ramp-up at Friday commenced

www.endomines.com



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H1 2019 (vs. H1 2018)

Operational highlights

- Construction of the Mill was ongoing and developmental drifting at the Friday Mine was the focus for Q2
- Construction of the Tailings pond at the mill was also a large focus of time and materials
- There was no gold concentrate production in Q2 2019
- LTIFR 11 (9)

Financial highlights

- Revenue was 3.5 MSEK (71.5)
- EBITDA was -20.8 MSEK (0.0)
- Total cash flow was -13.2 MSEK (71.6)
- Earnings per share was -0.85 SEK (-0.10)

Significant subsequent events

Endomines's rights issue was successfully completed and the final results announced on 4 July 2019; the proceeds before transactions costs were approximately SEK 156 million. As a result of the rights issue, the total number of shares was increased by 44,549,555 and the share capital by SEK 133,648,665.

Amended production guidance for 2019:

On August 9 Endomines announced that the previous production estimate of 5,000-8,000oz gold in concentrate during 2019 will not be achieved. This is due to reparations of damages that the Friday tailings pond suffered during the 2019 winter/spring season, causing longer than expected delays to the production phase. Based on the commissioning of the plant, the results of the drilling campaign and test mining the production plan is currently being updated by the new Endomines US team. Once completed, Endomines will release an updated production guidance for the Friday mine for year 2019.

Previous production guidance for 2019:

Annual gold production at the Friday mine in Idaho, USA, is expected to be approximately 9,000oz at a cash cost, depending on the area of production, of 650-900 USD/oz, over the life time of the mine. In the first quarter of 2019, Endomines has commenced ramp-up of the mine and anticipated producing 5,000 – 8,000oz gold in concentrate during the current year, with the final output depending on the grades and tonnages mined during the period.

Key figures (Consolidated)	Jan-Jun		
<i>MSEK if not otherwise stated</i>	2019	2018	+/-
Revenue	3.5	71.5	-68.0
Operating expenses	-24.3	-71.5	47.2
Adjusted EBITDA	-20.8	7.8	-28.6
EBITDA	-20.8	0	-20.8
Depreciation and write-downs	-1.5	-23.1	21.6
EBIT	-22.3	-23.1	0.8
Net result for the period	-30.1	-3.5	-26.6
Earnings per share (SEK)	-0.85	-0.10	-0.75
Cash flows from operating activities	-29.8	-16.0	-13.8
Investments	-36.8	-73.7	36.9
Financing	53.4	161.3	-107.9
Liquid assets at the end of the period	5.7	90.1	-84.4
Personnel at the end of the period	36	42	-6
LTIFR	11	9	2

LTIFR = The Lost Time Injury Frequency Rate is based on reported lost time injuries resulting in one day or more off work per 1,000,000 hours worked on a rolling 12-month basis. LTIFR has been calculated for the whole company including contractors

Interim CEO Marcus Ahlström: “The first 6 months of 2019 saw further development of the Friday mine and completion and commission of the mill, which reached technical completion at the end of April. Unfortunately when the snow melted and in preparation of the bypass line for the tailings pond it was discovered that the tailings pond liner as well as some supporting structures had suffered damage during the winter months and the spring run-off. This offset the initial ramp-up of the mine and mill which could only be commissioned at the beginning of August. I am however extremely excited that we have finally started the ramp-up stage at Friday and look forward to get into full production as soon as possible.”

In May the Board resolved on a rights issue to further strengthen Endomines long-term strategy and continue developing the Idaho assets and the exploration programme at the Karelian Goldline. The long-term plan is to produce over 40,000 oz by the end of 2023. The rights issue was completed by July 1 and resulted in the company raising ca. 156 MSEK before transaction costs, this corresponded to approximately 94.4 percent of the initial goal setup for the rights issue. I am very happy with the outcome from the rights issue which has provided us a financial position that currently is solid. I want to further thank all our existing and new shareholders for the commitment and trust that you have showed us.

We have put in place a new US management team following the changes at Group management level. The new team is now focusing on the next steps in carrying out our strategy to keep on working and developing Friday alongside our next projects at Rescue and Unity. A revised production plan and development budget is currently in process. On top of this we are continuing to focus on the exploration programme at the Karelian Goldline with the target of enabling profitable gold production in the longer term”.

Regional exploration activities along the Karelian Gold Line

Endomines continued its extensive multi-year exploration program on the Karelian Gold Line in Eastern Finland. The program commenced in May 2018 and the results of the exploration activities completed in 2018 confirmed the high exploration potential of the Karelian Gold Line and especially highlight the prospective areas close to the existing mine.

Base of till (BOT) sampling continued through the second quarter focusing on the Pampalo, Central Duplex, and Loikkiva Kivi areas. A total of 600 samples have been taken during the quarter and sent to the laboratory for gold and multi-elements assays. The total amount of samples taken during the year 2019 is 1300. Several interesting gold anomalies for follow-up work have been outlined at south and southwest of the Pampalo.

A relogging and sampling campaign including selected historical drill cores from the Pampalo area, primarily from east and south of the existing mineralization, was completed in April. A total of 1015 meters, 7 drill holes, was relogged and the previously unsampled parts of the drill core were sampled and assayed for gold. The aim of the campaign was to identify possible gold mineralized zones in the vicinity of Pampalo.

This summer's field program focusing on target areas highlighted by the "Kultakisa Kakkonen", a layman gold completion organized in summer 2018 by Endomines, commenced in May. The most interesting boulder and bedrock samples, including the winner sample with 1.85 g/t gold from a previously unknown target area, will be checked in the field and systematic boulder prospecting will be carried out. The field program includes also detailed mapping at the areas adjacent the Pampalo mine to gather structural information needed for the new 3D-interpretation of the Pampalo-Central Duplex area.

An excavator trenching program in the Pampalo mining lease area was started at the end of April. A total of four exploration trenches were dug to locations with elevated gold concentrations in the base of till samples, collected by GTK in 1990's and by Endomines in 2018 and 2019. A detailed geological mapping and sampling of the trenches is in progress.

The company is conducting a hyperspectral scanning project jointly with the Geological Survey of Finland (GTK). In the project, some 24,000 meters of existing drill core from the Karelian Gold Line is scanned with the aim of creating an extensive mineralogical model of the area. All of the scanning was carried out during 2018 and interpretation of the data utilizing machine learning and artificial intelligence is in progress. A mineralogical model based on the data is expected during 2019 and it will be combined with the existing exploration data producing a prospectivity model over the area of the Karelian Gold Line.

Project development at the Idaho, USA projects

The focus during Q2 at the Friday mine was mine development in the underground operations. No ore was produced during Q2. However, further study of the ore boundaries to optimize production was developed. A core drilling program was completed in Q2 indicating that the ore body is wider than previous models have suggested and we have hit grade in between two other ore bodies. The gold grades in the ore have been found to be in line with previous drilling results, but due to the variation in the ore shape, careful grade control sampling will be required during production to avoid unnecessary dilution.

Construction of Endomines' processing plant for the Friday mine production continued through the second quarter and reached mechanical completion of all major installations including the crushers, conveyors, ball mill and flotation cells in April. Most equipment has been successfully test-run without load. Commissioning of the centrifuge is the remaining piece of equipment.

The tailings pond at the mill suffered damage during the winter and the spring run-off. The spring run-off and freezing and thawing conditions caused challenges in the construction project, including wet and difficult access to areas at the site. Construction of the pond began in Q2 and was completed in the end of July.

Health, environment and safety

Endomines' strategy relating to health, environment and safety is a non-acceptance of accidents and adverse environmental incidents, a Zero Harm policy.

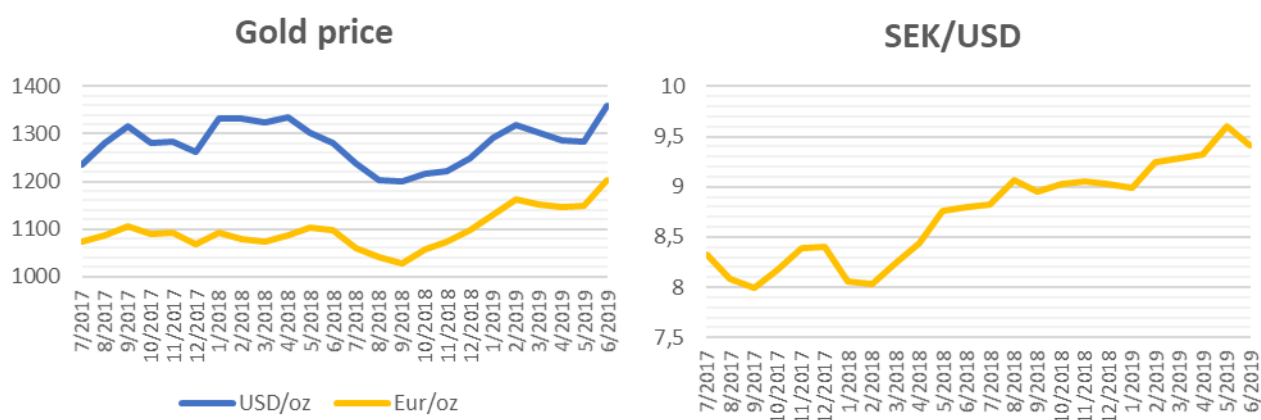
In the second quarter of 2019, the continued focus has been on the development of relevant safety and environmental practices for the Company's Idaho operations. At the end of H1 2019, the rolling twelve-month LTI rate (lost-time injuries per one million working hours) in Pampalo was 17, and in Idaho 0. The combined Group level LTI frequency was 11.

Gold price and exchange rates

At the end of H1 2019, the gold price was 1,413 USD/oz, an increase of 10 per cent compared to 1,282 USD/oz at the end of Q4 2018 (LBMA AM on 31 December 2018). The average gold price for Q2 2019 was 1,310 USD/oz (1,307), and for H1/2019 1,307 USD/oz (1,318) showing no significant changes to the respective corresponding periods the previous years before.

The average gold price in euro for Q2 2019 was 1,165 EUR/oz (1096) and for H1 2019 1157 EUR/oz (1089), both representing an increases of 6 per cent over the corresponding period the year before.

The majority of the costs incurred in Endomines' US operations during H1 2019 were capitalized project expenditure relating to the construction of the Friday mine. As such they did not have a substantial impact on the Group's profitability.



LBMA monthly average gold prices and Swedish central bank (Riksbank) monthly average reference rates for SEK/USD July 2017 - June 2019

Comments on the financial results H1 2019

Key figures (Consolidated)	Jan-Jun		
	2019	2018	+/-
<i>MSEK if not otherwise stated</i>			
Revenue	3.5	71.5	-68
Operating expenses	-24.3	-71.5	47.2
Adjusted EBITDA	-20.8	7.8	-28.6
EBITDA	-20.8	0	-20.8
Depreciation and write-downs	-1.5	-23.1	21.6
EBIT	-22.3	-23.1	0.8
Net result for the period	-30.1	-3.5	-26.6
Earnings per share (SEK)	-0.85	-0.10	-0.75

Result

Total revenue, including change in inventory, for H1 2019 amounted to 3.5 MSEK (71.5) representing a decrease of 95 per cent. The decrease was due to the suspension of production in Pampalo in October. The revenue in H1 came from clean-up gold from the Pampalo mill.

EBITDA amounted to -20.8 MSEK (0.0), a decrease of 20.8 MSEK reflecting the suspension of the mining operations in Pampalo. EBIT was on previous year's level and amounted to -22.3 MSEK (-23.1).

Depreciation and write-downs amounted to -1.5 MSEK (-23.1). The decrease is mainly due to the suspension of depletions for the mine after the Pampalo mine was placed under care and maintenance as well the suspended depreciations of other tangible production assets after the temporary stop of production.

Operating expenses decreased to 24.3 MSEK (71.5). The decrease in the operating expenses reflects the current non-producing stage.

Net financial result amounted to -7.8 MSEK (19.6).

Profit after tax was -30.1 MSEK (-3.5), with income taxes amounting to 0.0 MSEK (0.0). Net result per share was -0.85 SEK (-0.10).

Cash flow and financing

Cash flow from operations before change in net working capital was -29.8 MSEK (-4.2) in 2019. The change in net working capital was 0.0 MSEK (-11.8). Cash flow after investments was -66.6 MSEK (-89.7). The main increase in investing activities was due to the construction project relating to the Friday mine and processing plant. Total cash flow from financing amounted to 53.4 MSEK (161.3). Main items comprise net proceeds from the senior secured bond of 39.0 MSEK and the bridge loan of 16.0 MSEK. For further information on the finance items, please see the notes presented at the end of the report.

Endomines had no outstanding bank loans at the end of the second quarter 2019.

Financial position

Net debt, including the debt portion of the convertible note issued to the sellers of TVL Gold Idaho, amounted to 255.6 MSEK (117.2) at the end of H1 2019. Total equity amounted to 234.2 MSEK (285.5). Gearing increased to 109 per cent (41) mainly due to bond issued in Q1.

Balance sheet total amounted to 543.4 MSEK (523.5), and equity ratio decreased to 43 per cent (55). Capital employed amounted to 510.4 MSEK (498.6). Group cash at the end of H1 2019 amounted to 5.7 (90.1) MSEK.

Future liquidity development

In H1 2019, Endomines' liquidity improved through the net proceeds from the senior secured bond of 39.0 MSEK issued in Q1 and the bridge loan of 16.0 MSEK issued in Q2. After the reporting period, Endomines has successfully completed a rights emission. The rights issue provided Endomines with approximately SEK 156 million before transaction costs. Endomines' current financial position is solid.

Employees

Total head count at the end of H1 2019 was 36, of which 18 (10 people currently laid-off) at the Pampalo Mine, 2 at the head office, and 16 in Endomines Idaho LLC.

The parent company Endomines AB

The parent company's operating expenses amounted to 10.4 MSEK (6.3), an increase of 4.1 MSEK or 65 per cent over 2019. From May 2017 all the expenses for the group CEO have been carried by the parent company. Personnel expenses amounted to 3.6 MSEK (1.1), including Board remuneration.

Cash at the end of H1 2019 amounted to 2.3 MSEK (70.6).

For more information, see the profit and loss statement and the statement of financial position of the parent company.

Changes in Group management

Saila Miettinen-Lähde resigned from her position as CEO as of 3 May 2019 and Endomines current CFO Marcus Ahlström was appointed as interim CEO with effect as of 3 May 2019.

Annual General Meeting on 10 June 2019

Endomines AB held its Annual General Meeting on 10 June 2019. The minutes of the AGM are available (in Swedish only) on the Company's website. A summary of the most important resolutions in English is included in the press release published on 10 June 2019.

Risks in Endomines operations

All mining and exploration companies are subject to several risks, e.g. technical, commercial, environmental as well as financial. Various circumstances may delay or prevent exploration of a target or production from an existing mine, thereby also substantially impacting the Company's financial performance and liquidity. In addition, foreign operations, in Endomines' case currently the USA, may expose the Company to various risks relating to e.g. currency exchange risks, and operational or legal requirements specific to the foreign jurisdictions in question. For further information on risks and uncertainties, see the latest Annual Report. Management is continuously monitoring, assessing and managing risks.

Related party transactions

In addition to board fees paid to board members, certain significant shareholders participated in the company's senior bond issued in Q1 and also in the bridge loan issued in Q2. For more information, please see notes 1, 2 and 3, displayed at the end of this report.

Endomines share capital and the share

The share capital of Endomines AB amounts to 283,259,904 SEK, consisting of 35,407,488 shares at a quota value of SEK 8 per share. According to Endomines' articles of association, the share capital shall amount to not less than SEK 150 million and not more than SEK 600 million.

After the completed rights issue the share capital of Endomines AB amounts to 240,157,105 SEK, consisting of 79,957,043 shares.

The total number of shares traded during H1 2019 on the stock exchange was 12.4 million, representing 34.9 per cent of the total number of shares. The relative liquidity of the share in Nasdaq Helsinki was 54.5 per cent and 45.5 per cent in Nasdaq Stockholm. At the end of H1 2019, 84.7 per cent of the outstanding shares were registered in Finland, 13.7 per cent in Sweden and 1.6 per cent elsewhere.

The share price at the end of 2018 was 6.0 SEK and 4.7 SEK as at 28 June 2019, closing at highest on 4 January 2019 at 7.6 SEK and lowest on 17 June 2019 at 3.5 SEK.

Company strategy

Endomines is an agile and modern mining company. We are active in the exploration and mining of gold deposits in Finland and the United States. We aim to grow the value of our company by developing our assets into economically profitable mines in keeping with sustainable mining practices. We also seek growth through mergers, acquisitions and other co-operative arrangements.

Endomines strives to improve its long-term growth opportunities through expanded exploration, production and company acquisitions. Endomines intends to acquire deposits located in stable jurisdictions, which can be put into production quickly and with limited investments. In early 2018, as a first step, the Company completed the acquisition of TVL Gold Idaho, now Endomines Idaho LLC, a US mining company that owns the rights to five gold projects in Idaho, USA. Through exploration, Endomines also strives to secure its mining and growth over the long term. The current exploration activity is focused on the Karelian Gold Line, but thanks to an expected positive cash flow from operations, Endomines will expand its exploration projects to areas adjacent to current US assets.

Interim Report preparation principles

The Consolidated Accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the EU, and with the Swedish Financial Reporting Board recommendation, RFR1, complementary accounting rules for Groups, which specifies the supplementary information required in addition to IFRS standards, pursuant to the provisions of the Swedish Annual Accounts Act. The Parent Company Accounts have been prepared in accordance with the Swedish Financial Reporting Board recommendation, RFR2 Accounting for a legal person. This Interim Report has been prepared in accordance with IAS 34, Interim Financial Reporting, and in accordance with the Swedish Annual Accounts Act, while the Parent Company accounts have been prepared in accordance with the Swedish Annual Accounts Act. The accounting principles and calculation methods have remained unchanged from those applied in the 2018 Annual Report, except for the newly applied IFRS 16.

Alternative financial metrics

The company presents certain financial metrics in the Interim Report that are not defined in accordance with IFRS. The Company believes these metrics provide valuable complementary information for investors and the Company's management, in that they enable an evaluation of the Company's performance. Not all companies calculate financial metrics in the same way, so the metrics used by Endomines are not always comparable with those used by other companies, and these metrics should, therefore, not be regarded as a replacement for metrics defined in accordance with IFRS. These financial metrics are calculated in accordance with the definitions presented on page 13 of the 2018 Annual Report as well as on the Company's website (both Swedish and English). Definitions and calculations are not reproduced in this report.

Changes in reporting principles as of January 1, 2019

As of 1 January 2019, the company applies IFRS 16 leasing and IFRIC 23.

IFRS 16, Leasing

Endomines applies IFRS 16 as of 1 January 2019. This supersedes all lease requirements under IFRS. For the IFRS 16 transition, Endomines has decided to apply the simplified approach and thus has not restated comparative amounts for 2018, the year prior to first adoption. All right-of-use assets are measured at the amount of the lease liability on adoption, and are adjusted for any prepaid or accrued lease expense.

IFRS 16 mainly affects lessee accounting and the main impact is on the leases previously recognized as operating leases. As of 1 January 2019, following the IFRS 16, no distinction is made between operating and finance leases, but all are recognised as a right-of-use assets and as a leasing liability. The Group applies an exemption to the new rules whereby in the recognition of low value leases, no right-of-use asset or leasing liability are recognized.

The IFRS 16 had no impact on Group's consolidated financial statements' opening balances. As at 30 June 2019, the Group's non-cancellable operating leasing commitments (undiscounted) were around 8.1 MSEK. These are recognized as a right-of-use assets and as a liability. Lease agreement for the US asset Unity was signed and completed in Q2. The lease liability for the asset is included in the financial statements of this report. Undiscounted lease liabilities for the asset amount to around 2.8 MSEK.

The parent company applies an exemption to the rules in accordance with RFR 2 and thus does not apply IFRS 16. The parent company continues to report all leasing agreements as operating leases. As at 30 June 2019, the parent company had no outstanding lease liabilities.

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 — Interpretation 23 Uncertainty over Income Tax Treatments is effective as of January 1, 2019. The Transition has no impact. The Group has applied IFRIC 23 as of January 1, 2019.

Financial calendar

- 7 November 2019 *Business review Q3-2019*

Auditors review

This interim report is reviewed.

Contact person

Marcus Ahlström, Interim CEO of Endomines AB, +358 50 544 68 14

Financial information

This information is information that Endomines AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08:30 CEST on 16 August 2019.

Board assurance

The Board of Directors and the CEO affirm that this interim report provides an accurate overview of the operations, financial position and performance of the Parent Company and the Group, and describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

In Stockholm on 16 August 2019

Endomines AB (Publ)

Ingmar Haga
Chairman of the Board

Jeremy Read
Member of the Board

Rauno Pitkänen
Member of the Board

Michael Mattsson
Member of the Board

Thomas Hoyer
Member of the Board

Marcus Ahlström
Interim CEO



Auditor's report

Endomines AB (publ) corp. reg. no. 556694-2974

Introduction

We have reviewed the condensed interim financial information (interim report) of Endomines AB (publ) as of 30 June 2019 and the six-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 16 August 2019

PricewaterhouseCoopers AB

Martin Johansson
Authorized Public Accountant,
Auditor in charge

Anna Rozhdestvenskaya
Authorized Public Accountant,
Co-signing auditor

Consolidated statement of profit and loss and other comprehensive income

KSEK	January-June	
	2019	2018
Net sales	3 990	69 557
Change in stock of finished goods and work in progress	-1 766	1 933
Other income	1 286	16
Total revenue	3 510	71 506
Raw materials and supplies	-1 124	-9 757
Personnel expenses	-9 623	-15 127
Other expenses	-13 530	-46 641
EBITDA	-20 767	-19
Depreciation and impairment	-1 518	-23 089
Operating result	-22 285	-23 108
Financial income	371	20 290
Financial expenses	-8 171	-645
Net financial items	-7 800	19 645
+Profit/(-) loss before taxes	-30 085	-3 463
Deferred taxes	33	-
Net result for the period	-30 052	-3 463
Other comprehensive income that will be classified to profit/loss		
Translation differences	10 261	26 262
Comprehensive income for the period	-19 791	22 799
Net result 100 % attributable to the parent company	-30 052	-3 463
100% of total comprehensive income is attributable to the parent company	-19 791	22 799
Earnings per share (SEK)		
before and after dilution effect	-0,85	-0,10
Average number of shares		
before and after dilution effect	35 277 637	33 096 395

Parent company statement of profit and loss

KSEK	January-June	
	2019	2018
Other income	1	-
Total revenue	1	0
Other external expenses	-6 798	-5 201
Personnel expenses	-3 564	-1 090
Operating result	-10 360	-6 291
Financial income	6 096	4 222
Financial expenses	-8 223	-3 170
Net financial items	-2 127	1 052
+Profit/(-) loss before taxes	-12 487	-5 239
Deferred taxes	33	-
Net result for the period	-12 454	-5 239
Comprehensive income for the period	-12 454	-5 239

Consolidated balance sheet

KSEK	Note	30 Jun	31 Dec	30 Jun
		2019	2018	2018
Intangible fixed assets		376 976	355 286	354 567
Tangible fixed assets		152 058	115 733	50 025
Financial fixed assets		5 543	5 395	5 491
Total fixed assets		534 577	476 414	410 083
Inventories		38	1 762	4 110
Trade receivables		2	–	970
Other receivables		1 399	766	266
Prepaid expenses and accrued income		1 676	3 015	18 045
Cash and cash equivalents		5 717	18 931	90 051
Total current assets		8 832	24 474	113 442
TOTAL ASSETS		543 409	500 888	523 525
Shareholders' equity				
Share capital		283 260	281 182	281 182
Unrestricted equity fund		542 065	542 065	541 292
Reserves		40 627	30 365	31 669
Retained earnings		-631 753	-601 921	-568 624
Shareholders' equity attributable to the parent company shareholders		234 199	251 691	285 519
Total shareholders' equity		234 199	251 691	285 519
Liabilities				
Liabilities to credit institutions	1	7 355	2 427	32 482
Bond	3	38 996	–	–
Convertible bond	4	169 021	168 880	168 880
Other provisions		12 934	8 951	8 625
Total long-term liabilities		228 306	180 258	209 987
Liabilities to credit institutions	1, 2	30 002	32 888	3 233
Convertible bond	4	5 411	8 861	3 103
Other provisions		412	401	406
Accounts payable		15 041	17 152	10 266
Other current liabilities		18 553	1 592	4 784
Accruals and other provisions	1, 2	11 485	8 045	6 227
Total current liabilities		80 904	68 939	28 019
Total liabilities		309 210	249 197	238 006
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		543 409	500 888	523 525

Parent company balance sheet

KSEK	Note	30 Jun	31 Dec	30 Jun
		2019	2018	2018
Shares in group companies		338 337	329 200	445 618
Receivables group companies		173 904	128 752	72 269
Other receivables		2 220	557	9 016
Cash and cash equivalents		2 281	9 628	70 565
Total assets		516 742	468 137	597 468
Shareholders' equity		240 765	251 363	386 775
Payables to group companies		7 961	7 748	7 857
Convertible loan, long-term	4	169 021	168 880	168 880
Other liabilities	1, 2, 3	98 996	40 146	33 956
Total shareholder's equity and liabilities		516 742	468 137	597 468

Consolidated changes of shareholders' equity

KSEK	Share capital	Other capital provided	Reserves	Retained earnings	Total shareholders' equity
All shareholders' equity is attributable to the parent company					
Opening balance 1 Jan 2018	262 157	343 873	5 407	-566 056	45 381
Net result for the period	–	–	–	-37 384	-37 384
Other comprehensive income	–	–	24 958	–	24 958
Total comprehensive income for the period	–	–	24 958	-37 384	-12 426
Rights issue, conversion of loan	29 512	6 029	–	–	35 541
Rights issue	167 779	20 972	–	–	188 751
Rights issue costs	–	-7 076	–	–	-7 076
Reduction of share quota value	-178 267	178 267	–	–	–
Reclassification of equity part of convertible	–	–	–	1 519	1 519
Total transactions with the shareholders	19 024	198 192	–	1 519	218 735
Closing balance as of 31 December 2018	281 182	542 065	30 365	-601 921	251 691
Opening balance 1 Jan 2019	281 182	542 065	30 365	-601 921	251 691
Net result for the period	–	–	–	-30 052	-30 052
Other comprehensive income	–	–	10 262	–	10 262
Total comprehensive income for the period	–	–	10 262	-30 052	-19 790
Transactions with the shareholders					
Paying convertible interest with shares	2 078	–	–	–	2 078
Reclassification of the equity part of convertible loan	–	–	–	221	221
Total transactions with the shareholders	2 078	–	–	221	2 299
Closing balance as of 30 Jun 2019	283 260	542 065	40 627	-631 752	234 199

Consolidated statement of cash flows

KSEK	January-June	
	2019	2018
Cash flows from operating activities		
+Profit/(-) loss before taxes	-30 085	-3 463
Adjusted for:		
Depreciation	1 518	23 089
Unrealised exchange rate differences on internal receivables and payables	-3 603	-3 691
Remission of loan	–	-20 290
Other items	2 384	174
Cash flows from operating activities before change in net working capital	-29 786	-4 181
Change in net working capital	-36	-11 790
Total cash flows from operating activities	-29 822	-15 971
Cash flows from investing activities		
Payments for intangible fixed assets	-10 244	-7 307
Payments for tangible fixed assets	-28 242	-7 182
Acquisition of TVL	–	-59 176
Change in other long-term receivables	1 735	-19
Total cash flows from investing activities	-36 751	-73 684
Total cash flows before financing activities	-66 573	-89 655
Cash flows from financing activities		
Proceeds from issue of new shares	–	188 753
Share issue costs	–	-6 616
Proceeds from borrowings	55 041	–
Repayment of borrowings	-27	-19 767
Finance lease payments	-1 625	-1 086
Total cash flows from financing activities	53 389	161 284
Net (decrease)/increase in liquid assets	-13 184	71 629
Liquid assets at the beginning of the period	18 931	15 813
Effect of exchange rate changes on liquid assets	-30	2 609
Liquid assets in the end of the period	5 717	90 051

Notes to the interim financial report

Note 1 Financial instruments KSEK	30 Jun 2019	31 Dec 2018	30 Jun 2018
Receivables:			
Trade receivables and other receivables excluding accruals	6 944	6 161	6 727
Cash and cash equivalents	5 717	18 931	90 051
	12 661	25 092	96 778
Other financial liabilities:			
Bond	38 996	–	–
Convertible long-term	169 021	168 880	168 880
Acquisition loan	28 664	28 440	30 150
Finance leases	5 526	4 504	5 565
Bridge loan	16 045	–	–
Subtotal borrowings	258 252	201 824	204 595
Accounts payables and other current liabilities excluding non-financial liabilities	17 549	17 268	12 652
Total	275 801	219 092	217 247

Note 2 Borrowings and net debt KSEK	30 Jun 2019	31 Dec 2018	30 Jun 2018
Long-term			
Bond	38 996	–	–
Acquisition loan	–	–	30 150
Convertible	169 021	168 880	168 880
Lease financing	4 250	2 427	2 332
Other interest-bearing liabilities	3 105	3 021	2 629
Total long-term liabilities	215 372	174 328	203 991
Short-term			
Acquisition loan	28 664	28 440	–
Lease financing	1 276	2 077	3 233
Bridge loan	16 045	–	–
Total short-term liabilities	45 985	30 517	3 233
Total borrowings (all amounts are EUR-denominated)	261 357	204 845	207 224
Net debt			
Cash and cash equivalents	5 717	18 931	90 051
Total borrowings	261 357	204 845	207 224
Net interest-bearing debt	255 640	185 914	117 173
Shareholders' equity	234 199	251 691	285 519
Gearing ratio (net debt divided by equity)	109 %	74 %	41 %

Note 3 Bond KSEK	30 Jun 2019	31 Dec 2018	30 Jun 2018
Bond	38 996	–	–
Accrued interest of bond	1 515	–	–
Total amount	40 511	–	–

The bond was issued on 4 March 2019. It has a three-year tenor and a fixed annual interest rate of 12.0 percent. The bond is callable at 103 percent of the nominal amount after one year and at 101 percent of the nominal amount after two years.

Note 4 Convertible KSEK	30 Jun 2019	31 Dec 2018	30 Jun 2018
Convertible	169 021	168 880	168 880
Accrued interest of convertible	5 411	8 861	3 103
Total amount	174 432	177 741	171 983

The convertible loan of 170,826,528 SEK in total runs with a yearly interest of 6.0 percent that, at Endomines' discretion, can be paid in cash or in shares. Half of the convertible loan can be converted during the period 31 March 2019 – 30 March 2020 (or at an earlier time if Endomines Board of Directors resolves that such early conversion is in the company's best interest) at a conversion price of 12.76 SEK per new share. The remaining part of the convertible loan can be converted during the period 31 March 2020 – 30 March 2021 at a conversion price of 13.91 SEK per new share. If conversion has not taken place before 1 April 2021, Endomines has the right to execute conversion of the remaining part of the convertible loan at a conversion price of 15.07 SEK per share.

If conversion is made after approximately 12 and 24 months in accordance with the description above, the holder of the convertible will get in total 12,834,250 shares in Endomines, corresponding to approximately 26.8 per cent of the total number of shares in the company (calculated without conversion of the interest into new shares and assuming no other equity issues prior to said conversions). As a result of conversion, the holder's total shareholding in Endomines cannot exceed 29.9 percent.