

Endomines

(Company registration no. 556694-2974)

Year-end report for 2019

This interim report is a translation from the Swedish original which was published on 13 February 2020. In the event of difference between the English translation and the Swedish original, the Swedish interim report shall prevail.

1 January – 31 December 2019

ENDOMINES Year-end report 2019 Ramp-up of Friday continued successfully



ENDOMINES Year-end report 2019

Ramp-up of Friday continued successfully

Full year 2019 (vs. Full year 2018)

Operational highlights

- Friday Orogrande processing facility successfully commissioned
- Taking over full operational control of the Friday Underground mining activities successfully completed
- No injuries reported in the last 12 months; LTIFR 0 (11)

Financial highlights

- Total revenue was 5.8 MSEK (105.3)
- EBITDA was -48.8 MSEK (-5.5)
- Total cash flow was -3.3 MSEK (0.4)
- Earnings per share was -1.28 SEK (-1.01)

Significant subsequent events

- On January 9th 2020, half of the convertible bond issued to the sellers of TVL Gold Idaho was converted to Endomines AB shares, in accordance with bond's updated terms and conditions that were resolved on an Endomines AB extraordinary general meeting on 10th December 2019. After the conversion, Endomines' AB total number of shares and votes amounts to 96,914,307 and share capital to 291,089,546.70 SEK.
- On January 28th 2020, Endomines announced that it had signed a Letter of Intent with Transatlantic Mining to purchase the US Grant Mine including mill and the Kearsarge Gold Project.
- On February 4th 2020, Endomines announced that as of yearend it has successfully completed taking over full operational control of the mining activities while also achieving successful commissioning of its Orogrande Processing Facility ("OPF") at the Friday Underground Mine in Idaho County, Idaho, USA. Progress at the mine has been good and the company is now expecting to achieve commercial production in the beginning of March 2020.

Production guidance for 2020:

Endomines was able to achieve significant operational milestones at its Friday Mine in Idaho, USA. In the 4th quarter Endomines focused its efforts on commissioning the mill and taking over operational control of the mine. In December Endomines took over all mining activities from the mining contractor at Friday after acquiring the necessary equipment to operate the underground mine. At the end of December Endomines had completed all pre-production development in preparation of drilling the first mining stope in January 2020. In addition to the successes at the mine Endomines was able to commission the processing facility. During the month of December Endomines was able to process 420.5 tonnes of mineralized material with a head grade of 2.65 g/t Au, resulting in 2.65 tonnes of concentrate grading 189.2 g/t Au. The processed material came from stockpiles of low-grade pre-production development ore and does not represent typical Friday high-grade ore. Endomines is expecting to ramp up to design capacity (3,445 tonnes per month) in March of 2020.

Endomines management team is in the process of updating the life of mine projections based on the commissioning of the plant and the updated mining methods. Once completed, Endomines will release an updated production guidance for the Friday mine.

Key figures (Consolidated)	Jan-Dec		
<i>MSEK if not otherwise stated</i>	2019	2018	+/-
Total revenue	5.8	105.3	-99.5
Cost	-54.6	-110.7	56.1
EBITDA	-48.8	-5.5	-43.3
Depreciation and write-downs	-3.6	-43.0	39.4
EBIT	-52.5	-48.5	-4.0
Net result for the period	-76.7	-37.4	-39.3
Earnings per share (SEK)	-1.28	-1.01	-0.27
Cash flow from operating activities	-78.9	-7.6	-71.3
Cash flow from investing activities	-80.3	-158.9	78.6
Cash flow from financing activities	155.9	166.9	-11.0
Liquid assets at the end of the period	15.7	18.9	-3.2
Personnel at the end of the period	43	24	19
LTIFR	0	11	-11

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

CEO Greg Smith: “During the fourth quarter Endomines solved the remaining issues relating to the commissioning of the mill at Friday and also successfully took over full operational control of the Friday mining activities. Our announced target of commercial production from the mine in March 2020 represents a significant step forward for the company. This has been achieved by hard work and the highest commitment from all of our staff. We are currently operating in a unique and favorable gold market and are actively developing our next high-grade underground mine assets as well as reaching our full potential at Friday.

In January we announced that we had signed a LoI with Transatlantic mining corporation to purchase the US Grant Mine and Mill in conjunction with acquiring the Lease Assignment of the Kearsarge Gold Project in the Virginia City Mining District in Montana, USA. The addition of the assets from Transatlantic represents a major step towards our initial target of producing 40,000 oz Au per year and provides Endomines an avenue to become a 100,000 oz Au per year producing company within the next 24-36 months.

We are also currently reviewing and searching for the best possibilities how to continue our operations in Finland at the Karelian Gold Line.”

Ramp-up at the Friday mine in Idaho, USA

Endomines has made significant progress on most key areas in the construction of the Friday mine and processing facility. The mill was successfully commissioned in Q4 of 2019 with only some minor projects remaining to get into full operational capacity. Endomines is in the process of ramping up production

and is hiring the remaining staff to operate the mill for 24 hours a day 7 days a week. It is anticipated that the mill be fully staffed and operating at capacity in March of 2020.

Ore mining has advanced well, and progress is as planned. All the remaining preproduction development was completed in Q4 of 2019 and the full forecasted production rates are expected to be achieved in Q1 of 2020, setting Endomines up for sustainable production once ramp-up at the mill has been completed. Endomines has mined approximately 5,000 tonnes of ore to date, the ore is stockpiled at the mine and the mill areas. Ore grades are estimated to align with planned projections. Endomines delayed the production ramp-up to capacity at Friday to coincide with mill commissioning and full production is now slated to be achieved during Q1 of 2020. Endomines management team is reviewing the full year forecasts and updating the life of mine plans. The project life of mine average yearly production is estimated at 9,000-12,000 ounces per year at a cash cost, depending on the area of production, of 650-900 USD/oz.

Activities at Endomines' other Idaho projects

Environmental permitting for the Rescue/Unity, Kimberly, and Buffalo Gulch projects continued throughout Q4 and work plans are being prepared for the 2020 summer exploration season for all the Idaho exploration projects.

Exploration activities along the Karelian Gold Line

Endomines continued both the regional and the near mine exploration programs on the Karelian Gold Line in Eastern Finland through the year 2019. The new exploration strategy for the Karelian Gold Line was developed jointly with Model Earth consulting group, which is experienced in exploration in similar gold mineralized greenstone belts in Australia.

During Q4 2019, final results from the extensive base of till (BOT) drilling program, completed in August 2019, were received. Several anomalous gold concentrations were detected in till samples that will require follow-up work south of the Pampalo mine and at the northern end of the Karelian Gold Line. The trenching program at the Hosko area was completed in November. A total of eight trenches were dug at locations with elevated gold concentrations in the BOT samples. Altogether 182 diamond saw channel samples were taken and assayed for gold. Two of the trenches showed elevated gold concentrations and will be targets for follow-up exploration work. A diamond drilling program including six drill holes, totaling 332 meters on the target 200 meters south of Pampalo was completed in October. The drill holes intersected Pampalo and Pampalo East style rocks and confirmed the presence of a gold mineralized zone.

Overall, the exploration activities completed in 2019 included 1,639 base of till (BOT) samples, 391 channel samples, 332 meters of surface diamond drilling, detailed geological mapping and prospecting focusing on the targets identified in the layman sample competition Endomines organized in 2018. Further information was obtained from the Hattu 3D project (a 3D mineral system for the Hattu schist zone) that is being conducted together with the Geological Survey of Finland. The end date for the project was postponed to June 2020 to complete the remaining work and to prepare the final reports.

Two new exploration permits were applied for within the Karelian Gold Line in 2019: The Mujusenkorpi exploration permit area located six kilometers north of Pampalo and the the Kartitsa exploration permit area located five kilometers northeast of Hosko. In addition, a total of nine extension applications for the existing permits were approved by Tukes, the Finnish mining authority.

Work plans are being prepared for the 2020 exploration programs. The plans will include desktop work utilizing new exploration data and historical data, relogging and sampling of historical drill cores, trenching, channel sampling, core drilling and preparation of geological near-mine 3D-models, as well

as updating Endomines' existing mineral resource estimates for the other projects. Majority of the exploration work will concentrate on the Pampalo near mine areas and on recently applied Kartitsa and Mujusenkorpi permit areas.

Health, environment and safety

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

In the fourth quarter of 2019, the focus has continued to be on the development of relevant safety and environmental practices for the Company's Idaho operations, while also paying attention to the maintenance of the good practices in Pampalo. At the end of Q4 2019, the rolling twelve-month LTI rate (lost-time injuries per one million working hours) in both Pampalo and Idaho was 0, making the combined Group level LTI frequency also 0.

Personnel

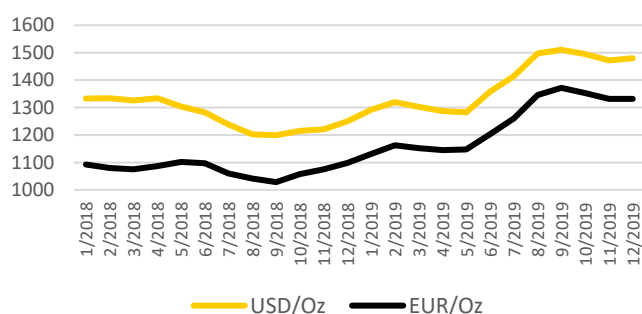
In Q4 2019 Endomines continued to strengthen its team in Idaho. New operative mine personnel was hired to ensure successful take over of Friday mining activities' operational control. In addition, new staff was hired to ensure successful commissioning of the Orogrande Processing Facility. In Q1/2020 Endomines will continue hiring the remaining operating staff required to reach full production capacity at the Orogrande processing facility, and to reach the set target of commercial production in March 2020.

Gold price and exchange rates

At the end of Q4 2019, the gold price was 1,523 USD/oz (LBMA AM on 31 December 2019), an increase of 19 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 Q4 2019 was 1,483 USD/oz (1,227), and for full year 2019 1,394 USD/oz (1,269) showing increases of 21 and 10 per cent respectively.

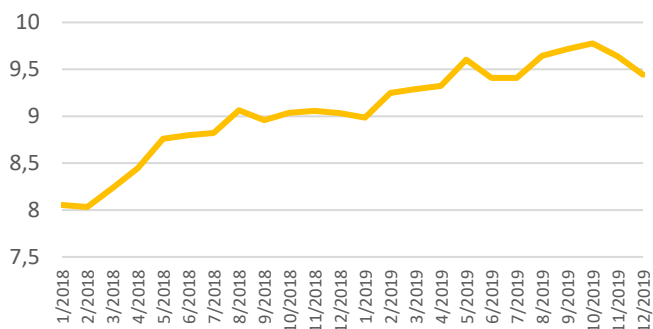
The majority of the costs incurred in Endomines' US operations during year 2019 were capitalized project expenditure relating to the construction of the Friday mine. As such they did not have a substantial impact on the Group's profitability.

**Gold price development
(2018 - 2019)**



Monthly average gold prices (LBMA AM) January 2018 – December 2019

**SEK/USD development
(2018 - 2019)**



Swedish central bank (Riksbank) monthly average reference rates for SEK/USD January 2018 – December 2019

Comments on the financial results 2019

Key figures (Consolidated)	Jan-Dec		
	2019	2018	+/-
<i>MSEK if not otherwise stated</i>			
Total revenue	5.8	105.3	-99.5
Operational expense	-54.6	-110.7	56.1
Adjusted EBITDA	-48.8	*5.9	-54.7
EBITDA	-48.8	-5.5	-43.3
Depreciation and write-downs	-3.6	-43.0	39.4
EBIT	-52.5	-48.5	-4.0
Net result for the period	-76.7	-37.4	-39.3
Earnings per share (SEK)	-1.28	-1.01	-0.27

*2018 EBITDA adjusted by co-operation negotiation expenses (3.6 MSEK) and by TVL Gold Idaho acquisition expenses (7.8 MSEK)

Result

Total revenue, including change in inventory, for 2019 amounted to 5.8 MSEK (105.3) representing a decrease of 94 per cent. The decrease was due to the suspension of production in Pampalo in October 2018. Vast majority of the revenue in 2019 came from Pampalo mill clean-up gold residue.

EBITDA amounted to -48.8 MSEK (-5.5), a decrease of 43.3 MSEK reflecting the suspension of the mining operations in Pampalo. EBIT was on previous year's level and amounted to -52.5 MSEK (-48.5).

Depreciation and write-downs amounted to -3.6 MSEK (-43.0). The decrease is mainly due to the suspension of depletions for the Pampalo mine after it 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 54.6 MSEK (110.7). The decrease in the operating expenses reflects the current non-producing stage.

Net financial result amounted to -24.3 MSEK (11.0).

Profit after tax was -76.7 MSEK (-37.4), with income taxes amounting to 0.0 MSEK (0.0). Net result per share was -1.28 SEK (-1.01).

Cash flow and financing

Cash flow from operations before change in net working capital was -73.5 MSEK (-15.9) in 2019. The change in net working capital was -5.5 MSEK (8.3). Cash flow after investments was -159.2 MSEK (-166.5). 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 155.9 MSEK (166.9). Main items comprise net proceeds from the rights issue of 147.4 MSEK, net proceeds from the senior secured bond of 39.0 MSEK and the repayment of -27.5 MSEK acquisition loan issued to sellers of TVL Gold Idaho. 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 year 2019.

Financial position

Net debt, including the debt portion of the convertible note issued to the sellers of TVL Gold Idaho, amounted to 199.5 MSEK (185.3) at the end of 2019. Total equity amounted to 336.0 MSEK (251.7),

increase being mainly result of the successfully concluded rights issue in July 2019. Gearing decreased to 59 per cent (74) mainly due to the increased equity in 2019.

Balance sheet total amounted to 589.6 MSEK (500.9), and equity ratio increased to 57 per cent (50). Capital employed amounted to 562.8 MSEK (473.7). Group cash at the end of 2019 amounted to 15.7 (18.9) MSEK.

Future liquidity development

The Company's financial needs to execute on the Company's long-term growth strategy, development of the next projects as well as exploration and mine development activities requires access to financing. It is the Board's assessment that current working capital is not sufficient for all planned activities in the coming 12-months period. The operations might as a consequence need to be adjusted by postponing some investments and other mine development costs in order to secure the working capital level. Next projects to be developed are Rescue and Unity. On January 28th 2020 Endomines announced that it had signed a Letter of Intent with Transatlantic Mining to purchase US Grant Mine and mill and Kearsarge Gold Project. Should this project be successfully concluded the development of these assets are planned to start during 2020. The Board is actively engaged with financing as a significant part of the Company's growth strategy.

The parent company Endomines AB

The parent company's total operating expenses amounted to 16.9 MSEK (11.8) of which 14.8 MSEK (10.0) comprised of other operating expenses, including costs for the Group CEO, and 2.1 MSEK (1.8) of personnel expenses, including Board remuneration. From May 2017 all the expenses for the group CEO have been carried by the parent company.

Cash at the end of 2019 amounted to 14.9 MSEK (9.6).

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

Extraordinary General Meeting on 10th December 2019

Endomines AB held an Extraordinary General Meeting on 10th December 2019. The meeting resolved, in accordance with the Board of Directors' proposals, to amend the terms and conditions of the convertible loan issued to TVL Gold 1, LLC. According to the amended terms and conditions, the convertible loan runs with a yearly interest of 10.0 percent (previously 6.0 per cent) that shall be paid in cash. The convertible holder shall convert 50 per cent of the loan into new shares in Endomines at a conversion price of SEK 5.85 per new share, three banking days after the new terms and conditions have been registered with the Swedish Companies Registration Office. The remaining 50 per cent shall be converted into new shares in Endomines at a conversion price of SEK 6.00 per share on 31 March 2020 by the latest. In addition, the EGM resolved to authorise the Board of Directors to resolve on issue of new shares, warrants and convertible bonds. The minutes of the EGM are available (in Swedish only) on the Company's website.

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. Also, the chairman of the board of directors participated in the senior bond issued in Q1 and in the rights issue concluded in Q3. 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 at 31st December 2019 amounts to 240,157,105 SEK, consisting of 79,957,043 shares at a quota value of SEK 3 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.

The number of shares and votes in Endomines has increased by 16,957,264 during the month of January 2020 following the conversion of 50 percent of the convertible loan Endomines has issued to TVL Gold 1, LLC. The conversion was made at a conversion price of SEK 5.85 per new share, in accordance with the convertible bond's terms and conditions amended by Endomines' Extraordinary General Meeting on 10 December 2019.

Following the above-mentioned measures, the shares in Endomines amount to 96,914,307 and the share capital amounts to SEK 291,089,546.70 as at 13th February 2020.

The total number of shares traded during year 2019 on the stock exchange was 42.3 million, representing 52.9 per cent of the total number of shares at 31st December 2019. The relative liquidity of the share in Nasdaq Helsinki was 52.7 per cent and 47.3 per cent in Nasdaq Stockholm. At the end of 2019, 88.3 per cent of the outstanding shares were registered in Finland, 10.3 per cent in Sweden and 1.4 per cent elsewhere.

The share price at the end of 2019 was 5.6 SEK and (6.0 SEK at the end of 2018), closing at highest on 4th January 2019 at 7.6 SEK and lowest on 17th 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 the United States and exploration in Finland. 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. On January 28th 2020 Endomines announced that they have signed an Lol with Transatlantic Mining to purchase the US Grant Mine and Mill in conjunction with the Lease Assignment of the Kearsarge Gold Project in the Virginia City Mining District in Montana, 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 31 December 2019, the Group's non-cancellable short-term leasing commitments (undiscounted) were around 2.5 MSEK and long-term leasing commitments (undiscounted) around 1.9 MSEK. These are recognized as a right-of-use assets and as a liability.

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 31 December 2019, the parent company and its filial's undiscounted leasing liabilities amounted to 0.4MSEK.

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

- 21st April 2020 *Annual report 2019*
- 14th May 2020 *Business review Q1-2020*
- 19th May 2020 *Annual general meeting*
- 20th August 2020 *Half year report H1-2020*
- 12th November 2020 *Business review Q3-2020*

Auditors review

This interim report is unaudited.

Proposal of dividend

The Board of Directors proposes that no dividend be paid for year 2019.

Contact persons

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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 CET on 13 February 2020.

In Stockholm on 13 February 2020

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

Greg Smith
CEO

Consolidated statement of profit and loss and other comprehensive income

KSEK	Jan-Dec	
	2019	2018
Revenue	6 037	104 039
Change in stock of finished goods and work in progress	-1 779	-72
Other income	1 542	1 285
Total revenue	5 800	105 252
Raw materials and supplies	-4 729	-12 434
Personnel expenses	-19 369	-28 657
Other expenses	-30 543	-69 657
EBITDA	-48 841	-5 496
Depreciation and impairment	-3 649	-42 956
Operating result	-52 490	-48 452
Financial income	3 098	22 579
Financial expenses	-27 398	-11 624
Net financial items	-24 300	10 955
+Profit/(-) loss before taxes	-76 790	-37 497
Deferred taxes	92	115
Net result for the period	-76 698	-37 382
Other comprehensive income that will be classified to profit/loss		
Translation differences	11 823	24 958
Comprehensive result for the period	-64 875	-12 424
Net result 100 % attributable to the parent company	-76 698	-37 382
100% of total comprehensive income is attributable to the parent company	-64 875	-12 424
Earnings per share (SEK)		
before and after dilution effect	-1,28	-1,01
Average number of shares		
before and after dilution effect	59 704 675	37 020 835

Parent company statement of profit and loss

KSEK	Jan-Dec	
	2019	2018
Total revenue	-	-
Other external expenses	-14 795	-9 993
Personnel expenses	-2 068	-1 849
Depreciation and impairment	-13 000	-125 000
Operating result	-29 863	-136 842
Financial income	16 688	5 202
Financial expenses	-26 912	-9 900
Net financial items	-10 224	-4 698
+Profit/(-) loss before taxes	-40 087	-141 540
Deferred taxes	92	115
Net result for the period	-39 996	-141 425
Comprehensive result for the period	-39 996	-141 425

Consolidated balance sheet

KSEK	Note	31 Dec 2019	31 Dec 2018
Intangible fixed assets		371 334	355 286
Tangible fixed assets		195 701	115 734
Financial fixed assets		5 478	5 395
Total fixed assets		572 513	476 415
Inventories		37	1 762
Other receivables		568	766
Prepaid expenses and accrued income		757	3 015
Cash and cash equivalents		15 727	18 931
Total current assets		17 089	24 474
TOTAL ASSETS		589 602	500 888
Shareholders' equity			
Share capital		240 157	281 182
Unrestricted equity fund		732 521	542 065
Reserves		42 189	30 365
Retained earnings		-678 841	-601 921
Shareholders' equity attributable to the parent company shareholders		336 026	251 691
Total shareholders' equity		336 026	251 691
Liabilities			
Liabilities to credit institutions	1, 2	4 718	5 019
Bond	3	38 996	–
Convertible bond	4	–	168 880
Other provisions		12 653	8 951
Total long-term liabilities		56 367	182 850
Liabilities to credit institutions	1, 2	2 494	30 296
Convertible bond	4	175 346	8 861
Other provisions		407	401
Accounts payable		9 810	17 152
Other current liabilities	3	4 905	1 592
Accrued expenses and advances received		4 247	8 045
Total current liabilities		197 209	66 347
Total liabilities		253 576	249 197
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		589 602	500 888

Parent company balance sheet

KSEK	Note	31 Dec 2019	31 Dec 2018
Shares in group companies		334 848	329 200
Receivables group companies		241 374	128 752
Other receivables		829	557
Cash and cash equivalents		14 917	9 628
TOTAL ASSETS		591 968	468 137
Shareholders' equity		360 576	251 363
Payables to group companies		7 867	7 748
Convertible bond	4	175 346	177 741
Other liabilities	1, 2, 3	48 179	31 285
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		591 968	468 137

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
Transactions with the shareholders					
Rights issue, conversion of loan	29 513	6 029	–	–	35 542
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 loan	–	–	–	1 519	1 519
Total transactions with the shareholders	19 025	198 192	–	1 519	218 736
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	–	–	–	-76 698	-76 698
Other comprehensive income	–	–	11 823	–	11 823
Total comprehensive income for the period	–	–	11 823	-76 698	-64 875
Transactions with the shareholders					
Rights issue	133 935	21 548	–	–	155 483
Rights issue costs	–	-8 129	–	–	-8 129
Reduction of share quota value	-177 037	177 037	–	–	–
Paying convertible interest with shares	2 078	–	–	–	2 078
Reclassification of equity part of convertible loan	–	–	–	-221	-221
Total transactions with the shareholders	-41 025	190 456	–	-221	149 210
Closing balance as of 31 Dec 2019	240 157	732 521	42 189	-678 841	336 026

Consolidated statement of cash flows

KSEK	Jan-Dec	
	2019	2018
Cash flows from operating activities		
+Profit(-) loss before taxes	-76 790	-37 497
Adjusted for:		
Depreciation	3 649	35 881
Impairment	2 838	7 075
Unrealised exchange rate differences on internal receivables and payables	-2 237	-1 787
Remission of loan	–	-20 513
Other items	-945	893
Cash flows from operating activities before change in net working capital	-73 485	-15 948
Change in net working capital	-5 456	8 341
Total cash flows from operating activities	-78 941	-7 607
Cash flows from investing activities		
Payments for intangible fixed assets	-6 975	-8 871
Payments for tangible fixed assets	-75 080	-90 866
Acquisition of subsidiaries	–	-59 176
Disposal of tangible fixed assets	1 747	–
Total cash flows from investing activities	-80 308	-158 913
Total cash flows before financing activities	-159 249	-166 520
Cash flows from financing activities		
Proceeds from issue of new shares	155 523	188 753
Share issue costs	-8 129	-5 842
Proceeds from borrowings	55 041	–
Repayment of borrowings	-43 670	-13 405
Finance lease payments	-2 820	-2 611
Total cash flows from financing activities	155 945	166 895
Net (decrease)/increase in liquid assets	-3 303	375
Liquid assets at the beginning of the period	18 931	15 813
Effect of exchange rate changes on liquid assets	99	2 743
Liquid assets in the end of the period	15 727	18 931

Notes to the financial report

Note 1 Financial instruments	31 Dec	31 Dec
KSEK	2019	2018
Receivables:		
Trade receivables and other receivables excluding accruals	6 046	6 161
Cash and cash equivalents	15 727	18 931
Total receivables	21 773	25 092
Other financial liabilities:		
Bond, principle	38 996	–
Convertible, principle	169 021	168 880
Acquisition loan	–	28 219
Lease financing	4 139	4 075
Subtotal borrowings	212 156	201 174
Accounts payables and other current liabilities excluding non-financial liabilities	14 715	17 268
Total	226 871	218 442

Note 2 Borrowings and net debt	31 Dec	31 Dec
KSEK	2019	2018
Long-term borrowings		
Bond, principle	38 996	–
Convertible, principle	–	168 880
Lease financing	1 754	1 998
Other interest-bearing liabilities	2 964	3 021
Total long-term liabilities	43 714	173 899
Short-term borrowings		
Acquisition loan	–	28 219
Convertible, principle	169 021	–
Lease financing	2 385	2 077
Other interest-bearing liabilities	109	–
Total short-term liabilities	171 515	30 296
Total borrowings (all amounts are EUR/USD-denominated)	215 229	204 195
Net debt		
Cash and cash equivalents	15 727	18 931
Total borrowings	215 229	204 195
Net interest-bearing debt	199 502	185 264
Shareholders' equity	336 026	251 691
Gearing ratio (net debt divided by equity)	59 %	74 %

Note 3 Bond	31 Dec	31 Dec
KSEK	2019	2018
Bond, Principle	38 996	–
Accrued interest of bond	3 833	–
Total amount	42 829	–

The bond was issued on 4th 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	<u>31 Dec</u> 2019	<u>31 Dec</u> 2018
Convertible bond, principle	169 021	168 880
Accrued interest of convertible bond	6 325	8 861
Total amount	175 346	177 741

On 10th December 2019 Endomines AB extraordinary general meeting resolved, in accordance with the Board of Directors' proposal, to amend the terms and conditions of the convertible loan. According to the amended terms and conditions, the convertible loan runs with a yearly interest of 10.0 percent (previously 6.0 per cent) that shall be paid in cash. The convertible holder shall convert 50 per cent of the loan into new shares in Endomines at a conversion price of SEK 5.85 per new share, three banking days after the new terms and conditions have been registered with the Swedish Companies Registration Office. The remaining 50 per cent shall be converted into new shares in Endomines at a conversion price of SEK 6.00 per share on 31 March 2020 by the latest. As a result of conversion, the holder's total shareholding in Endomines cannot exceed 29.9 percent. In accordance with the new terms and conditions, following the full conversion, the number of shares in Endomines will increase with up to 33,490,597 shares, and the share capital with up to SEK 100,591,574.

On 9th January 2020, in accordance with the updated terms and conditions, half of the convertible loan was converted in to Endomines AB shares at a conversion price of 5.85 SEK per share. Following the conversion, Endomines' AB total number of shares and votes increased and now amounts to 96,914,307 and share capital to 291,089,546.70 SEK.