



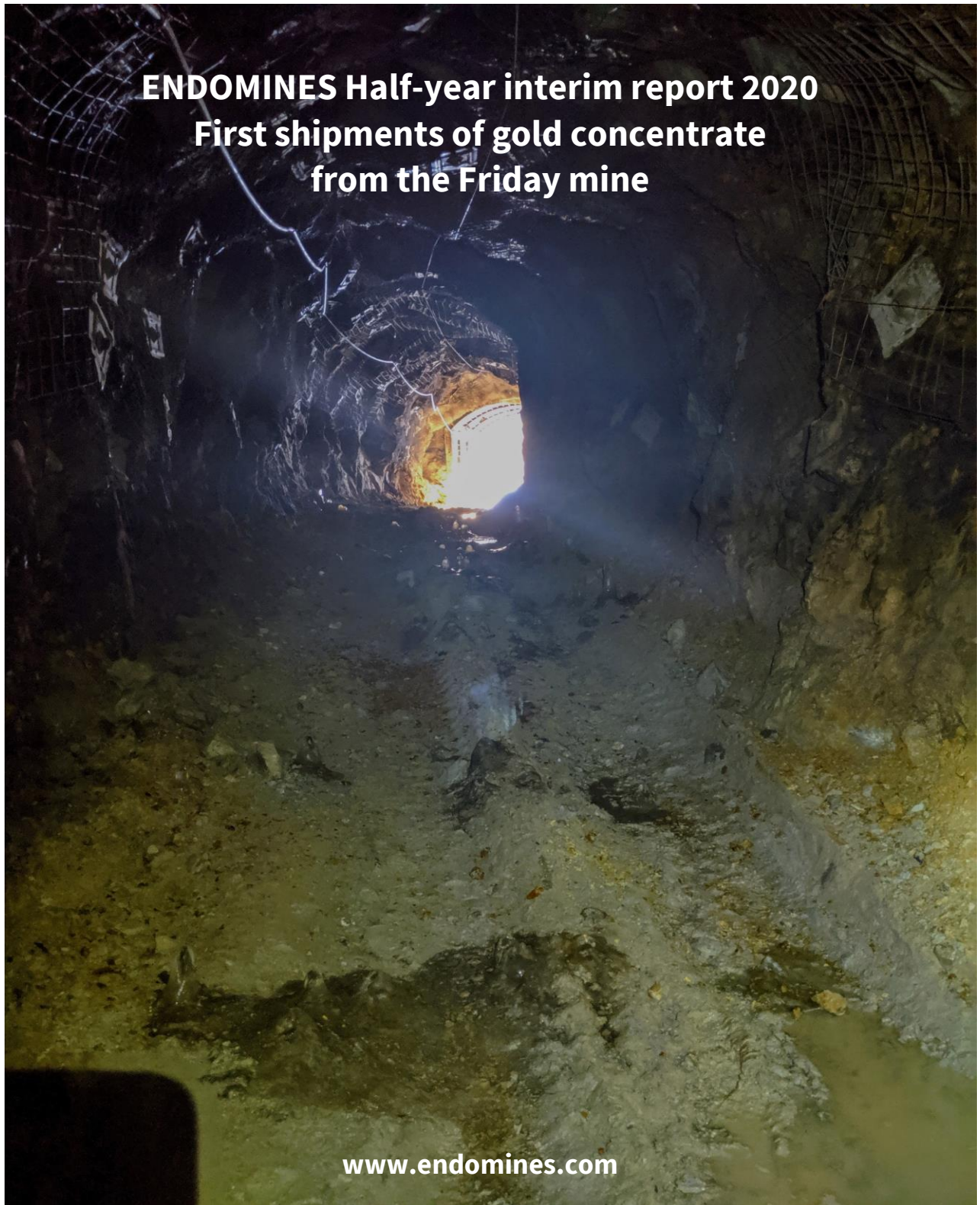
(Company registration no. 556694-2974)

Half-year interim report for 2020

This interim report is a translation from the Swedish original which was published on 27 August 2020. In the event of difference between the English translation and the Swedish original, the Swedish interim report shall prevail.

1 January – 30 June 2020

**ENDOMINES Half-year interim report 2020
First shipments of gold concentrate
from the Friday mine**



www.endomines.com

ENDOMINES Half-year interim report 2020

First shipments of gold concentrate from the Friday mine

H1 2020 (vs. H1 2019)

Operational highlights

- Endomines announces first shipments of gold concentrate from the Friday mine
- Endomines announces agreement with Transatlantic Mining to buy US Grant mine and mill and Kearsarge Gold Project
- No injuries reported in the last 12 months; LTIFR 0 (11)

Financial highlights

- Total revenue was 10.5 MSEK (3.5)
- EBITDA was -45.3 MSEK (-20.8)
- Total cash flow was -12.3 MSEK (-13.2)
- Earnings per share was -0.61 SEK (-0.57)

Outlook:

The COVID-19 pandemic continues to severely impact the production ramp-up, principally due to supply chain disruptions and slowdowns in hiring for the Orogrande Processing facility.

Production guidance remains challenging to specify due to the complexity of the operating environment, particularly during ramp-up activities at Friday.

Key figures (Consolidated)		Jan-Jun		
<i>MSEK if not otherwise stated</i>		2020	2019	+/-
Total revenue		10.5	3.5	7.0
Cost		-55.8	-24.3	-31.5
EBITDA		-45.3	-20.8	-24.5
Depreciation and write-downs		-11.7	-1.5	-10.2
EBIT		-56.9	-22.3	-34.6
Net result for the period		-68.0	-30.1	-37.9
Earnings per share (SEK)		-0.61	-0.57	-0.04
Cash flow from operating activities		-59.5	-29.8	-29.7
Cash flow from investing activities		-18.6	-36.8	18.2
Cash flow from financing activities		65.9	53.4	12.5
Liquid assets at the end of the period		3.4	5.7	-2.3
Personnel at the end of the period		48	36	12
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 second quarter Endomines strengthened its financial position by issuing 2 bridge loans and a directed share issue used mainly to speed up the ongoing ramp-up at the Friday mine. During the second quarter we delivered our first shipment of concentrate which constitutes a big milestone for our operations at Friday.

We have, however, still encountered some technical challenges at the mill still reducing our throughput and thus not enabling us to reach the design capacity at the Friday mill by the end of Q2. Also, the COVID-19 pandemic continued to cause challenges recruiting staff and difficulties sourcing certain critical spare parts and components which further complicated operations in Idaho. We are determined to solve the issues we have faced so far and are hopeful that we will be able to reach near design capacity at the Friday mill during Q4.

We are in the process of finalizing the Transatlantic transaction which will be an excellent addition to our existing project portfolio of high-grade US based gold assets. By acquiring these assets from Transatlantic, we will accelerate our growth and provide Endomines with an excellent avenue to ultimately become a 100,000-ounce gold per year producing company. Based on the permitting schedule we anticipate being able to start preliminary production within 12 months.

We are also currently reviewing and evaluating the best possibilities how to continue our operations in Finland at the Karelian Gold Line. With current all-time high gold prices, the project to invest in the decline at Pampalo and re-start the production looks very interesting.”

Production and ramp-up at the Friday mine in Idaho, USA

Endomines remained production constrained during Q2 2020 as it continues to manage ramp-up of operations during the COVID-19 pandemic. Stay-at-home orders, safety concerns, and supply chain disruptions for critical parts and consumables continue to impact the operations. Despite these challenges, the processing plant increased production to an average of 41.1 tonnes per day during the

second quarter, processing 3,743 tonnes of ore grading 2.70 g/t Au. This material continues to be from stockpiled pre-production development material and is not representative of typical Friday ore.

While processed tons show continuing improvement, management has identified tails dewatering as a critical limiting factor in process plant throughput and is assessing options to expand or improve the system.

Mining operations at Friday slowed ore extraction to allow the mill time to work through existing stockpiles. During this slowdown, the mine focused on continued capital development to allow access to additional stopes later in the mine life.

Production figures, Friday	Jan-Jun		
	2020	2019	+/-
Milled ore (tonnes)	4,945.2	-	4,945.2
Head grade (Au gram/tonne)	2.9	-	2.9
Gold recovery (%)	71.5	-	71.5
Hourly utilization (%)	33.0	-	33.0
Gold production (kg)	10.1	-	10.1
Gold production (oz)	326.1	-	326.1
LTIFR	0	11	-11

Production figures for H1 are based on Company's own assaying and not confirmed by any external laboratory. Production figures do not include Pampalo processing plant residue gold excavated in H1. 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.

Activities at Endomines' other Idaho projects

Endomines has limited exploration expenditures for the Idaho Projects during Q2 to preserve cash and to limit exposure of technical personnel to COVID-19. Short term exploration focus is on analysis of existing databases, developing exploration scope of work for the individual projects, and preparing paperwork required for environmental and operating permits for future exploration activities.

Exploration activities along the Karelian Gold Line

During the quarter Endomines has continued its exploration program along the Karelian Gold Line in Eastern Finland, with the main focus in the area close to the Pampalo mine. Exploration activities included re-logging and sampling of selected historical drill cores from the new exploration reservation area, Karelia North, and also from the Pampalo mine area. The sampled drill core is being analyzed in the Pampalo mine laboratory and the gathered geological information will be used to improve the litho-structural 3D models of the areas to define new targets for exploration. Also, detailed geological mapping and channel sampling were conducted near the Pampalo mine. Further trenching has been planned for fall 2020.

Endomines continued updating existing mineral resource estimates for all the exploration projects along the Karelian Gold Line. The new estimates will include results from the past Endomines drilling programs. Also, data gathered from the mining of the Pampalo and Rämepuro deposits will be used in developing the new estimates. The Hattu 3D project (a 3D mineral system for the Hattu schist zone) a joint project with the Geological Survey of Finland ended in June after 2.5 years of work. The final reports are expected later this year.

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.

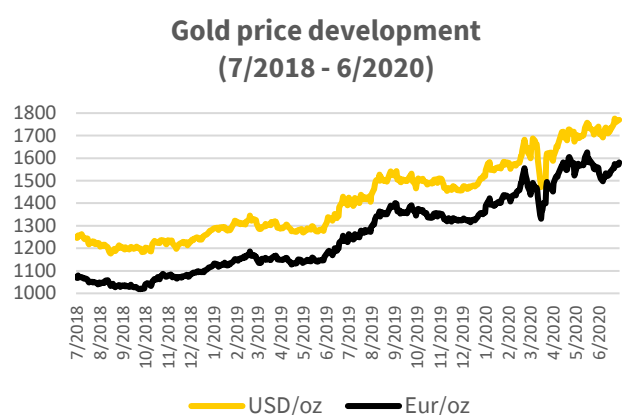
In the second quarter of 2020, the focus has continued to be on the development of relevant safety and environmental practices for the Company's Idaho operations, while also paying attention to the maintenance of the good practices in Pampalo. At the end of Q2 2020, the rolling twelve-month LTI rate (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

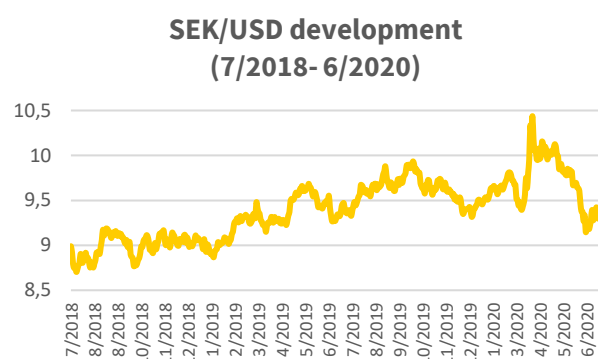
In Q2 2020 Endomines continued to strengthen its team in Idaho. The hiring of personnel was delayed due to COVID-19 pandemic in H1 2020, but some progress was made towards the end of Q2. In Q3 Endomines will continue hiring the remaining operating staff required to reach the Friday mine design capacity.

Gold price and exchange rates

At the end of Q2 2020, the gold price was 1,771 USD/oz (LBMA AM on 30th June 2020), an increase of 25 per cent compared to 1,413 USD/oz at the end of Q2 2019 (LBMA AM on 28th June 2019). The average gold price for Q2 2020 was 1,711 USD/oz (1,310), and for first half of 2020 1,646 USD/oz (1,307) showing increases of 31 and 26 per cent respectively.



Gold price development in July 2018 – June 2020 in USD/oz and EUR/oz (LBMA AM).



Swedish central bank (Riksbank) daily reference rates for SEK/USD July 2018 – June 2020.

Comments on the financial results H1 2020

Key figures (Consolidated)	Jan-Jun		
MSEK if not otherwise stated	2020	2019	+/-
Total revenue	10.5	3.5	7.0
Operational expense	-55.8	-24.3	-31.5
EBITDA	-45.3	-20.8	-24.5
Depreciation and write-downs	-11.7	-1.5	-10.2
EBIT	-56.9	-22.3	-34.6
Net result for the period	-68.0	-30.1	-37.9
Earnings per share (SEK)	-0.61	-0.57	-0.04

Result

Total revenue, including change in inventory, for H1 2020 amounted to 10.5 MSEK (3.5). The increase was due to Friday mine production start in Q2 2020, as well as Pampalo mill clean-up gold residue.

EBITDA amounted to -45.3 MSEK (-20.8), a decrease of 24.5 MSEK reflecting the start of the gradual production activities at the Friday mine. EBIT was -56.9 MSEK (-22.3). The result also reflects the COVID-19 pandemic challenges, as Friday mine did not reach the full design capacity in Q2.

Depreciation and write-downs amounted to -11.7 MSEK (-1.5), reflecting the start of the Friday mine asset depreciations on tangible and intangible assets in Q2 2020.

Operating expenses increased to -55.8 MSEK (-24.3). The increase in the operating expenses compared to H1 2019 is due to the Friday mine operations ramp-up.

Net financial result amounted to -11.2 MSEK (-7.8).

Profit after tax was -68.0 MSEK (-30.1), with income taxes amounting to 0.0 MSEK (0.0). Net result per share was -0.61 SEK (-0.57).

Cash flow and financing

Cash flow from operations before change in net working capital was -49.8 MSEK (-29.8) in H1 2020. The change in net working capital amounted to -9.8 MSEK (0.0). Cash flow from investments was -18.6 MSEK (-36.8). The decrease in investing activities was mainly due to the completion of the construction projects relating to the Friday mine and processing plant in Q1 2020.

Total cash flow from financing amounted to 65.9 MSEK (53.4). Main items comprise of loan facilities issued in April 2020 resulting in total proceeds of 52.0 MSEK, and of directed share issue also in April with net proceeds of 14.3 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 Q2 2020.

Financial position

Net debt amounted to 109.4 MSEK (255.6) at the end of Q2 2020. Decrease was mainly due to converting the convertible loan issued for TVL Gold LLC in to shares in Q1 2020. Total equity amounted to 454.6 MSEK (234.2), increase being mainly result of the successfully concluded rights issue in July 2019 and the conversion of the convertible loan. Following the aforementioned changes in equity and net debt, Endomines Group's Gearing decreased to 24 per cent (109).

Balance sheet total amounted to 600.9 MSEK (543.4), and equity ratio increased to 76 per cent (43). Capital employed amounted to 580.3 MSEK (510.4). Group cash at the end Q2 2020 amounted to 3.4 (5.7) 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. 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 9.4 MSEK (10.4) of which 8.5 MSEK (6.8) comprised of other operating expenses, including costs for the Group CEO, and 0.9 MSEK (3.6) 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 H1 2020 amounted to 2.3 MSEK (2.3).

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

Annual General Meeting on 29th June 2020

Endomines AB held its Annual General Meeting on 29 June 2020. The minutes of the AGM are available on the Company's website. A summary of the most important resolutions is included in the press release published on 29 June 2020.

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. During 2020 COVID-19 caused challenges on the Friday operations. 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 bridge loan issued in Q2 2020 and the directed share issue in Q2 2020. Also, the chairman of the board of directors and the CEO participated in the bridge loan issued in Q2 2020. For more information, please see note 5 displayed at the end of this report.

Endomines share capital and the share

The share capital of Endomines AB at 30th June 2020 amounts to 348,152,495 SEK, consisting of 115,912,640 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 total number of shares traded during H1 2020 on the stock exchange was 19.9 million, representing 17.2 per cent of the total number of shares at 30th June 2020. The relative liquidity of the share in

Nasdaq Helsinki was 63.4 per cent and 36.6 per cent in Nasdaq Stockholm. At the end of H1 2020, 62.5 per cent of the outstanding shares were registered in Finland, 6.9 per cent in Sweden and 30.6 per cent elsewhere.

The share price at the end of H1 2020 was 6.66 SEK (4.72 SEK at the end of H1 2019), closing at highest on 14th April 2020 at 7.16 SEK and lowest on 16th March 2020 at 4.30 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 LoI 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 2019 Annual Report. New and amended standards and interpretations from the IASB have had no impact on consolidated earnings or financial position, or on the presentation of the interim report.

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 11 of the 2019 Annual Report as well as on the Company's website (both Swedish and English). Definitions and calculations are not reproduced in this report.

Financial calendar

- 12th November 2020 Business review Q3-2020

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 CEST on 27 August 2020.

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 27 August 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-Jun	
	2020	2019
Revenue	7 151	3 990
Change in stock of finished goods and work in progress	3 371	-1 766
Other income	20	1 286
Total revenue	10 542	3 510
Raw materials and supplies	-6 750	-1 124
Personnel expenses	-23 851	-9 623
Other expenses	-25 217	-13 530
EBITDA	-45 276	-20 767
Depreciation and impairment	-11 654	-1 518
Operating result	-56 930	-22 285
Financial income	193	371
Financial expenses	-11 382	-8 171
Net financial items	-11 189	-7 800
+Profit/(-) loss before taxes	-68 119	-30 085
Income taxes	-1	—
Deferred taxes	160	33
Net result for the period	-67 960	-30 052
Other comprehensive income that will be classified to profit/loss		
Translation differences	2 959	10 261
Comprehensive result for the period	-65 001	-19 791
Net result 100 % attributable to the parent company	-67 960	-30 052
100% of total comprehensive income is attributable to the parent company	-65 001	-19 791
Earnings per share (SEK)		
before and after dilution effect	-0,61	-0,57
Average number of shares		
before and after dilution effect	111 924 585	52 953 885

Parent company statement of profit and loss

KSEK	Jan-Jun	
	2020	2019
Other income	0	1
Total revenue	0	1
Other external expenses	-8 489	-6 798
Personnel expenses	-875	-3 564
Operating result	-9 365	-10 360
Financial income	10 750	6 096
Financial expenses	-10 262	-8 223
Net financial items	488	-2 127
+Profit/(-) loss before taxes	-8 877	-12 487
Deferred taxes	160	33
Net result for the period	-8 717	-12 454
Comprehensive result for the period	-8 717	-12 454

Consolidated balance sheet

KSEK	Note	30 Jun 2020	31 Dec 2019	30 Jun 2019
Intangible fixed assets		372 880	371 334	376 976
Tangible fixed assets		198 250	195 701	152 058
Financial fixed assets		5 502	5 478	5 543
Total fixed assets		576 632	572 513	534 577
Inventories		4 490	37	38
Trade receivables		1 231	—	2
Other receivables		888	568	1 399
Prepaid expenses and accrued income		14 185	757	1 676
Cash and cash equivalents		3 433	15 727	5 717
Total current assets		24 227	17 089	8 832
TOTAL ASSETS		600 859	589 602	543 409
Shareholders' equity				
Share capital		348 152	240 157	283 260
Unrestricted equity fund		808 853	732 521	542 065
Reserves		45 148	42 189	40 627
Retained earnings		-747 521	-678 841	-631 753
Shareholders' equity attributable to the parent company shareholders		454 632	336 026	234 199
Total shareholders' equity		454 632	336 026	234 199
Liabilities				
Liabilities to credit institutions	1, 2	5 723	4 718	7 355
Bond	3	38 777	38 996	38 996
Long-term loan facility	5	29 818	—	—
Convertible bond	4	—	—	169 021
Other provisions		13 193	12 653	12 934
Total long-term liabilities		87 511	56 367	228 306
Liabilities to credit institutions	1, 2	6 148	2 494	30 002
Short-term loan facility	5	32 400	—	—
Convertible bond	4	—	175 346	5 411
Other provisions		409	407	412
Accounts payable		10 154	9 810	15 041
Other short-term liabilities	3, 5	5 708	4 905	18 553
Accrued expenses and advances received		3 897	4 247	11 485
Total short-term liabilities		58 716	197 209	80 904
Total liabilities		146 227	253 576	309 210
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		600 859	589 602	543 409

Parent company balance sheet

KSEK	Note	30 Jun 2020	31 Dec 2019	30 Jun 2019
Shares in group companies		333 422	334 848	338 337
Receivables group companies		308 287	241 374	173 904
Other receivables		758	829	2 220
Cash and cash equivalents		2 346	14 917	2 281
TOTAL ASSETS		644 813	591 968	516 742
Shareholders' equity		526 885	360 576	240 765
Payables to group companies		8 690	7 867	7 961
Convertible bond	4	—	175 346	169 021
Other liabilities	1, 2, 3, 5	109 238	48 179	98 996
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		644 813	591 968	516 742

Consolidated changes of shareholders' equity

KSEK All shareholders' equity is attributable to the parent company	Share capital	Other capital provided	Reserves	Retained earnings	Total shareholders' equity
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
Opening balance 1 Jan 2020	240 157	732 521	42 189	-678 841	336 026
Net result for the period	—	—	—	-67 960	-67 960
Other comprehensive income	—	—	2 959	—	2 959
Total comprehensive income for the period	—	—	2 959	-67 960	-65 001
Transactions with the shareholders					
Rights issue	7 404	7 131	—	—	14 535
Convertible conversion	100 591	70 235	—	-720	170 106
Issue costs	—	-1 034	—	—	-1 034
Total transactions with the shareholders	107 995	76 332	—	-720	183 607
Closing balance as of 30 Jun 2020	348 152	808 853	45 148	-747 521	454 632

Consolidated statement of cash flows

KSEK	Jan-Jun	
	2020	2019
Cash flows from operating activities		
+Profit/(-) loss before taxes	-68 120	-30 085
Adjusted for:		
Depreciation	11 289	1 518
Impairment	365	—
Unrealised exchange rate differences on internal receivables and payables	1 452	-3 603
Financing income and expense	5 234	—
Other items	—	2 384
Cash flows from operating activities before change in net working capital	-49 779	-29 786
Change in net working capital	-9 763	-36
Total cash flows from operating activities	-59 542	-29 822
Cash flows from investing activities		
Payments for intangible fixed assets	-1 385	-10 244
Payments for tangible fixed assets	-4 515	-28 242
Prepayments for intangible fixed assets	-12 746	—
Disposal of tangible fixed assets	—	1 735
Total cash flows from investing activities	-18 646	-36 751
Total cash flows before financing activities	-78 188	-66 573
Cash flows from financing activities		
Proceeds from issue of new shares	14 535	—
Share issue costs	-1 034	—
Proceeds from borrowings	55 445	55 041
Repayment of borrowings	-56	-27
Finance lease payments	-3 022	-1 625
Total cash flows from financing activities	65 867	53 389
Net (decrease)/increase in liquid assets	-12 321	-13 184
Liquid assets at the beginning of the period	15 727	18 931
Effect of exchange rate changes on liquid assets	27	-30
Liquid assets in the end of the period	3 433	5 717

Notes to the financial report

Note 1 Financial instruments	30 Jun	31 Dec	30 Jun
KSEK	2020	2019	2019
Receivables:			
Trade receivables and other receivables excluding accruals	7 621	6 046	6 944
Cash and cash equivalents	3 433	15 727	5 717
Total receivables	11 054	21 773	12 661
Other financial liabilities:			
Bond, principle	38 777	38 996	38 996
Loan facility, principle	62 218	–	–
Convertible, principle	–	169 021	169 021
Acquisition loan	–	–	28 664
Lease financing	8 842	4 139	5 526
Subtotal borrowings	109 837	212 156	258 252
Accounts payables and other current liabilities excluding non-financial liabilities	15 862	14 715	17 549
Total	125 699	226 871	275 801

Note 2 Borrowings and net debt	30 Jun	31 Dec	30 Jun
KSEK	2020	2019	2019
Long-term borrowings			
Bond, principle	38 777	38 996	38 996
Long-term loan facility, principle	29 818	–	–
Convertible, principle	–	–	169 021
Lease financing	2 745	1 754	4 250
Other interest-bearing liabilities	2 978	2 964	3 105
Total long-term liabilities	74 318	43 714	215 372
Short-term borrowings			
Acquisition loan	–	–	28 664
Short-term loan facility, principle	32 400	–	–
Convertible, principle	–	169 021	–
Lease financing	6 097	2 385	1 276
Bridge loan	–	–	16 045
Other interest-bearing liabilities	51	109	–
Total short-term liabilities	38 548	171 515	45 985
Total borrowings	112 866	215 229	261 357
Cash and cash equivalents	3 433	15 727	5 717
Net interest-bearing debt	109 433	199 502	255 640
Shareholders' equity	454 632	336 026	234 199
Gearing ratio (net debt divided by equity)	24 %	59 %	109 %

Note 3 Bond	30 Jun	31 Dec	30 Jun
KSEK	2020	2019	2019
Bond, Principle	38 777	38 996	38 996
Accrued interest of bond	1 504	3 833	1 515
Total amount	40 281	42 829	40 511

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	<u>30 Jun</u>	<u>31 Dec</u>	<u>30 Jun</u>
KSEK	2020	2019	2019
Convertible bond, principle	—	169 021	169 021
Accrued interest of convertible bond	—	6 325	5 411
Total amount	—	175 346	174 432

In Q1/2020, the convertible loan issued to sellers of TVL Gold LLC was converted in to Endomines AB shares, in accordance with the terms and conditions as amended by Endomines AB extraordinary general meeting on 10th December 2019. The conversion occurred in two parts. Half of the loan principle was converted in to shares on 9th January 2020 at a conversion price of 5.85 SEK per share, and the remaining half on 25th February 2020 at a conversion price of 6.00 SEK per share. Following the conversion, number of shares and votes of Endomines AB increased by 33,490,597.

Note 5 Loan facilities	<u>30 Jun</u>	<u>31 Dec</u>	<u>30 Jun</u>
KSEK	2020	2019	2019
Long-term loan facility	29 818	—	—
Accrued interest of long-term loan facility	892	—	—
Short-term loan facility	32 400	—	—
Accrued interest of short-term loan facility	1 425	—	—
Total amount	64 535	—	—

Long-term loan facility was issued on 1st April 2020 primarily for Finnish institutional investors, including the Chairman of the Board and the CEO of Endomines. The loan has a two-year tenor and fixed annual interest rate of 12.0 percent. Endomines can choose to extend the loan with one further year at an interest rate increase of 0.25% p.a. The Loan is callable anytime at 100 percent of the nominal amount on Endomines' sole discretion.

Short-term loan facility was issued on 30th April 2020 for Danish and Swedish institutional investors. The loan has a six-month tenor and a fixed monthly interest rate of 1.0 percent with an upfront fee of 8.0 percent. The Loan is callable anytime at 100 percent of the nominal amount on Endomines' sole discretion.



Auditor's report

Endomines AB (publ) org nr. 556694-2974

Introduction

We have reviewed the condensed interim financial information (interim report) of Endomines AB as of 30 June 2020 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.

Material Uncertainty Related to Going Concern

Without affecting the review expressed in the previous paragraph, we draw attention to the section "Future liquidity development", on page 7 of this interim report, which states that the Company's existing working capital is not sufficient for all planned activities to be undertaken during the next twelve months period, and that the operations may, therefore, need to be adjusted accordingly. This circumstance implies that there is a significant factor of uncertainty which can lead to considerable doubt as the company's ability to continue its operations. Our opinion is not modified in respect of this matter.

Stockholm, 27 August 2020

Öhrlings PricewaterhouseCoopers AB

Anna Rozhdestvenskaya

Authorized Public Accountant