

Interim report January - June 2018

1. Summary

MISEN ENERGY AB (publ)

Reg. No. 556526-3968

Results for the second quarter 2018 ("Q2 2018") (within brackets same period 2017)

Consolidated operating group loss	KSEK -5,930 (-18,995)
Consolidated group net turnover	KSEK 477 (10,179)
Earnings per share	SEK -0.03 (-0.10)
Parent company operating loss	KSEK -3,047 (-10,132)
Parent company net turnover	KSEK 1,395 (1,395)

Results for the January-June 2018 ("H1 2018") (within brackets same period 2017)

Consolidated operating group loss	KSEK -15,225 (-45,649)
Consolidated group net turnover	KSEK 640 (14,033)
Earnings per share	SEK -0.07 (-0.22)
Parent company operating loss	KSEK -4,259 (-13,897)
Parent company net turnover	KSEK 2,789 (2,789)

Group definition

Misen Energy AB (publ) ("**Parent Company**" or "**Company**") is a Swedish public limited liability company with its registered offices in Stockholm. The address of the Head Office is Kungsporsavenyen 32, 411 36 Gothenburg. The Company is listed at Nasdaq First North Stockholm. The Misen Group ("**Misen Group**" or "**Group**") comprises Misen Energy AB (publ) and the partially owned subsidiaries LLC Karpatygaz (Ukraine) and Misen Enterprises AB (Sweden).

In June 2016 and in July 2017, Parent Company sold respectively 37.5% and 10% of Misen Enterprises AB shares to the Hong Kong based company Powerful United Limited ("**PUL**"). The same owners that control the shareholder TCT Holding AB also control PUL. In March 2018, Company sold 2% of Misen Enterprises AB shares to Mr. Konstantin Guenevski, Bulgarian citizen, who is a senior trader of one of the world's leading independent commodity trading and logistics houses. Misen Energy AB (publ) remain the owner of 50.5% of Misen Enterprises AB shares and maintain full control of the company. Misen Enterprises AB is consolidated in the Misen Group accounts and the 49.5% held by other investors are accounted for as a non-controlling interest within equity.

Joint Activity and Joint Activity Agreement

Misen Group together with PUL and Mr. Konstantin Guenevski has a 50.01% participation interest in the Joint Activity ("**JA**") dedicated to the hydrocarbon production and sales business in Ukraine. The remaining 49.99% interest in JA is held by the Joint Stock Company Ukrgasvydobuvannya ("**JSC Ukrgasvydobuvannya**" or "**UGV**") (Ukraine), a wholly owned subsidiary of the National Joint Stock Company Naftogaz of Ukraine (Ukraine). JA is governed by the Joint Activity Agreement No.3, dated 10 June 2002 ("**JAA**" or "**JAA No.3**") (as further restated and amended).

2. Essential Events during the H1 2018

Accounting treatment of the Joint Activity

Misen Enterprises AB and LLC Karpatygaz participate in an arbitration proceeding commenced by JSC Ukrgasvydobuvannya in August 2016 under JAA No.3 and vigorously defend the legitimate interests of their investors.

In accordance to the procedural timetable determined by the Tribunal, the disputing parties exchanged their positions. JSC Ukrgasvydobuvannya requested invalidation or, alternatively, termination of JAA No.3. Misen Enterprises and LLC Karpatygaz agreed with JSC Ukrgasvydobuvannya on termination of JAA No.3 and requested the Arbitral Tribunal to order JSC Ukrgasvydobuvannya to compensate their share of the Joint Activity. The Arbitral Tribunal ruled on all issues other than quantum in a partial final award on 11 July 2018 (please refer to chapter Essential events after the end of the H1 2018).

Given that the parties finally confirmed their agreement to terminate the JAA No. 3, the Company believes that control over the specific assets under JA no longer exists when preparing the quarterly accounts as for 30 June 2018. Control is required to consolidate the assets as well as the future results of the JA in the Group accounts.

The claims against JSC Ukrgasvydobuvannya may not be accounted for as an asset in the Group financial statements as the outcome of the arbitration proceeding in relation to compensation for Misen Enterprises AB and LLC Karpatygaz for their share in JA is still uncertain at the date of this report.

The accounting treatment and book value do not purport to reflect the value of the claims of Misen Enterprises AB or LLC Karpatygaz for compensation arising from the termination of JAA No.3. Nor does this accounting treatment imply in any respect any waiver of any claim submitted by Misen Enterprises AB and LLC Karpatygaz in the arbitration proceeding under JAA No.3 or any other right of Misen Group. Misen Enterprises AB and LLC Karpatygaz continue to defend the legitimate interests of their shareholders and seek compensation for their share in the Joint Activity upon termination of JAA No.3.

Under JAA No.3 Misen Group operates solely in Ukraine.

Financing of the Group's Swedish operations

On 2 March 2018, the Company closed the sale of 2% of the shares and shares capital in its partially owned subsidiary Misen Enterprises AB to Mr Konstantin Guenevski, Bulgarian citizen, who is a senior trader of one of the world's leading independent commodity trading and logistics houses. The purchase sum amounts to MEUR 1.0 (KSEK 9,964).

The agreement comprises conditions that allow the Company to repurchase the sold shares from Mr Konstantin Guenevski for the purchase price multiplied by 3 (three). Misen Energy AB (publ) could exercise this right till earlier of (i) 30 April 2019 or (ii) the date of the general meeting of shareholders of Misen Enterprises AB which would consider payment of dividends. Similarly, the agreement comprises conditions that allow Mr Konstantin Guenevski to require Misen Energy AB (publ) to purchase back all or part of the shares from Mr Konstantin Guenevski within 24 months. The price of the shares would be equal to the purchase price multiplied by 3 less the amount of any dividends received by Mr Konstantin Guenevski from the shares in 24 months. The Company would be required

to repurchase the shares only if it has financial capability to pay the shares price without the need to obtain third-party funding.

As of the date of report, 49.5% of any return from the operations in Ukraine or from the claims against JSC Ukrgasvydobuvannya will go to PUL and Mr Konstantin Guenevski. The Misen Group owning 50.5% of the shares maintain full control of Misen Enterprises.

Criminal investigation

The pre-trial investigations in criminal cases commenced by the General Prosecutor Office of Ukraine respectively in 2014 and 2017, as supplemented with the JSC Ukrgasvydobuvannya's criminal complaint dated 5 September 2016 and JSC Ukrgasvydobuvannya's motion and notice of commitment of criminal offence dated 21 and 22 February 2017, were ongoing as of the date of this report.

In September 2017, JSC Ukrgasvydobuvannya submitted another criminal complaint to the National Anticorruption Bureau of Ukraine (thereafter as "**NABU**"). In September 2017, NABU finished its pre-trial investigation and submitted a claim to the Commercial Court of Kiev. NABU requested the court to invalidate the Amendment No.4 to the JAA No.3 and the agreement for the provision of services on production, collection, treatment and transportation of natural gas, oil and gas condensate that LLC Karpatygaz concluded with JSC Ukrgasvydobuvannya in April 2011. The court instituted a legal proceeding in October 2017. The preparatory hearings were held in May-June 2018.

LLC Karpatygaz and Misen Enterprises AB consider the criminal allegations to be ungrounded, deny them in their entirety, consider that all court rulings issued in this context are illegal and amount to expropriation of their assets. Misen Group has been always cooperative with the investigation authorities and ready to prove the legitimacy of JAA No.3. Misen's position is that the Arbitral Tribunal has the exclusive jurisdiction to determine validity of JAA No.3 in the ongoing arbitration proceeding.

For further information please refer to chapter Essential events after the end of the H1 2018.

Contribution to the JA

During H1 2018, Misen Enterprises AB did not contribute any funds towards its commitment to JA for MUS\$ 12.5 (MSEK 111.4). The total amount contributed remains at KUSD 3,930 (KSEK 35,040).

Given that the Participants of JAA No.3 have agreed on termination, Misen Enterprises AB considers that no further contributions can be made under JAA No.3. The liability regarding the remaining contribution, previously accounted for in Misen Group, has been reversed as a part of the deconsolidation of JA as of 31 December 2017.

For further information please refer to chapter Essential events after the end of the H1 2018.

Operations in the JA during H1 2018

Production report

The table below sets forth the **accumulated reported production** indicators attributable to the JA for the specified periods:

	H1 2018	H1 2017	H1 2016	H1 2015	H1 2014
Natural Gas (mmcm)	-	-	333	339	346
Gas Condensate (ktons*)	-	-	17.7	16.2	15.1
Oil (ktons)	-	-	3.3	5.2	10.7
LPG (ktons)	-	-	5.5	1.5	-

* thousand tons

During H1 2018, JSC Ukrigasvydobuvannya continued, as Misen Energy AB (publ) believes, manifestly unlawful actions and refused to provide services in respect to production, collection, treatment and transportation of hydrocarbons to JA (see below "Sale of Hydrocarbons"). Due to this the production of natural gas attributable to JA was at zero level.

Loan Agreement with PJSC Sberbank, a subsidiary bank of OJSC Sberbank of Russia

In August 2012, Karpatygas in its capacity as Operator of the Joint Activity, entered into the Loan Agreement with PJSC Sberbank, a subsidiary bank of OJSC Sberbank of Russia for KUSD 16,250 (KSEK 144,884) at the interest rate of 12% per annum. In 2015, JA defaulted on its loan to PJSC Sberbank. In conjunction with this, JA agreed with PJSC Sberbank to restructure the debt with new repayment terms. However, the draft restructuring agreement has not been signed since then due to agreement not having been reached between the JAA's participants.

On 13 June 2018 the settlement agreement was reached between JSC Ukrigasvydobuvannya, LLC Karpatygas as Operator of JA and PJSC Sberbank. According to the agreement the principal amount of loan, interest and PJSC Sberbank court costs should have been repaid via the funds JSC Ukrigasvydobuvannya owed to the Joint Activity in accordance to the recently renewed agreements for lease of the booster compressor stations as well as own funds of JA.

As of 30 June 2018, there is no outstanding liabilities to PJSC Sberbank.

Agreement with Solar Turbines CIS LLC

In June 2013, Karpatygas in its capacity as Operator of the Joint Activity and Solar Turbines CIS LLC entered into the agreement for equipment maintenance services (as further amended). Solar Turbines CIS LLC rendered the agreed services, however the Joint Activity did not pay for the services mainly due to the halted operations of the Joint Activity. As of 30 June 2018, outstanding debt to Solar Turbines CIS LLC amounted to KUSD 771.7 (KSEK 6,880.4).

Operation of the Booster Compressor Stations (BCSs)

In September 2015, Khrestyschenska Booster Compressor Station (BCS) was commissioned. This BCS is one of the largest in Ukraine and provides the extraction of up to 25 per cent of the total domestic natural gas production in Ukraine. However, a dispute arose between JA and JSC Ukrigasvydobuvannya regarding how to allocate the incremental production of gas at Khrestyschenska BCS.

In early 2016, the JAA's participants agreed that the JA would lease Khrestyschenska BCS to JSC Ukrigasvydobuvannya. UGV has operated this BCS for its sole benefit and paid the corresponding

fuel gas costs acquired during the lease period since 1 January 2016. The Lease Agreement was renewed in May 2017, although on different terms, and JA transferred Khrestyschenska BCS to JSC Ukgazvydobuvannya's use until 30 April 2018.

In addition, given UGV's refusal to allocate the power supply costs as well as the JA's unavailability to sell hydrocarbons, Misen Enterprises AB and LLC Karpatygaz could not properly implement the JAA No.3. Under the circumstances, in May 2017 the Joint Activity leased the remaining six BCSs to JSC Ukgazvydobuvannya. In May 2018 the Lease Agreements, including Khrestyschenska BCS, were renewed until 30 April 2019.

The following BCSs were transferred to the use until 30 April 2019 to JSC Ukgazvydobuvannya:

- Abazivska BCS
- Letnyanska BCS
- Rozpashnivska BCS
- Skhidno-Poltavska BCS
- Svydnytska BCS
- Yuliyivska BCS.

JSC Ukgazvydobuvannya covers all the costs related to operation of the BCSs.

During H1 2018, JSC Ukgasvydobuvannya failed to make the lease payments to JA under the signed lease agreement, except the amount paid to JSC Sberbank and set off against future liabilities under renewed lease agreements. The monthly lease income amounts to approximately MUAH 18 (MSEK 6) including VAT, while the outstanding receivables amounts to MUAH 224 (MSEK 75) including VAT. Despite the fact that JSC Ukgasvydobuvannya fails to make lease payments according to the agreements, JA bears liability to pay VAT on a monthly basis.

During the term of lease agreements, JSC Ukgasvydobuvannya sent to LLC Karpatygaz, as the Operator of JAA No.3, more than 100 set-off notices seeking to offset its lease payment against the alleged payments that LLC Karpatygaz should have made to UGV. LLC Karpatygaz objected all the claims and initiated the court proceedings in Ukrainian courts to invalidate the set-off notices.

Subsoil use charge

The Ukrainian Government continued applying 70% subsoil use charge to the joint activities in accordance with laws adopted in 2014.

The situation has deteriorated when the Parliament of Ukraine amended tax legislation. The changes determine the subsoil use charge for private producers at 29 per cent for natural gas extracted from depths not exceeding 5,000 meters, and 14 per cent for natural gas extracted from depths exceeding 5,000 meters. The subsoil use charge applicable to the JA is much higher than the charges applicable to private producers.

At the start of October 2015, the Company submitted a notice of investment dispute to the Government of Ukraine in accordance to the Agreement between the Government of the Kingdom of Sweden and the Government of the Ukraine on the Promotion and Reciprocal Protection of Investments.

During H1 2018, the Government of Ukraine continued to impose the exorbitant subsoil charge for the Joint Activity conducted in accordance with JAA No. 3. Misen Energy AB (publ) reserves all its rights in this respect, including to commence the arbitration proceeding.

As of 30 June 2018, the Company has reached no amicable resolution of the dispute with the Government of Ukraine.

Tax payments in Ukraine

Despite being prevented from selling hydrocarbons, JA and its participants continued paying value added tax and corporate profit tax during H1 2018. During H1 2018, JA paid KUAH 18,196 (KSEK 6,667) as value added tax. Since 2011, JA and its participants have contributed to Ukraine KUAH 11,174,511 (adjusted KSEK 5,243,935) as subsoil use charge, value added tax and corporate profit tax.

Sale of hydrocarbons

During H1 2018, JSC Ukrgasvydobuvannya continued, as the Company believes, manifestly unlawful actions and refused to provide services in respect of production, collection, treatment and transportation of hydrocarbons to JA. Being prevented from selling the hydrocarbons, Misen Group could not properly implement JAA No.3.

In 2016, LLC Karpatygaz, in its capacity as Operator of the Joint Activity, commenced a court proceeding and requested the court to order JSC Ukrgasvydobuvannya to provide services in respect of production, collection, treatment and transportation of hydrocarbons to the JA. The court obliged UGV to provide the respective services, however JSC Ukrgasvydobuvannya appealed against the ruling. The Appeal Court maintained the decision of the first instance court. Subsequently, JSC Ukrgasvydobuvannya filed a cassation appeal with the Supreme Economic Court of Ukraine. In November 2017, the Supreme Court of Ukraine reversed decisions of lower courts and returned the case for reconsideration in the new circle.

In addition, LLC Karpatygaz commenced another court proceeding and requested the court to order JSC Ukrgasvydobuvannya to deliver hydrocarbons produced by JA during the period from December 2016. The court obliged JSC Ukrgasvydobuvannya to deliver hydrocarbons to the Joint Activity. It also dismissed JSC Ukrgasvydobuvannya's counterclaim against JA regarding reimbursement of debt and penalties under the services agreements. JSC Ukrgasvydobuvannya appealed against this court ruling.

In December 2017, the proceedings in both cases were halted until the court ruling on case initiated by NABU.

Investment program report

Due to financial constraints imposed by the increased subsoil use taxation as well as JSC Ukrgasvydobuvannya, as the Company believes, manifestly unlawful actions, Misen Group halted investments into the development program in H1 2018.

As of 30 June 2018, the Company has reached the following major milestones:

- at 86 wells repair works using the most up-to-date technical solutions were undertaken,
- 70 wells were commissioned,
- 7 BCSs from 11 were commissioned including Khrestyschenska, the largest in Ukraine,
- 4 BCS were at the final stages of construction.

Court proceedings against Center of Financial Leasing LLC (previously Sberbank Leasing)

Court proceeding in Case No. 910/21720/15

In 2015, LLC Sberbank Leasing Ukraine ("**Sberbank Leasing**" later as Financial Leasing Center) initiated the court proceeding against JSC Ukrgasvydobuvannya, LLC Karpatygaz and Misen Enterprises AB seeking to enforce the contract and recover penalties. Sberbank Leasing claims that JA

failed to deliver the equipment within the terms of the contract and, therefore, Sberbank Leasing is entitled to recover penalties. Contrary to this, LLC Karpatygaz claims that the Joint Activity could suspend delivery of the equipment and, therefore, the Joint Activity has committed no violations. In October 2016, the Supreme Economic Court of Ukraine voided the verdicts of lower courts. The Ukrainian courts considered the case in a new circle. In February 2017 Sberbank Leasing changed its claims seeking now to recover USD 37,219,502 (SEK 309,803,965) of advance payment and UAH 352,987,638 (SEK 110,391,942). In March 2017, Sberbank Leasing was renamed to Financial Leasing Center following by the change of owners. In September 2017, the Supreme Economic Court of Ukraine again send the case for reconsideration in a new circle. Consideration of the case is now pending at Kyiv Economic Court. In October 2017 Kyiv Economic Court engaged the Specialized Anti-Corruption Prosecutor's Office.

In June 2018, Kyiv Economic Court ruled to halt the proceeding until the court finally decides on the claims brought by NABU. Financial Leasing Center appealed against the ruling of Kyiv Economic Court in June 2018.

Court proceeding in Case No. No. 910/24412/16

In December 2016, Sberbank Leasing initiated another case against JSC Ukgasvydobuvannya, LLC Karpatygaz and Misen Enterprises AB seeking to recover UAH 1,397,704,127 (SEK 437,112,398). Financial Leasing Center claims that the Joint Activity failed to deliver the equipment within the terms of the contract and thereby Financial Leasing Center was deprived of profit under the leaseback agreement. In June 2017, Financial Leasing Center filed additional claim to recover USD 10,170,581 (SEK 84,656,864) of lost profit. Kyiv Economic Court resolved to recover only UAH 237,507,020 (SEK 74,276,995) of lost profit.

On 15 May 2018, Kyiv Economic Court of Appeal engaged NABU as a third party to the proceeding.

In June 2018 the judge of Kyiv Economic Court recused himself based on the request of Financial Leasing Center. The case is suspended until appointment of a judge.

Essential events after the end of the H1 2018

Ongoing arbitration under JAA No.3

On 11 July 2018, the Arbitral Tribunal rendered a final partial award in the arbitration proceeding commenced under the JAA in accordance to the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. This award is a final award on those issues that were decided at this stage of the proceedings. The Arbitral Tribunal fully rejected the JAA's invalidity arguments, as well as the overwhelming majority of JSC Ukrgasvydobuvannya's arguments concerning Misen Enterprises AB and LLC Karpatygaz alleged "breaches". This in effect means that JSC Ukrgasvydobuvannya's damages claims are now largely baseless. In specific, final partial award rules the following:

1. **The Arbitral Tribunal has fully, unanimously and unequivocally dismissed all the claims submitted by JSC Ukrgasvydobuvannya in relation to alleged invalidity of the JAA.** The Arbitral Tribunal found no corruption or collusion in the negotiation and approval of the JAA. The Tribunal did not establish any wrongdoing of present and/or former shareholders (beneficial owners) of Misen Enterprises AB and Karpatygaz LLC. Also, there was no wrongdoing of management of Misen Enterprises AB and Karpatygaz LLC. The JAA complied with all relevant Ukrainian legislation. Specifically, the Arbitral Tribunal found that there is no basis to conclude that the JAA breached Article 7(4) of the Pipeline Transport Law or public policy. The Arbitral Tribunal established that JSC Ukrgasvydobuvannya's well stock, that JSC Ukrgasvydobuvannya retained full rights to access and use its wells and there was no misappropriation of this of JSC Ukrgasvydobuvannya's property. Further, the Arbitral Tribunal has rejected claims of JSC Ukrgasvydobuvannya that the JAA breached the prohibition on the sale of gas other than to PJSC NJSC Naftogaz of Ukraine pursuant to Article 10 of the Law on the Functioning of the Gas Market.

Summarizing the Arbitral Tribunal findings on the above mentioned issues, Tribunal confirmed that the JAA is a legal and fully binding contract, which gave rise to substantial benefits for JSC Ukrgasvydobuvannya (notably the ability to commercialise its gas at higher, unregulated prices, the obligation of Misen Enterprises AB to ensure additional financing to implement the Joint Activity Programs, and the revenues earned by providing services to the Joint Activity under the Services Agreement). The JAA was concluded in the interests of JSC Ukrgasvydobuvannya, not contrary to its interests.

2. **Performing their respective contractual obligations, Misen Enterprises AB and / or LLC Karpatygaz did not make any material breaches of the JAA, and, therefore, Arbitral Tribunal has fully, unanimously and unequivocally dismissed all the claims submitted by JSC Ukrgasvydobuvannya to terminate the JAA on the ground that Misen Enterprises AB and LLC Karpatygaz allegedly breached their contractual obligations.** Specifically, the Arbitral Tribunal found that Misen Enterprises AB made no breach of its obligation to provide additional financing to implement the Joint Activity Programs; LLC Karpatygaz made no breaches of the JAA by entering into any of the sale of gas agreements; there was no failure to contribute know-how to the Joint Activity; there were no unjustified "threats" to stop operation of certain booster compressor stations; LLC Karpatygaz had a right to enter into settlement agreements with respect to certain debts owed to the Joint Activity; and, finally, the Arbitral Tribunal declared that LLC Karpatygaz complied with its obligations under the JAA with respect to commissioning the booster compressor stations (including the major Khrestyshchenska BCS) and conducting repair works of the wells.

3. **The only instance where the Arbitral Tribunal partially endorsed the position of JSC Ukrgasvydobuvannya is the Tribunal's findings that Misen Enterprises did not meet its obligation to make part of its contribution in the amount of approximately MUSD 8.5 by 31 December 2015 and that Karpatygaz was late under the JAA in equipping certain wells with metering stations.** However, the Arbitral Tribunal decided that these breaches, whether considered alone or together, cannot be characterised as substantially depriving JSC Ukrgasvydobuvannya of what it expected to receive when making the JAA and do not give right for JSC Ukrgasvydobuvannya to terminate the JAA. Moreover, while the Arbitral Tribunal indicated that a failure to make the remaining part of Misen Enterprises AB contribution may lead to making appropriate adjustments to the JAA participant's share of the joint property upon termination of the JAA, this does not result in the rescission of the parties' original agreement on the value of their contributions. Thus, the Arbitral Tribunal upheld that, as was contractually agreed, JAA entitled Misen Enterprises AB and LLC Karpatygaz to a 50,01 % share in the joint property.
4. **However, since the 70% royalty imposed by the Government of Ukraine brought a material change in circumstances and it is no longer possible to achieve the purpose of the JAA, the Arbitral Tribunal concluded that the JAA must be terminated as of 11 July 2018 solely on these grounds.** As previously reported, Misen Enterprises AB and LLC Karpatygaz agreed on termination of the JAA particularly on these grounds. Again, the Arbitral Tribunal has fully upheld Misen Enterprises AB and LLC Karpatygaz pleadings in this respect.
5. **Therefore, the Arbitral Tribunal obliged Misen Enterprises AB, LLC Karpatygaz and JSC Ukrgasvydobuvannya to take all steps necessary and appropriate to give practical effect to termination of the JAA.** The parties agree that, following termination, the Joint Activity's assets should be transferred to JSC Ukrgasvydobuvannya, with Misen Enterprises AB and LLC Karpatygaz receiving compensation for their interests in those assets. If after the final partial award the parties will not be able to agree on the valuation of Misen Enterprises AB, LLC Karpatygaz share, this issue will be decided by the Arbitral Tribunal in its final award.

Misen Enterprises AB and LLC Karpatygaz consider this final partial award to be binding upon the parties to it and will undertake all steps necessary and appropriate to give practical effect to termination of JAA.

Misen Enterprises AB, LLC Karpatygaz and JSC Ukrgasvydobuvannya discuss a schedule for the briefing and hearing of the issues that are being reserved for the Final Award.

Financing of the Group's Swedish operations

On 16 August 2018, Misen Energy AB (publ) signed the Loan Agreement for KEUR 500 with Powerful United Limited. Under the Loan Agreement, Powerful United Limited is entitled to a fixed fee equal to the loan amount multiplied by 2 (two) to be paid by Misen Energy AB (publ) alongside with repayment of the loan by the earlier of (i) 1 May 2019 or (ii) the date on which Misen Energy AB (publ) receives sufficient funds in the form of business proceeds, allowing it to repay the loan and the fixed fee.

Criminal investigations

Pre-trial investigations in criminal cases are ongoing.

The court held a last hearing of the preparatory phase of the court proceeding commenced by NABU on 30 August 2018. The Court dismissed jurisdictional objections raised by Misen Enterprises AB and

LLC Karpatygaz and moved the case to the consideration phase of the legal proceeding. The hearing is scheduled for 6 September 2018.

Court proceedings against Center of Financial Leasing LLC (previously Sberbank Leasing)

Court proceeding in Case No. No. 910/24412/16

On 14 August 2018, Kyiv Economic Court of Appeal upheld the decision of the first instance court and resolved to recover UAH 237,507,020 (SEK 79,678,618) of lost profit and UAH 9,856 (SEK 3,306) of court costs to Financial Leasing Center. This decision is subject to an immediate enforcement. LLC Karpatygaz plans to challenge this decision in the Supreme Economic Court of Ukraine.

Operations of the Joint Activity in 2018

Operation of the Booster Compression Stations (BCSs)

As of publishing of this report, JSC Ukrigasvydobuvannya failed to make the lease payments to JA under lease agreements, except the amount paid to PJSC Sberbank and set off against future liabilities under renewed lease agreements. JSC Ukrigasvydobuvannya declared that it offset its lease payment against the alleged payments that LLC Karpatygaz was supposed to make to JSC Ukrigasvydobuvannya. LLC Karpatygaz objected these claims and initiated the court proceedings in Ukrainian courts to invalidate the set-off notices. The court proceedings are ongoing.

Sale of hydrocarbons

As of publishing of this report, JSC Ukrigasvydobuvannya refused to deliver to JA hydrocarbons extracted since December 2016 until 11 July 2018.

3. Results – the Misen Group and the Company

Misen Group net turnover for Q2 2018 was KSEK 477 (KSEK 10,177) and the Parent Company net turnover for this period was KSEK 1,395 (KSEK 1,395).

Misen Group net turnover for H1 2018 was KSEK 640 (KSEK 14,033) and the Parent Company net turnover for this period was KSEK 2,789 (KSEK 2,789).

In Q2 2018 loss after financial items for the Misen Group was KSEK -5,931 (KSEK -15,160) the Parent Company loss after financial items made up KSEK -3,048 (KSEK -11,579).

In H1 2018 loss after financial items for the Misen Group was KSEK -15,230 (KSEK -42,181) the Parent Company loss after financial items made up KSEK -3,777 (KSEK -15,338).

The lower amounts in the Misen Group are mainly influenced by deconsolidation of the JA from the Group's financial statements.

During H1 2018, due to violation of JAA by JSC Ukrgasvydobuvannya, the production of natural gas attributable to the JA was at zero level (zero level during the same period 2017).

Financial assets and liabilities

During H1 2018, JA wrote-off KUAH 6,312 (KSEK 1,966) in bad debt. The subsidiary LLC Karpatygas as the operator of JA is engaged in constructive negotiations with the debtors. The settlement of these outstanding obligations is also sought through the legal proceedings in Ukraine.

The fair value of the financial assets and financial liabilities is estimated to equal the carrying value.

Contingent liabilities

As of 30 June 2018, Misen group contingent liabilities amounted to KSEK 22,186 (KSEK 72,022 as of 31 December 2017), the change is mainly explained by the repayment of PJSC Sberbank loan.

Cash position

As of 30 June 2018, the cash balance of the Misen Group was KSEK 1,848 (KSEK 2,915). The cash flow from operations after changes in working capital for H1 2018 was KSEK -10,180 (KSEK -18,852).

Capital expenditure

The Misen Group's capital expenditure on equipment for gas production in Ukraine related to the JA activity during H1 2018 was at zero level (KSEK 557) due to deconsolidation as described above.

Amendments to the tax code

As reported in previous reports, as of 1 January 2015 Ukrainian Parliament adopted amendments to the tax code. According to the adopted amendments, Joint Activities are not corporate profit tax ("CPT") payers starting from 2015. Instead, Joint Activities' operators are liable to pay income taxes on behalf of the participants. In December 2015 Ukrainian Parliament adopted additional

amendments to the tax code. According to these amendments the CPT return is submitted within 40 days after the end of reporting period on a quarterly basis. The CPT obligations are based on the tax returns for the previous quarter and are paid within 10 days after submission of the return.

In this report it has been assumed that Misen Group with regard to the taxes related to JA will be tax payer according to Ukrainian legislation based on the presumption that it has an operating activities within the country. Joint operations such as the JA in Ukraine have no clear definition in the Swedish Tax Legislation. JA has in the tax return of Misen Enterprises for 2015 been treated as a foreign legal entity taxed by the participants (*Sw. I utlandet delägarbeskattad juridisk person*). This report has been prepared on the assumption that the income in the JA accrued before 1 January 2015 will not be subject to the Swedish tax, that the holding in the JA is considered as business-related shares (*Sw. näringsbetingade aktier*) until 31 December 2014 and that the Ukrainian income tax may be deducted from Swedish income tax.

After the sale of 49.5% of the shares in Misen Enterprises AB the Parent Company can no longer utilize the tax losses carried forward through group contribution from Misen Enterprises AB.

Expected future development of the Company and going concern

As described earlier in this report, the participants of the JAA No.3 have confirmed their agreement to terminate the JAA No 3 on 24 January 2018. Due to this fact, the JA can no longer be considered a going concern. The value of the net assets and the size of the any compensation entitled to the Group as a consequence of the termination of the JAA No.3 is uncertain at the date of this report. To account for an asset in accordance with IFRS the asset needs to be virtually certain which is not the case as the size of any compensation is dependent on the outcome of the arbitration.

For the remaining operations of the Group, management continues to investigate the available finance options and will inform the market accordingly. As financing is not secured for upcoming 12 months, there is material uncertainty that may cast significant doubt on the Misen Group's ability to continue as a going concern. Therefore, the Misen Group may be unable to realize its assets and discharge its liabilities in the normal course of business. Management's view is that there are realistic alternatives available to finance the Group's future operations and the Group accounts are therefore prepared based on the going concern assumption.

Sector information - the Misen Group

The Misen Group operational activities are located in Ukraine. Solely administrative issues are undertaken in Sweden.

Geographical area

	30 June 2018	30 June 2017	31 Dec 2017
<i>(All amounts in KSEK)</i>			
Net sales, external:			
Sweden	--	--	--
Ukraine	172	865	7,082
Fixed assets:			
Sweden	--	--	--
Ukraine	368	503,146	4

Transactions with related parties

	30 June 2018	30 June 2017	31 Dec 2017
<i>(All amounts in KSEK)</i>			
Ukrigasvydobuvannya*:			
Sale	--	--	35,503
Purchase	--	7,394	9,491
Short-term receivables	--	12,018	--
Short-term debts	--	36	--
Management, Board and major Shareholders:			
Purchase of services	6,377	10,246	23,282
Interest	--	1,439	1,439
Salaries and remunerations	2,847	2,462	5,029
Short-term debts	13,240	7,500	9,299
Long-term debts	--	--	--

* 100% of the transaction values.

Environmental impact

The JA operations have an impact on the environment in Ukraine, which is governed by laws and conventions, which in turn control the JA's operations as regards to the environment. Oil and natural gas operations are subject to extensive regulations with respect to the environment at both international and national levels. Environmental legislation covers the control of water and air pollution, waste, licensing requirements, restrictions on operations in environmentally sensitive and coastal areas. Environmental regulations are expected to become more stringent over time, which

will most likely result in increasing costs. The JA meets the environmental requirements in order to maintain existing licenses or obtain new ones.

Accounting principles

This report is prepared according to the International Financial Reporting Standards (IFRS), as adopted by EU. This report is prepared according to IAS 34 and The Swedish Annual Accounts Act as well as RFR 2, Accounting for legal entities. The accounting principles for the Misen Group as well as for the Company are identical to the last annual and quarterly reports, except as described below:

IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers are effective from 1 January 2018. As the Joint Activity participants have agreed to terminate the agreement to perform joint operations (JAA No 3) in 2018 and the joint operations were deconsolidated as per 31 December 2017 there are no significant financial assets and liabilities or revenue to be accounted for according to IFRS 9 and IFRS 15 respectively. Therefore, the implementation of these standards did not have any material effect on the Group's financial statements.

Financial and other risks

Before termination of the JAA No.3, Misen Group focused on increasing the local hydrocarbons production in Ukraine by undertaking a large-scale investment program focused on development and modernization of gas production infrastructure. In this activity, the Group worked with a complex set of industry-specific risks such as price trends for oil and gas, currency risk and interest rate risks, regulatory matters relating to investigations, processing and environment and uncertainty in the value of the completed exploration work and the subsequent field development.

The current financial and other risks relate to the outcome of the ongoing arbitration proceeding what regards compensation to Misen Enterprises AB and LLC Karpatygaz for their share in the Joint Activity, enforcement of the arbitral awards rendered by the Arbitral Tribunal constituted under JAA No.3 in accordance to the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce and other risks related to the multiple court proceedings in Ukraine.

A more in-depth explanation of the different risk exposures in the Company's business is included in the annual report 2017.

First North

Misen Energy AB (publ) is listed on First North, which is an alternative market place operated by Nasdaq First North Stockholm and the Company adheres to the rules and regulations for First North. The Certified Adviser of the Company is Erik Penser Bank AB.

Publication of the January - June 2018 interim report

This January - June 2018 interim report is published at the Company's website (<http://www.misenenergy.se>), and a printed version can be ordered at info@misenergy.se.

This information is information that Misen Energy AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 10:00 CET on 31 August 2018.

Future reports

Next report, the January-September 2018 interim report, will be published on 30 November 2018.

This report has not been subject to review by the Company's auditors.

Stockholm, August 31, 2018

The Board of Directors and the CEO certify that the half-year financial report gives a fair view of the performance of the business, position and profit or loss of the Company and the Group and that it describes the principal risks and uncertainties that the Company and the companies in the Group face.

The Board of Directors of Misen Energy AB (publ)

Andrius Smaliukas
Board member, Chairman

Oleg Batyuk
Board member

Dimitrios Dimitriadis
Board member

Pavel Prysiashniuk
Board member

For further information, please contact:

Göran Wolff, MD

Direct line: +46 31 759 50 72

Mobile: +46 709 45 48 48

E-mail: goran@misenergy.se
info@misenergy.se

Misen Energy AB (publ) (formerly Svenska Capital Oil AB (publ)) is a Swedish upstream oil and gas company with operations in Ukraine. The company was founded in 2004 and its shares are traded on Nasdaq First North since 12 June 2007. In 2011, Misen Energy AB (publ) acquired Misen Enterprises AB and its Ukrainian subsidiary, LLC Karpatygas, including the rights to 50.01% of the revenue and profit from a gas production project in Ukraine. Under IFRS rules, this transaction is classified as a reverse takeover. In consideration of the acquisition, a new share issue was carried out. The gas producing assets were acquired by production cooperation via a joint activity project governed by a Joint Activity Agreement between at that time the wholly-owned direct and indirect subsidiaries of Misen Energy AB (publ), i.e. Misen Enterprises AB and LLC Karpatygas (together 50.01%) and JSC Ukrgasvydobuvannya (49.99%), a subsidiary of the National Joint Stock Company Naftogaz of Ukraine. JSC Ukrgasvydobuvannya is the largest producer of natural gas in Ukraine. The purpose of the Joint Activity Agreement is to significantly increase production of gas and oil by providing modern technologies via a large-scale investment program for the purposes of attainment of profits.

In June 2016 and in July 2017 Misen Energy AB (publ) sold respectively 37.5% and 10% of Misen Enterprises AB shares to the Hong Kong based company Powerful United Limited. In March 2018, Misen Energy AB (publ) sold 2% of Misen Enterprises AB shares to Mr. Konstantin Guenevski. Owning (the remaining) 50.5% of Misen Enterprises AB shares, Misen Energy AB (publ) maintains full control of the company and preserves a right to obtain 50.5% of the future dividends from the operations in Ukraine.

The registered office of Misen Energy AB (publ) is in Stockholm and the shares are traded on First North under identification ticker MISE. The Certified Adviser of the company at Nasdaq First North is Erik Penser Bank AB.

For further information, please visit our website www.misenergy.se.

CONDENSED INCOME STATEMENT-THE GROUP

	1 Apr - 30 June 2018 3 months	1 Apr - 30 June 2017 3 months	1 Jan - 30 June 2018 6 months	1 Jan - 30 June 2017 6 months	1 Jan - 31 Dec 2017 12 months
<i>All amounts in KSEK</i>					
Operating revenue					
Net sales	157	12	172	865	7,938
Other operating income	320	10,167	468	13,168	27,611
	477	10,179	640	14,033	35,549
Operating expenses					
Other external expenses	-3,023	-15,002	-9,636	-31,764	-63,598
Personnel expenses	-1,899	-3,248	-4,029	-6,688	-11,131
Depreciation and amortisation of tangible and intangible fixed assets	-14	-8,185	-15	-16,301	-28,562
Other operating cost	-1,471	-2,739	-2,185	-4,929	-19,718
Result from deconsolidation	-	-	-	-	-984,069
	-6,407	-29,174	-15,865	-59,682	-1,107,078
Operating income/loss	-5,930	-18,995	-15,225	-45,649	-1,071,529
Financial items	-1	3,835	-5	3,468	-262
Profit/loss after financial items	-5,931	-15,160	-15,230	-42,181	-1,071,791
Taxes for the period	0	-341	0	-190	-427
Profit for the period	-5,931	-15,501	-15,230	-42,371	-1,072,218
Profit is attributable to:					
Owners of Misen Energy AB (publ)	-4,502	-14,028	-9,802	-32,234	-573,322
Non-controlling interests	-1,429	-1,473	-5,428	-10,137	-498,896
	-5,931	-15,501	-15,230	-42,371	-1,072,218
Statement of comprehensive income - The Group					
Net profit for the period	-5,931	-15,501	-15,230	-42,371	-1,072,218
Other comprehensive income					
Items possible for later reclassification in income statement:					
Translation differences	-194	-6,928	-351	-10,625	-73,946
Reversed translation differences	-	-	-	-	623,033
Other comprehensive income for the period, net after taxes	-194	-6,928	-351	-10,625	549,087
Total comprehensive income for the period	-6,125	-22,429	-15,581	-52,996	-523,131
Total comprehensive income for the period is attributable to:					
Owners of Misen Energy AB (publ)	-4,524	-18,313	-9,981	-38,830	-286,901
Non-controlling interests	-1,601	-4,116	-5,600	-14,166	-236,230
	-6,125	-22,429	-15,581	-52,996	-523,131
Net earnings per share, attributable to the owners of Misen Energy AB's (publ) (in SEK per share)					
Net earnings for the period, before and after dilution	-0.03	-0.10	-0.07	-0.22	-3.95
Average number of shares for the period was 145,068,222					

CONDENSED BALANCE SHEET-THE GROUP

<i>All amounts in KSEK</i>	30 June 2018	30 June 2017	31 Dec 2017
ASSETS			
Non-current assets			
Intangible fixed assets	1	27,443	1
Tangible fixed assets	368	475,703	3
Deferred tax receivables	-	9,790	-
Total non-current assets	369	512,936	4
Current assets			
Stock	2	471	-
Accounts receivable	32	774	397
Other receivables	2,658	16,876	2,943
Prepaid expenses and accrued income	345	3,771	355
Total current assets	3,037	21,892	3,695
Cash and bank balances	1,848	2,915	2,181
Total current assets	4,885	24,807	5,876
TOTAL ASSETS	5,254	537,743	5,880

<i>All amounts in KSEK</i>	30 June 2018	30 June 2017	31 Dec 2017
EQUITY AND LIABILITIES			
Equity attributable to owners of Misen Energy AB (publ)	-24,244	258,091	8,659
Non-controlling interests	-1,154	153,471	-28,604
Total equity	-25,398	411,562	-19,945
Non-current liabilities			
Other long-term liabilities	-	29,406	-
Total non-current liabilities	0	29,406	0
Current liabilities			
Accounts payable	25,090	10,714	21,603
Short-term loans	-	37,614	-
Other short-term debt to JA	-	42,772	-
Other short-term debt	1,565	1,085	781
Accrued expenses and deferred income	3,997	4,590	3,441
Total current liabilities	30,652	96,775	25,825
TOTAL EQUITY AND LIABILITIES	5,254	537,743	5,880

CONDENSED STATEMENT OF CHANGES IN EQUITY - THE GROUP

	Attributable to owners of Misen Energy AB (publ)						Non-controlling interests	Total equity
	Share capital	Other equity	Other reserves	Retained earnings	Total			
<i>All amounts in KSEK</i>								
Equity brought forward 2017-01-01	290,136	-274,435	-549,324	830,544	296,921	167,637	464,558	
Net result								
Net result of the period Jan - June 2017	-	-	-	-32,234	-32,234	-10,137	-42,371	
Other comprehensive income								
Translation difference	-	-	-6,596	0	-6,596	-4,029	-10,625	
Total comprehensive income	0	0	-6,596	-32,234	-38,830	-14,166	-52,996	
Equity brought forward 2017-06-30	290,136	-274,435	-555,920	798,310	258,091	153,471	411,562	
Equity brought forward 2017-07-01	290,136	-274,435	-555,920	798,310	258,091	153,471	411,562	
Net result								
Net result of the period July-Dec 2017	-	-	-	-540,998	-540,998	-484,821	-1,025,819	
Other comprehensive income								
Reversed translationsdifferencies	-	-	589,848	-262,755	327,093	295,941	623,034	
Translation difference	-	-	-34,165	-	-34,165	-33,185	-67,350	
Total comprehensive income	0	0	555,683	-803,753	-248,070	-222,065	-470,135	
Transactions with non-controlling interests								
Sale of shares in subsidiary	0	0	0	-1,362	-1,362	39,990	38,628	
Total transactions with non-controlling interests	0	0	0	-1,362	-1,362	39,990	38,628	
Equity brought forward 2017-12-31	290,136	-274,435	-237	-6,805	8,659	-28,604	-19,945	
Equity brought forward 2018-01-01	290,136	-274,435	-237	-6,805	8,659	-28,604	-19,945	
Net result of the period Jan - June 2018	0	0	-9,802	-9,802	-9,802	-5,428	-15,230	
Other comprehensive income								
Translation difference	0	0	0	-179	-179	-172	-351	
Total comprehensive income	0	0	0	-9,981	-9,981	-5,600	-15,581	
Transactions with non-controlling interests								
Sale of shares in subsidiary	-	-	-	-22,922	-22,922	10,128	-12,794	
Total transactions with non-controlling interests	-	-	-	-22,922	-22,922	33,050	10,128	
Equity brought forward 2018-06-30	290,136	-274,435	-237	-16,786	-24,244	-1,154	-25,398	

CONDENSED STATEMENT OF CASH FLOWS - THE GROUP

	1 Jan-30 June 2018 6 months	1 Jan-30 June 2017 6 months	1 Jan-31 Dec 2017 12 months
<i>All amounts in KSEK</i>			
Operating activities			
Operating income	-15,225	-45,649	-1,071,529
Adjustment for non-cash items	2,560	6,919	1,002,869
Interest and dividends received	1	-	156
Interest paid	-6	-1,855	-5,461
Income tax	-	-3,575	-1,711
Cash flow from operating activities before working capital changes	-12,670	-44,160	-75,676
Decrease(+)/increase in stocks	-2	97	103
Decrease(+)/increase in receivables	621	15,110	2,065
Decrease(-)/increase in short-term debts	1,871	10,101	33,298
Cash-flow from operating activities	-10,180	-18,852	-40,210
Investing activities			
Acquisition of tangible and intangible assets	-428	-557	-7,654
Sale of tangible and intangible assets	141	-	583
Sale of shares in subsidiary	10,128	-	27,591
Cash flow from investing activities	9,841	-557	20,520
Financing activities			
Change in long-term debt (increase+)	-	9,856	9,598
Cash flow from financing activities	0	9,856	9,598
Cash flow for the period	-339	-9,553	-10,092
Cash at the beginning of the period	2,181	12,498	12,498
Exchange rate difference in cash	6	-30	-225
Cash at the end of the period	1,848	2,915	2,181

CONDENSED INCOME STATEMENT - PARENT COMPANY

(Misen Energy AB (publ))

	1 Apr - 30 June 2018 3 months	1 Apr - 30 June 2017 3 months	1 Jan-30 June 2018 6 months	1 Jan-30 June 2017 6 months	1 Jan-31 Dec 2017 12 months
<i>All amounts in KSEK</i>					
Operating revenue					
Net sales	1,395	1,395	2,789	2,789	5,577
	1,395	1,395	2,789	2,789	5,577
Operating expenses					
Other external expenses	-2,419	-9,493	-3,019	-12,500	-14,465
Personnel expenses	-2,023	-2,034	-4,029	-4,186	-6,146
	-4,442	-11,527	-7,048	-16,686	-20,611
Operating result	-3,047	-10,132	-4,259	-13,897	-15,034
Profit on sale of subsidiary	-	-	488	-	-9,562
Interest expense	-1	-1,447	-6	-1,441	-1,441
	-1	-1,447	482	-1,441	-11,003
Profit/loss after financial items	-3,048	-11,579	-3,777	-15,338	-26,037
Taxes for the period	-	-	-	-	-
Net profit/loss	-3,048	-11,579	-3,777	-15,338	-26,037
Statement of comprehensive income - Parent company					
Net loss for the period	-3,048	-11,579	-3,777	-15,338	-26,037
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-3,048	-11,579	-3,777	-15,338	-26,037

CONDENSED BALANCE SHEET - PARENT COMPANY

(Misen Energy AB (publ))

<i>All amounts in KSEK</i>	30 June 2018	30 June 2017	31 Dec 2017
ASSETS			
Non-current assets			
Financial fixed assets			
Shares in subsidiaries	313,359	301,287	252,997
Total financial fixed assets	313,359	301,287	252,997
Total fixed assets	313,359	301,287	252,997
Total non-current assets	313,359	301,287	252,997
Current receivables			
Other receivables	145	-	177
Short-term receivables subsidiaries	-	20,711	69,849
Prepaid expenses and accrued income	340	292	354
	485	21,003	70,380
Cash and bank balances	297	2,172	1,644
Total current assets	782	23,175	72,024
TOTAL ASSETS	314,141	324,462	325,021

<i>All amounts in KSEK</i>	30 June 2018	30 June 2017	31 Dec 2017
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	290,136	290,136	290,136
Statutory reserves	345	345	345
	290,481	290,481	290,481
Non-restricted equity			
Profit/Loss brought forward	3,588	29,625	29,627
Profit/loss for the period	-3,777	-15,338	-26,037
	-189	14,287	3,590
Total equity	290,292	304,768	294,071
Non-current liabilities			
Other long-term debts to group companies	88	90	90
Total non-current liabilities	88	90	90
Current liabilities			
Accounts payable	20,250	6,175	17,457
Short-term loans	-	9,598	-
Other short-term liabilities	343	405	10,616
Other short-term liabilities group	479	-	-
Accrued expenses and deferred income	2,689	3,426	2,787
Total current liabilities	23,761	19,604	30,860
TOTAL EQUITY AND LIABILITIES	314,141	324,462	325,021

CONDENSED STATEMENT OF CHANGES IN EQUITY - PARENT COMPANY

(Misen Energy AB (publ))

<i>All amounts in KSEK</i>	Share capital	Statutory reserves	Share Premium reserve	Retained earnings	Total equity
Equity brought forward 2017-01-01	290,136	345	714,285	-684,663	320,103
Net result					
Net result of the period Jan - June 2017	-	-	-	-15,338	-15,338
Total comprehensive income	-	-	-	-15,338	-15,338
Equity brought forward 2017-06-30	290,136	345	714,285	-700,002	304,764
Equity opening balance 2017-07-01	290,136	345	714,285	-700,002	304,764
Net result					
Net result of the period July - Dec 2017	-	-	-	-10,699	-10,699
Total comprehensive income	0	0	0	-10,699	-10,699
Equity brought forward 2017-12-31	290,136	345	714,285	-710,700	294,067
Net result					
Net result for the period Jan - June 2018	-	-	-	-3,777	-3,777
Total comprehensive income	-	-	-	-3,777	-3,777
Equity brought forward 2018-06-30	290,136	345	714,285	-714,474	290,292

CONDENSED STATEMENT OF CASH FLOWS - PARENT COMPANY

(Misen Energy AB (publ))

	1 Jan-30 June 2018 6 months	1 Jan-30 June 2017 6 months	1 Jan-31 Dec 2017 12 months
<i>All amounts in KSEK</i>			
Operating activities			
Operating result	-4,259	-13,897	-15,034
Interest paid	-6	-	-2
Cash flow from operating activities before working capital changes	-4,265	-13,897	-15,036
Decrease(+)/increase in receivables	-105	-3,469	-52,745
Decrease(-)/increase in accounts payable	2,793	5,445	16,727
Decrease(-)/increase(+) in short term debts	-9,898	-2,539	8,476
Cash flow from operating activities	-11,475	-14,460	-42,578
Investment activities			
Sale of shares in subsidiary	10,128	-	27,590
Cash flow from investing activities	10,128	0	27,590
Financing activities			
Change in long-term debt	-	9,598	9,598
Cash flow from financing activities	0	9,598	9,598
Cash flow for the period	-1,347	-4,862	-5,390
Cash at the beginning of the period	1,644	7,034	7,034
Cash at the end of the period	297	2,172	1,644

Alternative Performance Measures – Group

As of July 3, 2016 new guidelines on APMs (Alternative Performance Measures) are issued by ESMA (the European Securities and Markets Authority). APMs are financial measures other than financial measures defined or specified by International Financial Reporting Standards (IFRS).

Misen Energy AB (publ) regularly uses alternative performance measures to enhance comparability from period to period and to give deeper information and provide meaningful supplemental information to analysts, investors and other parties.

It is important to know that not all companies calculate alternative performance measures identically, therefore these measurements have limitations and should not be used as a substitute for measures of performance in accordance with IFRS.

Below you find our presentation of the APMs and how we calculate these measures.

CONDENSED FINANCIAL AND OPERATIONAL KEY RATIOS

	1 Jan - 30 June 2018 6 months	1 Jan - 30 June 2017 6 months	1 Jan-31 Dec 2017 12 months
--	-------------------------------------	-------------------------------------	-----------------------------------

The Group

Financial key ratios

EBITDA (KSEK)	-15,210	-29,348	-1,042,967
Financial cost	6	3,191	6,900
Profit/loss per share before dilution SEK	-0.07	-0.22	-3.95
Profit/loss per share after dilution SEK	-0.07	-0.22	-3.95
Return on equity (ROE)	n.a.	n.a.	neg
Return on capital employed (ROCE)	n.a.	n.a.	neg
Debt/equity ratio	neg	9.1%	neg
Equity ratio	neg	76.5%	neg
Share of risk bearing capital	neg	76.5%	neg
Weighted average number of shares for the period	145,068,222	145,068,222	145,068,222
Number of outstanding shares before dilution	145,068,222	145,068,222	145,068,222
Number of outstanding shares after dilution	145,068,222	145,068,222	145,068,222
Weighted average number of shares for the period after dilution	145,068,222	145,068,222	145,068,222

The Parent Company (Misen Energy AB)

EBITDA (KSEK)	-4,259	-13,897	-15,034
Profit/loss per share before dilution SEK	-0.03	-0.11	-0.18
Profit/loss per share after dilution SEK	-0.03	-0.11	-0.18
Return on equity (ROE)	n.a.	n.a.	neg
Return on capital employed (ROCE)	n.a.	n.a.	neg
Debt/equity ratio	-	3.1%	-
Equity ratio	92.4%	93.9%	90.4%
Share of risk bearing capital	92.4%	93.9%	90.4%
Weighted average number of shares for the period	145,068,222	145,068,222	145,068,222
Number of outstanding shares before dilution	145,068,222	145,068,222	145,068,222
Number of outstanding shares after dilution	145,068,222	145,068,222	145,068,222
Weighted average number of shares for the period after dilution	145,068,222	145,068,222	145,068,222

Definition of financial key ratios

- EBITDA (profit before interest, tax, depreciation, write-downs) defined as the group and the parent company's operating profit/loss before depreciation.
- Profit/loss per share before dilution defined as the group and the parent company's net profit/loss after tax divided by the number of outstanding shares before dilution at the end of period.
- Profit/loss per share after dilution defined as the group and the parent company's net profit/loss after tax divided by the number of outstanding shares after dilution at the end of period.
- Return on equity defined as the group and the parent company's profit/loss divided by total equity at the end of period.
- Return on working capital is defined as the group and the parent company's profit/loss after financial items plus interest expense plus/minus exchange differences on financial items divided by total capital employed (average of the two latest periods balance sheet total with reduction for non-interest bearing debt).
- Debt/equity ratio defined as the group and the parent company's interest bearing debt divided by equity.
- Equity ratio defined as the group and the parent company's equity including minority owner shares divided by balance sheet total.
- Proportion of risk-bearing capital %, defined as the sum of the Group's and Parent Company's respective equity and deferred tax (including minority interest) divided by the balance sheet total.
- On the 12th of January 2012 an amalgamation of shares 100:1 was registered whereby the number of shares were reduced to 145,068,222 and the quota value became approximately 2 SEK.