

Interim report January - September 2017

1. Summary

MISEN ENERGY AB (publ)

Reg. No. 556526-3968

Group definition

Misen Energy AB (publ) (herein after referred to as “**Parent Company**” or “**Company**”) is a Swedish public limited liability company with its registered offices in Stockholm. The address of the Head Office is Kungssportsavenyen 32, 411 36 Gothenburg. The Company is listed at Nasdaq First North Stockholm. In May 2017, the Board of the Parent Company approved the sale of up to 12 % of the shares and shares capital in its partially owned subsidiary Misen Enterprises AB to the Hong Kong based company Powerful United Limited (“**PUL**”). The same owners that control the shareholder TCT Holding AB also control PUL. Misen Energy AB (publ) closed the sale of 8% and of 2% of the shares and shares capital in its subsidiary Misen Enterprises AB respectively in July and in November 2017. Misen Energy AB (publ) remain the owner of 52.5% of Misen Enterprises AB shares and maintain full control of the company. 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). Misen Enterprises AB is consolidated in the Misen Group accounts and the 47.5% (45.5% as of 30 September 2017) held by PUL is accounted for as a non-controlling interest within equity.

Joint Activity and Joint Activity Agreement

Misen Group together with PUL, as a shareholder of Misen Enterprises AB, 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 Public Joint Stock Company Ukrigasvydobuvannya (“**PJSC Ukrigasvydobuvannya**” 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) signed by PJSC Ukrigasvydobuvannya and LLC Karpatygaz. Misen Enterprises AB entered into JAA together with PJSC Ukrigasvydobuvannya and LLC Karpatygaz on 25 February 2011.

The Misen Group operates solely in Ukraine, where it’s partially owned subsidiary LLC Karpatygaz, as the operator of JA, performs all industrial operations within a framework of JAA.

Results for the third quarter 2017 (within brackets same period 2016)

Consolidated operating group loss	KSEK -18,355 (-15,850)
Consolidated group net turnover	KSEK 8,438 (156,900)
Earnings per share	SEK -0.04 (-0.09)
Parent company operating profit/loss	KSEK 5,490 (-1,919)
Parent company net turnover	KSEK 1,394 (4,123)

Results for January – September 2017 (“9M 2017”) (within brackets same period 2016)

Consolidated operating group loss/income	KSEK -64,004 (25,252)
Consolidated group net turnover	KSEK 22,471 (550,312)
Earnings per share	SEK -0.26 (0.02)
Parent company operating loss	KSEK -8,407 (-10,181)
Parent company net turnover	KSEK 4,183 (4,183)

2. Essential Events during the 9M 2017

The Group's financial position

In July 2015, the JA defaulted to pay KUSD 2,240 (KSEK 18,217) of a total of KUSD 12,250 (KSEK 99,626) to Sberbank Russia. In August 2015, the JA defaulted to pay the remaining debt of KUSD 10,010 (KSEK 81,408) of a total of KUSD 12,250 (KSEK 99,626). In conjunction with this, the JA reached an agreement with Sberbank Russia to restructure the debt with new repayment terms. However, the restructuring agreement had not been signed as of the end of September 2017 due to agreement not having been reached between the JAA participants. Sberbank Russia therefore could impose punitive interest on the JA amounting to KUAH 29,424 (KSEK 8,861). This punitive interest is recognized in the Misen Group's financial statements and, as of 30 September 2017, Misen's share of the provision in the Group's balance sheet for this purpose amounts to KSEK 4,431.

JA is subject to certain terms and conditions associated with its loans. As of 30 September 2017, the JA had not fully satisfied these conditions in its agreement with PJSC Sberbank. These loans are classified as current liabilities as of 30 September 2017.

As of 30 September 2017 outstanding debt to PJSC Sberbank amounted to KUSD 6,650 (KSEK 54,083).

In August 2015, Sberbank Leasing sued the JA for violation of a leaseback agreement. According to the suit, the JA has not delivered equipment in time, according to the agreement, and Sberbank Leasing therefore has legal grounds to sue the JA for breach of contract. However, the JA considers that the unrealised delivery of equipment has legal grounds as Sberbank Leasing did not fulfil its obligations under the contract (full payment of the value of the equipment) at the time the agreement came into effect. In April 2016 and July 2016, higher courts dismissed Sberbank Leasing's claims on the JA regarding the alleged violations of the leaseback agreement. Subsequently, Sberbank Leasing requested the Supreme Economic Court of Ukraine to invalidate the previous verdicts. On 13 October 2016, the Supreme Economic Court of Ukraine voided the verdicts of the lower courts and ordered them to retry the case. On the 6 and 13 of December 2016 new court proceedings were held. The court instructed the parties to submit additional information and postponed the proceedings to 28 February 2017 and then to 21 March 2017. On 21 March 2017, the court partially sustained the application made by Sberbank Leasing, which changed the name of legal entity to Center of Financial Leasing LLC on 20-th March 2017, and ordered Misen Enterprises AB, LLC Karpatygaz and PJSC Ukrgasvydobuvannya to compensate approximately MUSD 37 (MSEK 313) to Sberbank Leasing. The court ordered compensation in US dollars as requested by PJSC Ukrgasvydobuvannya. LLC Karpatygaz disagree with the request of compensation in foreign currency and challenge this request before the court. On 31 March 2017 and 3 April 2017, LLC Karpatygaz and PJSC Ukrgasvydobuvannya respectively filed appeals with the court. The court hearings were scheduled on 16 April 2017, 1 June 2017 and then postponed to 12 July 2017. On 12 July 2017 the appeal court sustained the ruling of lower court, which orders Misen Enterprises AB, LLC Karpatygaz and PJSC Ukrgasvydobuvannya to compensate approximately USD 37 million to Sberbank Leasing. LLC Karpatygaz and PJSC Ukrgasvydobuvannya filed cassation appeal on 14 July 2017. On 31 July 2017 the Supreme Economic Court of Ukraine suspended the implementation of ruling of appeal court till the trial. The hearings were scheduled on 31 August 2017 and then postponed to 21 September 2017. On 21 September 2017 the Supreme Economic Court of Ukraine voided the verdicts of the lower courts and ordered them to retry the case

On 29 December 2016, Sberbank Leasing filed another lawsuit against the JA, according to which the JA allegedly committed further violations of the leaseback agreement. According to this lawsuit, Sberbank Leasing's claim amounted to KUAH 1,397,704 (KSEK 451,144). On 21 June 2017 Center of Financial Leasing LLC filed a claim, in which it increased requested compensation amount up to MUSD 37 (MSEK 313) and MUAH 974 (MSEK 314) including fines, interests and lost profits. Court

hearings were scheduled on 22 June 2017 and then postponed to 17 August 2017. On the 17 August 2017, the court partially sustained the claim submitted by Center of Financial Leasing LLC and ordered Misen Enterprises AB, LLC Karpatygaz and PJSC Ukrgasvydobuvannya to compensate to Center of Financial Leasing LLC its lost profits in amount of KUAH 237,507 (KSEK 76,699). On 28 August 2017 Karpatygaz and PJSC Ukrgasvydobuvannya filed appeal with the court. The court hearings were scheduled on 6 March 2018.

The JA maintains that the non-delivery could be justified given that Sberbank Leasing (currently Center of Financial Leasing LLC) has not fulfilled its obligations in accordance with the leaseback agreement (full payment of the value of the equipment) at the time the agreement came into effect. Furthermore, the JA claims that it already has repaid the amount of the advance, within the framework of the leaseback agreement. The JA also refutes all claims based on the depreciation of the Ukrainian currency, as no such provisions exist in the leaseback agreement for the amounts of the advance that was received from Sberbank Leasing.

For further information, please also refer to chapter Essential events after the end of the 9M 2017.

Financing of the Group's Swedish operations

In May 2017, Misen Energy AB (publ) signed a loan agreement with PUL for a loan of EUR 1 million with a fixed loan fee KEUR 150. In July 2017, Misen Energy AB (publ) closed the sale of 8% of the shares and shares capital in Misen Enterprises AB to PUL. The purchase sum amounted to MEUR 3.0 (KSEK 28,739).

The agreement comprises conditions that allow the Company to repurchase the sold shares from PUL for the purchase price multiplied by 3 (three). The Company could exercise this right till earlier of (i) 30 April 2018 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 PUL to require the Company to purchase back all or part of the shares from PUL 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 PUL 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.

Because of these deals, 8 % of the future dividends from operations in Ukraine will go to PUL. At the same time, since Misen Energy AB (publ) will remain the owner of 54.5% of Misen Enterprises AB shares, Misen Energy AB (publ) shall maintain full control of the company.

For further information, please also refer to chapter Essential events after the end of the 9M 2017.

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. However, a dispute arose between the JA and PJSC Ukrgasvydobuvannya 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 PJSC Ukrgasvydobuvannya. 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 PJSC Ukrgasvydobuvannya 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, on 10 May 2017 the Joint Activity leased additional 6 BCSs to PJSC Ukrgezvydobuvannya. The following BCSs were transferred to the use until 30 April 2018 to PJSC Ukrgezvydobuvannya:

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

PJSC Ukrgezvydobuvannya covers all the costs related to operation of the BCSs.

During 9M 2017, PJSC Ukrgezvydobuvannya failed to make the lease payments to JA. The monthly lease income amounts to approximately MUAH 18 (including VAT), while the outstanding receivables - MUAH 98 (including VAT). Misen Energy AB (publ) does not provide the receivables outstanding as of 30 September 2017. In July, September and October 2017, PJSC Ukrgezvydobuvannya sent to LLC Karpatygaz, as the Operator of the JAA No.3 more than 40 set-off notices seeking to offset its lease payment against the alleged payments that LLC Karpatygaz should make to UGV. LLC Karpatygaz objected all the claims of PJSC Ukrgezvydobuvannya and initiated the court proceedings in Ukrainian courts to invalidate the set-off notices.

For further information, please also refer to chapter Essential events after the end of 9M 2017.

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 9M 2017, the Government of Ukraine continued to impose the exorbitant subsoil charge for the joint activities conducted in accordance with the JAA No. 3. However, given that PJSC Ukrgezvydobuvannya continued, as the Company believes, its manifestly unlawful actions and refused to deliver the hydrocarbons from the wells attributed to the Joint Activity, the JA could not pay the subsoil use charge to the Government of Ukraine.

As of the end of 9M 2017, 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 continued paying value added tax and corporate profit tax during 9M 2017. During 9M 2017, JA paid KUAH 43,183 (adjusted KSEK 13,945)

as value added tax and corporate profit tax. Since 2011 JA has contributed to Ukraine KUAH 11,163,444 (adjusted KSEK 5,274,990) as subsoil use charge, value added tax and corporate profit tax.

Ukraine's economy

GDP Growth. In the first quarter of 2017 GDP growth slowed from 2.5% in fourth quarter of 2016 to 2.3% compared to the same periods of the previous year, which is in line with International Monetary Fund GDP growth projections for 2017 of 2.0%. The slower growth is mainly explained by the decline in agricultural production due to seasonal factors as well as falling production in mining industry. The positive dynamic in economic activity is mainly explained by growth in fixed investments. Construction grew by 21.3% and 28.8% in first quarter and second quarter of 2017 compared to the same periods of the previous year. Growth in the wholesale as well as retail sales accelerated to 3.8% compared to the same period of previous year, driven by a pick-up in retail trade.

Industrial production. During 9M 2017 industrial production fell by 0.3% due decreased production in mining industry. This was mainly due to the cargo transportation blockade of the area that is currently beyond the control of the Government of Ukraine. The blockade was enacted by National Security Council of Ukraine in the beginning of March 2017. Because of the halted freight traffic, the coal production decreased by 16.1% during 9M 2017 compared to the same period of previous year. At the same time during 9M 2017 natural gas production increased by 3.6% compared to the same period of the previous year.

Inflation. During 9M 2017 consumer inflation made up 14.6% compared to the same period of the previous year. Reduced inflationary pressure was of fundamental nature: the stable exchange rate and weak domestic demand (despite upward trend). Upward pressure on prices is exerted by growing levels of utility tariffs, which increased by 27.1% during 9M 2017 compared to the same period of the previous year. The food prices grew by 11.9% during 9M 2017 compared to the same period of the previous year. The increase in commodity prices in global markets along with the stable Ukrainian currency caused industrial inflation to accelerate by 28.6% during 9M 2017 compared to the same period of the previous year.

Exchange rate. During 9M 2017, the rate for UAH towards SEK has decreased from 0.3301 on 31 December 2016 to 0.3229 on 30 September 2017, or by -2.6%. Main contributor was current account deficit, which was mainly covered from National Bank of Ukraine foreign currency reserves. Since the Misen Group's operations and net assets are almost entirely located in Ukraine this has negatively affected the Group's equity, decreasing it by KSEK 43,385.

Request for Arbitration from PJSC Ukrgasvydobuvannya

Misen Enterprises AB and LLC Karpatygas participate in an arbitration proceeding commenced by PJSC Ukrgasvydobuvannya in August 2016 under the 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 shall submit their positions on the merits. Misen Enterprises AB and LLC Karpatygas received Statement of Claim from PJSC Ukrgasvydobuvannya in February 2017 and submitted its Statement on Defence in May 2017. Therewith, Misen Enterprises and LLC Karpatygas agreed with PJSC Ukrgasvydobuvannya on termination of the Joint Activity Agreement and requested the Tribunal to order PJSC Ukrgasvydobuvannya to compensate their share of the Joint Activity. At the end of July 2017, PJSC Ukrgasvydobuvannya submitted its Statement of Reply whereby it upheld all its claims, except for continuation of the JAA No.3.

Please also refer to the chapter Essential events after the end of 9M 2017.

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 PJSC Ukrasvydobuvannya's criminal complaint dated 5 September 2016 and PJSC Ukrasvydobuvannya's motion and a notice of commitment of criminal offence dated 21 and 22 February 2017, were ongoing in 9M 2017.

In September 2017, PJSC Ukrasvydobuvannya submitted another criminal complaint, however this time to the National Anticorruption Bureau of Ukraine (thereafter as "**NABU**"). As a result, NABU initiated a pre-trial in criminal case what regards invalidation of the JAA No.3 (as amended and restated).

LLC Karpatygas 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 evidence the legitimate nature of the JAA No.3 in Ukraine.

Please also refer to the chapter Essential events after the end of 9M 2017.

Request for Interim Measures submitted by Misen Enterprises AB and LLC Karpatygas

In November 2016, Misen Enterprises AB and LLC Karpatygas submitted a request for interim measures to the Tribunal constituted under the JAA No. 3. Misen Enterprises AB and LLC Karpatygas requested the Tribunal, among other things, to declare that it has exclusive jurisdiction to decide disputes arising out or in connection with the JAA No. 3. Misen Enterprises AB and LLC Karpatygas also requested that the Tribunal to instruct PJSC Ukrasvydobuvannya to refrain from any further or future actions before the Ukrainian authorities in relation to the dispute regarding JAA No. 3 pending the rendering of a final award by the Tribunal. On 26 May 2017, a hearing for the request of interim measures was held.

Please also refer to the chapter Essential events after the end of 9M 2017.

Sale of hydrocarbons

In 2017, PJSC Ukrasvydobuvannya 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 Karpatygas commenced a court proceeding and requested the court to order PJSC Ukrasvydobuvannya 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 PJSC Ukrasvydobuvannya appealed against the ruling. The Appeal Court maintained the decision of the first instance court. Subsequently, PJSC Ukrasvydobuvannya filed a cassation appeal with the Supreme Economic Court of Ukraine.

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

For further information, please also refer to chapter Essential events after the end of 9M 2017.

Contribution to the JA

During 9M 2017, Misen Enterprises AB did not contribute any funds towards its commitment to JA for MUS\$ 12.5 (MSEK 101.7). The total amount contributed remains at KUSD 3,930 (KSEK 31,962). It was indicated that for any contributions to be made, PJSC UkrGasVydobuvannya first should remedy its violations of the JAA No. 3, and that the direct and indirect shareholders of PJSC UkrGasVydobuvannya cease targeting JA with the 70 % subsoil use charge.

Investment program report

Due to financial constraints imposed by the increased subsoil use taxation as well as PJSC UkrGasVydobuvannya, as the Company believes, manifestly unlawful actions, Misen Group almost completely halted investments into the development program in 9M 2017.

During this period, Misen invested KSEK 290 (KSEK 11,875) in the JA development programmes (compared with the same period in 2016).

As of 30 September 2017, 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.

Production report

The table below sets forth the **accumulated production** indicators for the specified periods:

	January – September 2017	January – September 2016	January – September 2015	January – September 2014
Natural Gas (mmcm)	-	493.8	523.7	515.0
Gas Condensate (ktons*)	-	25.8	24.7	21.4
Oil (ktons)	-	4.7	7.95	24.4
LPG (ktons)	-	6.2	3.08	-

* thousand tons

Essential events after the end of the 9M 2017

Sberbank Leasing case

In September 2017, the Supreme Court of Ukraine reversed decisions of lower courts ordering PJSC Ukgazvydobuvannya, Misen Enterprises AB and LLC Karpatygaz to pay to Sberbank Leasing approximately 37 MUSD and returned the case for reconsideration in the new circle. On 20 November 2017 new court proceedings were held. The court postponed the proceedings to 6 June 2018 to fulfill the requirements of timely and proper notification of the foreign participant Misen Enterprises AB.

Operation of the Booster Compression Stations (BCSs)

As of publishing of this report, PJSC Ukgasvydobuvannya failed to make the lease payments to JA. PJSC Ukgasvydobuvannya declared that it offset its lease payment against the alleged payments that LLC Karpatygaz should make to UGV. 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, PJSC Ukgazvydobuvannya refused to deliver to JA hydrocarbons extracted since December 2016 until November 2017. In October 2017, the Supreme Court of Ukraine reversed decisions of lower courts and returned the case for reconsideration in the new circle.

Request for Arbitration from PJSC Ukgasvydobuvannya

Misen Enterprises AB and LLC Karpatygaz received the Statement of Reply from PJSC Ukgazvydobuvannya in July 2017. Therewith, PJSC Ukgazvydobuvannya maintained its claims for invalidation or, alternatively, termination of the JAA No.3. In response, in October 2017 Misen Enterprises AB and LLC Karpatygaz submitted their Statement of Rejoinder and requested the Arbitral Tribunal to dismiss the UGV's claims. Misen Enterprises AB and LLC Karpatygaz reaffirmed their agreement on termination of the JAA No.3 for the compensation of the value for their share in the JAA No.3. The hearing on the merits is held on 5-8 December 2017, with the closing statements in January 2018.

Criminal investigation

Pre-trial investigations in criminal cases are ongoing.

In September 2017, PJSC Ukgazvydobuvannya sent a criminal complaint to NABU (as defined above). 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, natural gas, oil and gas condensate that LLC Karpatygaz concluded with PJSC Ukgasvydobuvannya in April 2011.

Request for interim measures submitted by Misen Enterprises AB and LLC Karpatygaz

On 6 November 2017, the Arbitral Tribunal rendered an Order on the Request for Interim Measures submitted by Misen Enterprises AB and LLC Karpatygaz. The Arbitral Tribunal dismissed the request for interim measures and noted that Misen Enterprises AB, LLC Karpatygaz and PJSC Ukgazvydobuvannya do not object the Arbitral Tribunal's exclusive jurisdiction to determine validity

of the JAA No.3. The Arbitral Tribunal also decided that the parties in dispute should bear their own costs incurred in the phase of proceedings dealing with the request on interim measures.

Financing of the Group's Swedish operations

In November 2017, Misen Energy AB (publ) closed the sale of 2% of the shares and shares capital in Misen Enterprises AB to PUL. The purchase sum amounted to MEUR 1.0 (KSEK 9,611). As a result, Misen Energy AB (publ) secured short term financing for the Swedish operation and arbitration expenses.

The Share Purchase Agreement dated 26 November 2017 comprises conditions that allow Misen Energy AB (publ) to repurchase the sold shares from PUL for the purchase price multiplied by 3 (three). Misen Energy AB (publ) could exercise this right till earlier of (i) 30 August 2018 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 PUL to require Misen Energy AB (publ) to purchase back all or part of the shares from PUL 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 PUL from the shares in 24 months. Misen Energy AB (publ) 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.

Because of the deal, 47.5% of the future dividends from operations in Ukraine will go to PUL. At the same time, since Misen Energy AB (publ) will remain the owner of 52.5% of Misen Enterprises AB shares, Misen Energy AB (publ) shall maintain full control of the company.

Exchange rate fluctuations

From 30 September to mid-November 2017, UAH was relatively stable against SEK, appreciating by 5.54 per cent from 0.3011 to 0.3178.

3. Results – the Misen Group and the Company

The Misen Group accounted for an operating loss of KSEK -64,004 in 9M 2017 (income of KSEK 25,252 for the same period 2016). Loss after financial items for the period was KSEK -59,088 (income of KSEK 6,899 for the same period 2016). The lower operating results and results after financial items are explained by refusal to deliver hydrocarbons by PJSC Ukrkazvydobuvannya since December 2016.

In the third quarter of 2017 loss after financial items for the Parent Company made up KSEK -4,323, during Q3 arbitration costs were distributed within the group which explains the negative costs in the quarter (KSEK -1,919). The loss is mainly explained by sale of 8% of the shares and share capital in Misen Enterprises AB to PUL. Loss after financial items for the Parent Company in 9M 2017 amounted to KSEK -19,661 (KSEK -27,459) mainly due to increased arbitration costs related to the proceeding commenced by PJSC Ukrkazvydobuvannya.

Misen Group net turnover for third quarter of 2017 was KSEK 8,438 (KSEK 156,900) and the Parent Company net turnover for this period was KSEK 1,394 (KSEK 4,123). For 9M 2017, the Misen Group net turnover amounted to KSEK 22,471 (KSEK 550,312) while the Parent Company revenue in the same period amounted to KSEK 4,183 (KSEK 4,183).

During 9M 2017, due to violation of JAA by PJSC Ukrkazvydobuvannya, the JA production of natural gas was at zero level (493.8 mmcm during the same period 2016).

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 has 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 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 45.5% 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.

During 9M 2017 JA paid KUAH 10,881 (KSEK 3,514) as CPT on behalf of Misen Group to Ukrainian tax authorities.

Financial assets and liabilities

During 9M 2017 JA wrote-off KUAH 94,413 (KSEK 30,489) in bad debt. Out of the total amount, 50.01% has affected the Misen Groups' result. 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.

Book value of financial assets and liabilities is equal to fair value.

Cash position

As of 30 September 2017, the cash balance of the Misen Group was KSEK 8,476 (KSEK 27,642). The cash flow from operations after changes in working capital for 9M 2017 was KSEK -30,933 (KSEK 18,970).

Capital expenditure

The Misen Group's capital expenditure on equipment for gas production in Ukraine related to the JA activity during 9M 2017 amounted to KSEK 290 (KSEK 11,875).

As of 30 September 2017 capital expenditure orders not yet delivered have been placed at an aggregate value of KSEK 3,643. The capital expenditures are equipment, project works, constructions and constructions in progress for extraction of natural gas.

Expected future development of the Company and going concern

Increased subsoil charges to 70% and PJSC Ukrgasvydobuvannya refusal to deliver hydrocarbons will continue to give a negative effect to the Misen Group's results during 2017.

Provided that the subsoil charge remains at the level of 70% and PJSC Ukrgasvydobuvannya will continue to violate JAA the result and cash flow for the remaining life time of the project will be seriously reduced. Deteriorating financial situation resulted in decision to write down the value of Misen Enterprises in the Company as presented in the annual report 2016.

Depending on how the arbitration cases develop, where the Misen Group is involved, a need for increased financing of the Swedish operations might arise in 2018. Any need for funding will primarily be handled through new credits.

Based on the abovementioned facts related to the arbitration proceedings with UGV, ongoing criminal investigation as well as issues with sale of hydrocarbons, there is a material uncertainty related to events or conditions that may cast significant doubt on the Misen Group's ability to continue as a going concern. Therefore, Misen Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

Management and the board are concerned with the situation and will report on further developments in upcoming reports.

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 Misen Group 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.

Financial and other risks

Misen Group focuses 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 works 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. With operations being focused on production rather than exploration, the risk exposure could be considered as being moderate.

A more in-depth explanation of the different risk exposures in the Company's business is included in the annual report 2016.

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.

Sector information - the Misen Group

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

Geographical area

	30 September 2017	30 September 2016	31 Dec 2016
<i>(All amounts in KSEK)</i>			
Net sales, external:			
Sweden	--	--	--
Ukraine	856	535,523	653,122
Fixed assets:			
Sweden	--	--	--
Ukraine	463,279	540,367	508,677

Transactions with related parties

	30 September 2017	30 September 2016	31 Dec 2016
<i>(All amounts in KSEK)</i>			
Ukrigasvydobuvannya:			
Sale	21,799	31,622	43,503
Purchase	4,620	103,636	128,028
Short-term receivables	27,353	--	--
Short-term debts	5,076	11,076	72
Management, Board and major Shareholders:			
Purchase of services	12,615	3,630	7,759
Interest	1,439	1,632	1,632
Salaries and remunerations	3,656	5,106	5,608
Short-term debts	5,306	982	1,862
Long-term debts	--	--	--

Publication of the January - September 2017 interim report

This January - September 2017 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 and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 11:00 CET on 30 November 2017.

Future reports

Next report, the January-December 2017 year-end report, will be published on 28 February 2018.

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

Stockholm, 30 November 2017.

Misen Energy AB (publ)

The Board and Managing Director

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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 Karpatygaz, 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 Karpatygaz (together 50.01%) and PJSC Ukrigasvydobuvannya (49.99%), a subsidiary of the National Joint Stock Company Naftogaz of Ukraine. PJSC Ukrigasvydobuvannya 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 2016 and in 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. Owning (the remaining) 52.5% of Misen Enterprises AB shares, Misen Energy AB (publ) maintains full control of the company and preserves a right to obtain 52.5% 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.misenenergy.se.

CONDENSED INCOME STATEMENT-THE GROUP

<i>All amounts in KSEK</i>	1 July - 30 Sept 2017 3 months	1 July - 30 Sept 2016 3 months	1 Jan - 30 Sept 2017 9 months	1 Jan - 30 Sept 2016 9 months	1 Jan - 31 Dec 2016 12 months
Operating revenue					
Net sales	-9	155,608	856	535,523	653,122
Other operating income	8,447	1,289	21,615	14,444	21,868
Result from associated companies	0	3	0	345	350
	8,438	156,900	22,471	550,312	675,340
Operating expenses					
Other external expenses	-13,755	-136,133	-45,519	-460,443	-549,519
Personnel expenses	-1,339	-5,188	-8,027	-11,382	-16,174
Depreciation and amortisation of tangible and intangible fixed assets	-7,754	-8,372	-24,055	-27,700	-41,734
Other operating cost	-3,945	-23,057	-8,874	-25,535	-49,081
	-26,793	-172,750	-86,475	-525,060	-656,508
Operating income/loss	-18,355	-15,850	-64,004	25,252	18,832
Financial items	1,448	-1,100	4,916	-18,353	-24,341
Profit/loss after financial items	-16,907	-16,950	-59,088	6,899	-5,509
Taxes for the period	1,331	-2,612	1,141	-10,455	-11,139
Profit for the period	-15,576	-19,562	-57,947	-3,556	-16,648
Profit is attributable to:					
Owners of Misen Energy AB (publ)	-5,991	-12,945	-38,225	3,061	-7,230
Non-controlling interests	-9,585	-6,617	-19,722	-6,617	-9,418
	-15,576	-19,562	-57,947	-3,556	-16,648
Statement of comprehensive income - The Group					
Net profit for the period	-15,576	-19,562	-57,947	-3,556	-16,648
Other comprehensive income					
Items possible for later reclassification in income statement:					
Translation differences	-32,760	-15,729	-43,385	-27,533	-24,391
Other comprehensive income for the period, net after taxes	-32,760	-15,729	-43,385	-27,533	-24,391
Total comprehensive income for the period	-48,336	-35,291	-101,332	-31,089	-41,039
Total comprehensive income for the period is attributable to:					
Owners of Misen Energy AB (publ)	-23,905	-22,776	-62,735	-18,574	-26,901
Non-controlling interests	-24,431	-12,515	-38,597	-12,515	-14,138
	-48,336	-35,291	-101,332	-31,089	-41,039
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	-0.04	-0.09	-0.26	0.02	-0.05
Average number of shares for the period was 145,068,222					

CONDENSED BALANCE SHEET-THE GROUP

<i>All amounts in KSEK</i>	30 Sept 2017	30 Sept 2016	31 Dec 2016
ASSETS			
Non-current assets			
Intangible fixed assets	26,653	29,640	28,951
Tangible fixed assets	436,626	510,727	502,059
Deferred tax receivables	10,371	7,306	10,202
Total non-current assets	473,650	547,673	541,212
Current assets			
Stock	432	3,971	579
Accounts receivable	79	47,585	20,260
Other receivables	24,471	20,779	13,869
Prepaid expenses and accrued income	4,902	3,864	4,015
Total current assets	29,884	76,199	38,723
Cash and bank balances	8,476	27,642	12,498
Total current assets	38,360	103,841	51,221
TOTAL ASSETS	512,010	651,514	592,433

<i>All amounts in KSEK</i>	30 Sept 2017	30 Sept 2016	31 Dec 2016
EQUITY AND LIABILITIES			
Equity attributable to owners of Misen Energy AB (publ)	230,185	305,249	296,921
Non-controlling interests	161,780	-	167,637
Total equity	391,965	474,508	464,558
Non-current liabilities			
Other long-term liabilities	27,434	33,200	36,197
Total non-current liabilities	27,434	33,200	36,197
Current liabilities			
Accounts payable	20,198	15,174	6,581
Tax debts	-	1,099	1,711
Short-term loans	26,560	35,094	29,848
Other short-term debt to JA	40,433	41,699	44,426
Other short-term debt	1,348	47,320	3,521
Accrued expenses and deferred income	4,072	3,420	5,591
Total current liabilities	92,611	143,806	91,678
TOTAL EQUITY AND LIABILITIES	512,010	651,514	592,433

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 2016-01-01	290,136	-274,435	-529,653	853,370	339,418	0	339,418	
Net result								
Net result of the period Jan -Sept 2016	-	-	-	3,061	3,061	-6,617	-3,556	
Other comprehensive income								
Translation difference	-	-	-21,633	0	-21,633	-5,900	-27,533	
Total comprehensive income	0	0	-21,633	3,061	-18,572	-12,517	-31,089	
Transactions with non-controlling interests								
Sale of shares in subsidiary	0	0	0	-3,265	-3,265	3,265	0	
Other transactions with non-controlling interests	0	0	0	-15,596	-15,596	181,775	166,179	
Total transactions with non-controlling interests	290,136	-274,435	-551,286	840,835	305,250	169,258	474,508	
Equity brought forward 2016-09-30	290,136	-274,435	-551,286	840,835	305,250	169,258	474,508	
Equity brought forward 2016-10-01	290,136	-274,435	-551,286	840,835	305,250	169,258	474,508	
Net result								
Net result of the period Oct - Dec 2016	-	-	-	-10,291	-10,291	-2,801	-13,092	
Other comprehensive income								
Translation difference	-	-	1,962	-	1,962	1,180	3,142	
Total comprehensive income	0	0	1,962	-10,291	-8,329	-1,621	-9,950	
Equity brought forward 2016-12-31	290,136	-274,435	-549,324	830,544	296,921	167,637	464,558	
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 -Sept 2017	0	0	0	-38,225	-38,225	-19,722	-57,947	
Other comprehensive income								
Translation difference	0	0	-24,510	0	-24,510	-18,875	-43,385	
Total comprehensive income	0	0	-24,510	-38,225	-62,735	-38,597	-101,332	
Transactions with non-controlling interests								
Sale of shares in subsidiary	0	0	0	-4,001	-4,001	32,740	28,739	
Total transactions with non-controlling interests	0	0	0	-4,001	-4,001	32,740	28,739	
Equity brought forward 2017-09-30	290,136	-274,435	-573,834	788,318	230,185	161,780	391,965	

CONDENSED STATEMENT OF CASH FLOWS - THE GROUP

	1 Jan-30 Sept 2017 9 months	1 Jan-30 Sept 2016 9 months	1 Jan-31 Dec 2016 12 months
<i>All amounts in KSEK</i>			
Operating activities			
Operating income	-64,004	25,252	18,832
Adjustment for non-cash items	2,704	34,327	70,066
Interest and dividends received	153	2,247	2,714
Interest paid	-2,562	-7,583	-7,390
Income tax	-1,711	-6,986	-9,807
Cash flow from operating activities before working capital changes	-65,420	47,257	74,415
Decrease(+)/increase in stocks	103	-979	2,437
Decrease(+)/increase in receivables	1,562	-31,602	1,105
Decrease(-)/increase in short-term debts	32,822	4,294	-62,746
Cash-flow from operating activities	-30,933	18,970	15,211
Investing activities			
Acquisition of tangible and intangible assets	-290	-11,875	-14,508
Sale of tangible and intangible assets	-	484	1,464
Sale of share in subsidiary	17,701	25,717	25,517
Liquidation of JA 493	-	2,475	-
Cash flow from investing activities	17,411	16,801	12,473
Financing activities			
Change in interestbearing debt (increase+)	9,598	-15,270	-22,330
Cash flow from financing activities	9,598	-15,270	-22,330
Cash flow for the period	-3,924	20,501	5,354
Cash at the beginning of the period	12,498	7,413	7,413
Exchange rate difference in cash	-98	-272	-269
Cash at the end of the period	8,476	27,642	12,498

CONDENSED INCOME STATEMENT - PARENT COMPANY

(Misen Energy AB (publ))

	1 Luly - 30 Sept 2017 3 months	1 Luly - 30 Sept 2016 3 months	1 Jan-30 Sept 2017 9 months	1 Jan-30 Sept 2016 9 months	1 Jan-31 Dec 2016 12 months
<i>All amounts in KSEK</i>					
Operating revenue					
Net sales	1,394	4,123	4,183	4,183	5,577
	1,394	4,123	4,183	4,183	5,577
Operating expenses					
Other external expenses	4,509	-4,313	-7,991	-8,476	-10,960
Personnel expenses	-413	-1,729	-4,599	-5,888	-10,418
	4,096	-6,042	-12,590	-14,364	-21,378
Operating result	5,490	-1,919	-8,407	-10,181	-15,801
Loss on sale of subsidiary	-9,813	-	-9,813	-9,309	-9,309
Interest expense	-	-	-1,441	-7,969	-7,969
	-9,813	0	-11,254	-17,278	-17,278
Profit/loss after financial items	-4,323	-1,919	-19,661	-27,459	-33,079
Taxes for the period	-	-	-	-	-
Net profit/loss	-4,323	-1,919	-19,661	-27,459	-33,079
Statement of comprehensive income - Parent company					
Net loss for the period	-4,323	-1,919	-19,661	-27,459	-33,079
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-4,323	-1,919	-19,661	-27,459	-33,079

CONDENSED BALANCE SHEET - PARENT COMPANY

(Misen Energy AB (publ))

<i>All amounts in KSEK</i>	30 Sept 2017	30 Sept 2016	31 Dec 2016
ASSETS			
Non-current assets			
Financial fixed assets			
Shares in subsidiaries	262,735	301,287	301,287
Total financial fixed assets	262,735	301,287	301,287
Total fixed assets	262,735	301,287	301,287
Total non-current assets	262,735	301,287	301,287
Current receivables			
Other receivables	-	1,099	-
Short-term receivables subsidiaries	42,092	9,110	17,265
Prepaid expenses and accrued income	250	3,367	269
	42,342	13,576	17,534
Cash and bank balances	8,203	14,963	7,034
Total current assets	50,545	28,539	24,568
TOTAL ASSETS	313,280	329,826	325,855

<i>All amounts in KSEK</i>	30 Sept 2017	30 Sept 2016	31 Dec 2016
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	29,625	62,704	62,704
Profit/loss for the year	-19,661	-27,459	-33,079
	9,964	35,245	29,625
Total equity	300,445	325,726	320,106
Non-current liabilities			
Other long-term debts to group companies	90	92	92
Total non-current liabilities	90	92	92
Current liabilities			
Accounts payable	9,675	460	730
Other short-term liabilities	436	1,274	406
Accrued expenses and deferred income	2,634	2,274	4,521
Total current liabilities	12,745	4,008	5,657
TOTAL EQUITY AND LIABILITIES	313,280	329,826	325,855

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 2016-01-01	290,136	345	714,285	-651,581	353,185
Net result					
Net result of the period Jan - Sept 2016	-	-	-	-27,459	-27,459
Other comprehensive income					
Translation difference	-	-	-	-	-
Total comprehensive income	-	-	-	-27,459	-27,459
Equity brought forward 2016-09-30	290,136	345	714,285	-679,041	325,725
Equity opening balance 2016-10-01	290,136	345	714,285	-679,041	325,725
Net result					
Net result of the period Oct -Dec 2016	-	-	-	-5,620	-5,620
Other comprehensive income					
Translation difference	-	-	-		0
Group contribution after tax	-	-	-		0
Total comprehensive income	0	0	0	-5,620	-5,620
Equity brought forward 2016-12-31	290,136	345	714,285	-684,661	320,106
Equity opening balanc 2017-01-01	290,136	345	714,285	-684,661	320,106
Net result					
Net result for the period Jan - Sept 2017	-	-	-	-19,661	-19,661
Other comprehensive income					
Translation difference	-	-	-	-	-
Total comprehensive income	-	-	-	-19,661	300,445
Equity brought forward 2017-09-30	290,136	345	714,285	-704,320	300,445

CONDENSED STATEMENT OF CASH FLOWS - PARENT COMPANY

(Misen Energy AB (publ))

	1 Jan-30 Sept 2017 9 months	1 Jan-30 Sept 2016 9 months	1 Jan-31 Dec 2016 12 months
<i>All amounts in KSEK</i>			
Operating activities			
Operating income	-8,407	-10,181	-15,801
Interest paid	-1	-	-
Cash flow from operating activities before working capital changes	-8,408	-10,181	-15,801
Decrease(+)/increase in receivables	-24,808	-9,817	-2,158
Decrease(-)/increase in accounts payable	8,945	-4,475	-4,205
Decrease(-)/increase(+) in short term debts	-1,859	442	-9,796
Cash flow from operating activities	-26,130	-24,031	-31,960
Investment activities			
Payment of shareholders contribution	-	0	-
Sale of shares in subsidiary	17,701	25,517	25,517
Cash flow from investing activities	17,701	25,517	25,517
Financing activities			
Change in interest bearing debt debt	9,598	11,774	11,774
Cash flow from financing activities	9,598	11,774	11,774
Cash flow for the period	1,169	13,260	5,331
Cash at the beginning of the period	7,034	1,703	1,703
Cash at the end of the period	8,203	14,963	7,034

Alternative Performance Measures – Group

As of July 3, 2016 new guidelines on APMs (Alternative Performance Measures) were 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 Sept 2017 9 months	1 Jan - 30 Sept 2016 9 months	1 Jan-31 Dec 2016 12 months
The Group			
Financial key ratios			
EBITDA (KSEK)	-39,949	52,952	60,566
Financial cost	-4,763	23,878	31,096
Profit/loss per share before dilution SEK*	-0.26	0.02	-0.05
Profit/loss per share after dilution SEK*	-0.26	0.02	-0.05
Return on equity (ROE)	n.a.	n.a.	neg
Return on capital employed (ROCE)	n.a.	n.a.	5.1%
Debt/equity ratio	6.8%	7.4%	6.4%
Equity ratio	76.6%	72.8%	78.4%
Share of risk bearing capital	76.6%	72.8%	78.4%
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

The Parent Company (Misen Energy AB)

EBITDA (KSEK)	-8,407	-10181	-15801
Profit/loss per share before dilution SEK*	-0.14	-0.19	-0.23
Profit/loss per share after dilution SEK*	-0.14	-0.19	-0.23
Return on equity (ROE)	n.a.	n.a.	neg
Return on capital employed (ROCE)	n.a.	n.a.	neg
Debt/equity ratio	0%	n.a.	28.1%
Equity ratio	95.9%	98.8%	98.2%
Share of risk bearing capital	95.9%	98.8%	98.2%
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

1. EBITDA (profit before interest, tax, depreciation, write-downs) defined as the group and the parent company's operating profit/loss before depreciation.
2. 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.
3. 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.
4. Return on equity defined as the group and the parent company's profit/loss divided by total equity at the end of period.
5. 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).
6. Debt/equity ratio defined as the group and the parent company's interest bearing debt divided by equity.
7. Equity ratio defined as the group and the parent company's equity including minority owner shares divided by balance sheet total.

Share capital information

8. 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.