

## Interim report on Q4 and full-year summary 2014

### 1. Summary

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#### MISEN ENERGY AB (publ)

Reg. No. 556526-3968

#### Group definition

The Misen group (herein after referred to as the “**Misen Group**” or the “**Group**”) comprises - Misen Energy AB (publ) (the “**Company**” or the “**Parent Company**”) and two wholly owned subsidiaries Misen Enterprises AB (Sweden) and LLC Karpatygaz (Ukraine). Consolidated accounts as of 31 December 2014 represent the Misen Group, with an unchanged structure since 1 July 2011.

#### Joint Activity and Joint Activity Agreement

The Misen Group 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 the JA is held by the Public Joint Stock Company Ukrgasvydobuvannya (Ukraine), a wholly owned subsidiary of the National Joint Stock Company Naftogaz of Ukraine (Ukraine). JA is governed by the Joint Activity Agreement (“**JAA**”), signed by Misen Enterprises AB, LLC Karpatygaz, and PJSC Ukrgasvydobuvannya.

The Misen Group operates solely in Ukraine, where all industrial operations are performed by JA. Subsidiary LLC Karpatygaz is the operator of JA.

As per JAA, Q4 2014 was the last period restricting payments of dividends by JA to its participants.

#### Results for the Fourth Quarter 2014 (within brackets same period 2013)\*

*\*Please note the numbers for Q4 2013 have been corrected as per the finalized data of the Annual Report 2013.*

Consolidated group operating income	KSEK 160,618 (-19,626)
Consolidated group net turnover	KSEK 375,926 (22,687)
Earnings per share	SEK 0.68 (-0.16)
Parent company operating income	KSEK -5,424 (-9,289)
Parent company net turnover	KSEK 120 (0)

#### Results for January – December 2014 (within brackets same period 2013)

Consolidated group operating income	KSEK 550,418 (277,122)
Consolidated group net turnover	KSEK 1,160,427 (623,575)
Earnings per share	SEK 2.25 (1.43)
Parent company operating income	KSEK -19,825 (-21,905)
Parent company net turnover	KSEK 120 (2,730)

## 2. Essential Events During the Period October – December 2014

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### Gas balance situation

After a period of eighteen months of challenges with the gas balance, in Q4 2014 the Company and its subsidiaries were successful in addressing and solving the gas balance situation. The JA experienced no problems with being fully included into the gas balancing process during October, November and December. In addition, the Company and its subsidiaries were also successful in negotiating sales of all gas accumulated and stored in the underground storage facilities since early 2013.

During Q4 2014 the JA sold 301.79 million cubic meters (“**mmcm**”) of natural gas. Sales represent production of Q4 2014 and largely include volumes of natural gas lifted from the underground storages. All gas condensate and oil produced during Q4 2014 has been transferred to further processing and subsequent sales.

As of the end of Q4 2014, the total remaining volume of gas available for sales constituted 25.9 mmcm and represented production from the month of December 2014. *(for the latest developments, see chapter “Essential events after end of the Q4 2014”)*

By understanding that the gas balancing process in Ukraine is based on monthly cycles of revisions and revaluations, and by assessing the fact that the JA had no issues with the gas balance during October-December 2014, the management concludes that formally the JA has been included into the gas balance for Q4 2014. In addition, there are no signs for this pattern to change for the upcoming months. Hence the situation with being included into the gas balance, when compared to the previous reporting periods, could be valued as positively stable and representing a limited uncertainty for the future business and going concern.

### Financing from the Fund and Joint Activity Agreement

During Q4 2014 the Company signed an extension to the financing agreement with the Dutch financing fund (Stichting Bewaarder Pluribus Optimum Fund or the “**Fund**”). This facility was originally introduced to secure long-term financial requirements for the Company’s Swedish operations. Need for extension arose due to the previously suspended investment program, which has delayed the project implementation and the ability to finance the Company from its operations. With amended agreement with the Fund, the Company extends financing of its operations from the borrowed sources for the period till 30 June 2016.

Within the framework of the amended financing agreement, where the Company has been granted an extended financial facility of up to KEUR 8,850 (corresponding to approximately KSEK 83,900), a tranche of KEUR 1,210 (KSEK 11,471) was drawn down during the Q4 2014, mostly to contribute funding to JA as per JAA. Accordingly, the total debt under the financing agreement as of 31 December 2014 constituted KEUR 7,623 (KSEK 72,587).

To further secure Misen Enterprises AB obligation to contribute funding to JA as per JAA, the Company has agreed with the Fund to extend agreement with additional loan facility of up to KUSD 12,516 (KSEK 97,581). To facilitate this, the Company has agreed to increase the pledge in shares of subsidiary Misen Enterprises AB from 10% to 25%. The process of contributing funding to JA was initiated in Q4 2014 and is expected to be finalized during 2015.

Formally, as per the JAA, the Company has failed to comply with the original deadline for contributing funds in full amount to the JA, which was set for 31 December 2014. Notwithstanding this, the Amendment No.6 to the JAA, which was signed on 21 February 2014, provides for an easier procedure for the parties of the JA to agree on terms of the contribution. As of the end of Q4 2014, the Company has been engaged in discussions with the JA partner PJSC Ukrgasvydobuvannya regarding extension of terms of contribution to the JA.

### Investment program report

With the positive developments related to the gas balance and renewed sales taking place, the Company has continued with the investment program during Q4 2014 primarily focusing on completion of construction of Khrestyshchenska Booster Compressor Station (“BCS”). This is the largest single investment project for JA, featuring complex engineering installation of 60 MW compressing power. The project’s budget is estimated at around MSEK 700, with 75% of works completed as of the end of Q4 2014.

The Misen Group’s capital expenditure in Ukraine related to the JA activity during January-December 2014 amounted to KSEK 209,031 (KSEK 370,668).

### Production report

Issues with the gas balance during 2013-2014 have forced the JA to adjust the investment program during 2014. The Company prioritized continuation of construction of BCS. Progress on well workovers has been suspended and certain number of wells has been under-serviced during 2014. This has led to non-growing or even decreasing productivity of certain product categories when compared to the previous reporting periods. With the gas balance situation being resolved, the JA has continuing with its investment program during Q4 2014.

The table below sets forth the **average daily production** indicators **during the specified period** (Please note, in previous reports the average daily production was presented for the end of reported period and was not indicative as average for the whole reported period):

	Q4 2014	Q4 2013
Natural Gas (mmcm)	1.71	1.98
Gas Condensate (tons)	77.87	96.40
Oil (tons)	37.48	81.97

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

	Q4 2014	Q4 2013
Natural Gas (mmcm)	156.9	182.5
Gas Condensate (ktons*)	7.2	8.9
Oil (ktons)	3.5	7.5

\* thousand tons

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

	Jan-Dec 2014	Jan-Dec 2013
Natural Gas (mmcm)	672	684
Gas Condensate (ktons)	28.6	32.1
Oil (ktons)	18.8	31.8

The total production as of inception of the JA in its current form in 2011 has reached 1,848 mmcm.

Since September 2014, the Company has been reporting monthly on production and sales results. Please follow our press releases for up to date information.

### **Ukraine adopts resolutions affecting gas sales process**

In Q4 2014 Ukraine passed two resolutions that had a direct effect on sales process of natural gas in the country. Both resolutions were presented as temporary measures to be effective only for the heating season of 2014-2015.

The first resolution, No. 596 "On the procedure of procurement of natural gas by industrial, energy-generating and heat-generating enterprises", was passed by the Cabinet of Ministers of Ukraine on 7 November 2014. The resolution directs that as of 1 December 2014 through 28 February 2015 the major industrial, energy-generating and heat-generating enterprises shall carry out the purchase of natural gas only from NJSC "Naftogaz of Ukraine".

The resolution has been seen as controversial and conflicting with a range of existing laws and applicable regulations. It was criticized by the European Energy Community and has been challenged in Ukrainian courts by the local gas producers.

During Q4 2014 the Company had a limited impact from this resolution due to a historically different construct of sales channels employed by JA. As a result of earlier encountered challenges with the gas balance, JA's trade partners constitute mostly companies outside the ones specified in the resolution No. 596.

The second resolution passed by the National Security and Defense Council of Ukraine and signed by the President of Ukraine by Order No.876/2014 on 14 November 2014 has ordered the Cabinet of Ministers of Ukraine to secure that all domestic production of natural gas is being directed to meet the needs of the population, housing and communal services during the heating season 2014-2015.

As it has been described in earlier reports, the price of gas sold to the population is significantly lower than the commercial market price. The resolution has been addressed to the executive branch of the Cabinet of Ministers, which on its part had to present an order for resolution implementation.

As of the end of Q4 2014 no such order has been set and the Company has not been affected by this resolution.

## **Exchange rate risks**

Due to the political instability in Ukraine the rate for UAH towards SEK has decreased from 0.7718 on 31 December 2013 to 0.4844 on 31 December 2014, or -37.2%. Since the Misen Group's operations and net assets are almost entirely located in Ukraine this has caused a negative effect on the Group's equity, decreasing it by KSEK -293,834.

Effect from the currency depreciation on the Group's cash flow and income is moderate and is mostly related to delayed payments that provide for time windows for the negative exchange rate fluctuation. The sales prices of traded products are linked to the import prices in USD (natural gas prices are linked to the import prices of gas from Gazprom and EU) and the prices for oil and gas condensate are linked to the crude oil prices traded on recognized international exchanges. At the same time most of the Group's expenses are subsoil use charges, which are also directly linked to the gas and oil prices in USD. As for the rest of the costs, they are likely to increase in line with the prices in USD, due to the common practice in Ukraine to tie major costs to the hard currencies like USD and EUR, hence currency fluctuations should be offset. The Company will continue monitoring the situation and will inform the market accordingly.

## **Country and political risks**

Ukraine has undergone a profound political and social change. The value of the Misen Group assets may be affected by uncertainties such as political or diplomatic developments, social or religious instability, changes in government policies, taxation and interest rates, restrictions on currency repatriation and other political and economic development of laws and rules in Ukraine. These risks relate in particular to expropriation, nationalisation, confiscation of assets and legislative changes concerning the level of foreign ownership.

The Company is greatly concerned with events unfolding in the eastern territories of Ukraine. At present the Company is experiencing a range of negative impacts observed on the Misen Group level as described in previous chapters. The major concern is in regards to the projects developed in the eastern part of Ukraine. All but one project of JA is located outside these regions. The project located in the Luhansk region is Markivska BCS. This is the smallest installation planned by the Company as part of the JA investment program. Markivska BCS is projected to be of 0.298 MW power what is more than twenty times less than the capacity of successfully operating Yuliyivska BCS that was launched in 2012.

As of Q4 2014, the JA has invested KUSD 2,062 (KSEK 17,150) into the development of Markivska BCS (as per historic exchange rates), what constitutes about 75% of all planned works on this project. As of the end of Q4 2014 all works at Markivska BCS have been suspended and all physical personnel has been removed from the site.

Investment into Markivska BCS has been written-down, decreasing the Groups' operating income with KSEK 5,080, what represents 50.01% of the total investment at adjusted exchange rate as per the end of Q4 2014.

The Company continues monitoring the situation.

## **Changes of the Board of Directors**

On 27 November 2014, following on the previously announced intentions to step down, Mr. Tore I. Sandvold, Chairman of the Board of Directors of the Company submitted to the Board his formal resignation. Mr. Sergiy Petukhov submitted his resignation as well. Both resignations were effective as of 27 November 2014 and the board elected Dr. Andrius Smaliukas as the Chairman of the Board of Directors to serve until the next annual general meeting of shareholders. Both resigning members also resigned from the Remuneration and Audit committees respectively.

On 11 December 2014, Mr. Knud Nørve, member of the Board of Directors submitted to the Board his formal resignation. The resignation was effective as of 11 December 2014. Mr. Knud Nørve also resigned from the Audit committee.

## **Entering into JAA No. 493**

As of February 2014 the Company's subsidiary LLC Karpatygaz has entered as a third participant and operator into JAA No.493 between LLC Naukovo-vyrobnycha firma Tekhproekt ("**Tekhproekt**") and the PJSC Ukrigasvydobuvannya. This JAA is similar to the original JAA, but the scale of operations is significantly lower.

As per JAA No. 493, participants have agreed to combine their contributions and perform the joint investment and production activities with the objective of stabilization of hydrocarbons extraction on 24 wells located in 10 fields. The works shall include capital repairs of these wells, preparation and development of programs for increase of efficiency of production layers and productivity of fields, extraction and sale of hydrocarbons.

PJSC Ukrigasvydobuvannya have agreed to contribute rights to extract hydrocarbons through its wells, Tekhproekt and LLC Karpatygaz will contribute financing according to the Investment program, and LLC Karpatygaz will act as an operator of JA. The agreed investment program prescribes the total contribution from Tekhproekt to JA of KUAH 24,600 (KSEK 6,000) till 31 December 2015, out of which up to KUAH 4,920 (KSEK 1,200) shall be invested by LLC Karpatygaz. Proportions for profit distribution are set as follows: PJSC Ukrigasvydobuvannya - 50%, Tekhproekt - 40%; and LLC Karpatygaz - 10%. The agreement is valid till 2024.

Effects of JAA No. 493 to the Group's results are presented in profit and loss statement and balance sheet that follow in later chapters of this report.

## **Essential events after end of the Q4 2014**

### *Gas balance*

The Company continued operating without any issues with the gas balancing process during the beginning of 2015. All of the natural gas produced in January 2015 has been sold and inventories by the end of January 2015 constituted 19.9 mmcm, which is the lowest parameter since early 2013 when the Company started facing challenges with the gas balance.

### *Cancelled resolutions*

In February 2015 Ukrainian courts have cancelled the previously adopted resolution enforcing purchase of natural gas exclusively via NJSC "Naftogaz of Ukraine". Based on this, the Company identifies market conditions as favorable to facilitate further sales, including unsold produce.

### *Subsoil use charge increase*

In late December 2014 Ukrainian Parliament passed a new tax reform proposed by the Cabinet of Ministers, where among other items, there was introduced a gradual quarterly increase of the subsoil use charge for Joint Activities. The law is effective as of 1 January 2015 whereby the subsoil charge is set at 60%. As of 1 April 2015 the law sets the subsoil charge rate at 65% and as of 1 July 2015 the subsoil use charge is set at 70%.

As it has been reported in Q3 2014 report, the original subsoil charge till August 2014 was 28% and the increase to 55% was presented as a temporary measure valid till the end of 2014.

The Company's year-end result has been affected by these changes as the production of five months of 2014 (August through December) was levied at the increased rate. This will also have a negative effect on the implementation of the JA investment program during 2015. Provided the increase of the subsoil use charge is not reverted, there will be a negative impact to the Company's 2015 year results and will have a negative effect on the implementation of the JA investment program.

### *Increased pledge in subsidiary shares*

Due to the market price of the Company shares staying below the benchmarks agreed with the Fund, as of mid-February 2015 the Company has pledged additional 25% of shares in subsidiary Misen Enterprises AB in favor of the Fund, making the total pledge at 50%.

### *Financing of the Company's Swedish operations*

Due to the restructuring of the loan facility provided by the Fund and in order to avoid possible delays in provision of financing to the Company's Swedish operations, the Fund has advised the Company to engage into a short term financing arrangement with an independent third party. In January 2015 the Company received a short-term loan of KSEK 2,000 from a company Powerful United Ltd ("PUL"). The loan has been arranged in cooperation with the Fund and it has been set via a direct agreement between the subsidiary Misen Enterprises AB and PUL. The loan is considered as an interim solution until the Fund resumes financing under the amended agreements.

### **3. Results – the Misen Group and the Company**

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The Misen Group accounted for an operating income of KSEK 160,618 the Q4 2014 as compared to KSEK -19,626 for the same period last year. Profit after financial items for the period was KSEK 125,288, as compared to KSEK -23,797 for the same period last year. The higher result in the quarter is due to the higher sales volume. During the fourth quarter the participation in JAA No. 493 has increased the group operating income with KSEK 2,826.

For the full year 2014 operating income of the Misen Group was KSEK 550,418 (KSEK 277,122) and the Misen Group result after the financial items for the full year was KSEK 414,085 to be compared to KSEK 267,561 for the same period 2013. For the full year 2014 other operating income amounted to KSEK 22,426 (KSEK 5,243), whereas the amount gain on operational exchange rates differences represents KSEK 17,978. For the full year of 2014 other operating cost amounted to KSEK 32,915, of this amount KSEK 28,950 represents provisions for legal cases and settlements, fines and penalties which can be derived from the problems the group has encountered due to late payments when not being included in the gas balance.

During January – December 2014, the JA gas production totaled 672 mmcm (684 mmcm during the same period 2013), generating a turnover of MSEK 2,275 (MSEK 1,236) of which 50.01 % is attributable to the Misen Group's interest in JA.

Loss after the financial items for the Company in Q4 2014 amounted to KSEK -8,451 (KSEK -10,292) and for the full year 2014 was KSEK -26,390 to be compared to KSEK -24,565 for the same period 2013.

Misen Group revenue for Q4 2014 was KSEK 375,926 (KSEK 22,687) and the Company revenue for this period was KSEK 120 (KSEK 0). During January – December 2014, the Misen Group revenue was KSEK 1,160,427 (KSEK 623,575) while the Company revenue in the same period amounted to KSEK 120 (KSEK 2,730).

#### **Cash position**

As of 31 December 2014, the cash balance of the Misen Group was KSEK 80,977 (KSEK 949). The cash flow from operations before changes in working capital was KSEK 558,271 in the full year of 2014 (KSEK 217,409).

#### **Capital expenditure**

The Misen Group's capital expenditure on equipment for gas production in Ukraine related to the JA activity January – December 2014 amounted to KSEK 209,031 (KSEK 370,668).

During January – December 2014, capital expenditure orders not yet delivered have been placed at an aggregate value of KSEK 31,106. The capital expenditures are equipment, constructions and constructions in progress for extraction of natural gas. The activities are capital intensive and the level of capital expenditures will be on a continuing high level.



## **Expected future development of the Company**

Challenges with the gas balance during 2013-2014 have led to a temporary suspension of the investment program, what resulted in a stagnant and even decreasing production growth during Q4 2014. With the gas balance situation currently being resolved, the operations of the JA are expected to develop in a positive way. Sales of accumulated gas in the underground storages and continuation of investment program are expected to cause a positive impact on the Group's income and cash flow. This however, might be offset by the increase in subsoil charges that could hamper production growth and could have a negative effect on the Group's results. Management is assessing the situation and will report on further developments in upcoming reports.

For details, please refer to descriptions of the gas balance issues in earlier chapters of this report.

## **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. As of 1 January 2014 the Group adopted a series of new accounting principles (please see the Annual Report 2013, pages 47-48), otherwise the accounting principles for the Misen Group as well as for the Company remain identical to the last annual and quarterly reports. It is important to note that the newly adopted accounting principles including IFRS 11 ("Joint Arrangements") do not have an impact on the financial statements of the Company or the Group.

## **Financial assets and liabilities**

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

## **Financial and other risks**

The 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 Company 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 currently focused on production rather than exploration, the risk exposure could be considered as being moderate.

The Company has concluded the previously announced investigation regarding measures required to secure extension of the licenses expiring in 2018. It is not expected that any problems will arise with extending the licenses. Please refer to chapter "License risks" in previously published Q3 2014 report for more detailed description.

The need for funding that may arise in 2015 will be handled through extended credits and, if necessary, adjustments in the investment program (please see chapters above).

Due to the political instability in Ukraine the rate for UAH towards SEK has decreased -37.2% during January - December 2014. Since the Misen Group's operations and net assets are almost entirely located in Ukraine this has caused a negative effect on the Group's equity, decreasing it by KSEK -293,834.

A more in-depth explanation of the different risk exposures in the Company's business is included in the annual report 2013.

### First North

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

### Sector information - the Misen Group

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

### Geographical area

	2014 and 31 December 2014	2013 and 31 December 2013
<i>(All amounts in KSEK)</i>		
Net sales, external:		
Sweden	--	--
Ukraine	1,160,427	623,575
Fixed assets:		
Sweden	--	--
Ukraine	726,232	904,656

## Transactions with related parties

	2014 and 31 December 2014	2013 and 31 December 2013
<i>(All amounts in KSEK)</i>		
Ukrigasvydobuvannya:		
Sale	41,213	164,180
Purchase	164,470	179,955
Short-term receivables	464	2,152
Short-term debts	8,852	16,824
Management and Board:		
Purchase of services	6,777	2,217
Salaries and remunerations	3,081	4,199
Short-term debts	1,271	--

## **Publication of the Q4 2014 interim report**

This interim report Q4 2014 is published at the Company's website, [www.misenenergy.se](http://www.misenenergy.se), and a printed version can be ordered at [info@misenergy.com](mailto:info@misenergy.com).

## **Dividend**

No dividend is proposed for 2014.

## **Future reports**

Next report, the annual report 2014, will be launched on 2 April 2015.

The AGM is scheduled to take place on 23 April 2015.

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

Stockholm, 27 February 2015

## **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 since 12 June 2007 traded on Nasdaq Stockholm First North.

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 have been acquired by production cooperation via a joint activity project governed by a Joint Activity Agreement between the wholly-owned direct and indirect subsidiaries of Misen Energy AB (publ), i.e. Misen Enterprises AB and LLC Karpatygas (together 50.01%) and PJSC UkrGasvydobuvannya (49.99%), the largest producer of natural gas in Ukraine and subsidiary of the National Joint Stock Company Naftogaz of Ukraine. The value of the assets is estimated to be substantially higher than the purchase price for Misen Enterprises AB.

The purpose of the project is to significantly increase production of gas and oil by providing modern technologies via a large-scale investment program.

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 Stockholm First North is Consensus Asset Management AB (formerly Thenberg & Kinde Fondkommission AB).

For further information, please visit our website [www.misenenergy.se](http://www.misenenergy.se).

**CONDENSED INCOME STATEMENT-THE GROUP**

	1 Oct - 31 Dec 2014 3 months	1 Oct - 31 Dec 2013 3 months	1 Jan - 31 Dec 2014 12 months	1 Jan - 31 Dec 2013 12 months
<i>All amounts in KSEK</i>				
<b>Operating revenue</b>				
Net sales	366,895	20,526	1,138,001	618,332
Other operating income	9,031	2,161	22,426	5,243
	<b>375,926</b>	<b>22,687</b>	<b>1,160,427</b>	<b>623,575</b>
<b>Operating expenses</b>				
Other external expenses	-199,957	-12,757	-528,122	-283,746
Personnel expenses	-4,597	-5,495	-16,127	-16,536
Depreciation and amortisation of tangible and intangible fixed assets	-13,580	-5,956	-35,671	-25,251
Result from associated companies	2,826	-	2,826	-
Other operating cost	0	-18,105	-32,915	-20,920
	<b>-215,308</b>	<b>-42,313</b>	<b>-610,009</b>	<b>-346,453</b>
<b>Operating income</b>	<b>160,618</b>	<b>-19,626</b>	<b>550,418</b>	<b>277,122</b>
<b>Financial items</b>	<b>-35,330</b>	<b>-4,171</b>	<b>-136,333</b>	<b>-9,561</b>
<b>Profit/loss after financial items</b>	<b>125,288</b>	<b>-23,797</b>	<b>414,085</b>	<b>267,561</b>
Taxes for the period	-26,939	195	-87,342	-59,094
<b>Profit/loss for the period attributable to the parent company shareholders</b>	<b>98,349</b>	<b>-23,602</b>	<b>326,743</b>	<b>208,467</b>
<b>Statement of comprehensive income - The Group</b>				
Net profit for the period	98,349	-23,602	326,743	208,467
Other comprehensive income				
Items possible for later reclassification in income statement:				
Translation differences	-91,735	-3,414	-293,834	-23,695
Other comprehensive income for the period, net after taxes	-91,735	-3,414	-293,834	-23,695
<b>Total comprehensive income for the period</b>	<b>6,614</b>	<b>-27,016</b>	<b>32,909</b>	<b>184,772</b>
<b>Net earnings per share, allocated to the share owners in the parent company ( in SEK per share)</b>				
Net earnings for the period, before and after dilution	0.68	-0.16	2.25	1.44
Average number of shares for the period was 145,068,222				

## CONDENSED BALANCE SHEET-THE GROUP

<i>All amounts in KSEK</i>	31 Dec 2014	31 Dec 2013
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible fixed assets	35,115	37,684
Tangible fixed assets	688,734	866,972
Shares in associated companies	2,383	-
<b>Total non-current assets</b>	<b>726,232</b>	<b>904,656</b>
<b>Current assets</b>		
Stock	31,025	142,773
Accounts receivable	100,633	4,999
Other receivables	36,050	37,117
Prepaid expenses and accrued income	1,080	237
	<b>168,788</b>	<b>185,126</b>
Cash and bank balances	80,977	949
<b>Total current assets</b>	<b>249,765</b>	<b>186,075</b>
<b>TOTAL ASSETS</b>	<b>975,997</b>	<b>1,090,731</b>

<i>All amounts in KSEK</i>	31 Dec 2014	31 Dec 2013
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>572,179</b>	<b>539,270</b>
<b>Non-current liabilities</b>		
Long-term loans	85,132	37,502
Deferred tax liability	4,327	17,011
Other long-term liabilities	20,018	2,468
<b>Total non-current liabilities</b>	<b>109,477</b>	<b>56,981</b>
<b>Total non-current liabilities</b>		
Accounts payable	26,204	118,034
Tax debts	50,442	-
Short-term loans	126,776	255,994
Other short-term debt to JA	42,075	37,733
Other short-term debt	43,845	74,261
Accrued expenses and deferred income	4,999	8,458
<b>Total current liabilities</b>	<b>294,341</b>	<b>494,480</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>975,997</b>	<b>1,090,731</b>
Pledged assets	519,735	613,592
Contingent liabilities	1,643,324	4,114,931

CONDENSED STATEMENT OF CHANGES IN EQUITY - THE GROUP

<i>All amounts in KSEK</i>	Share capital	Other paid in capital	Other reserves	Retained earnings	Total equity
<b>Equity brought forward 2013-01-01</b>	<b>290,136</b>	<b>-274,435</b>	<b>-13,087</b>	<b>351,884</b>	<b>354,498</b>
<b>Net profit</b>					
Net profit of the period Jan- Sept	-	-	-	232,069	232,069
<b>Other comprehensive income</b>					
Translation difference	-	-	-20,281	-	-20,281
<b>Total comprehensive income</b>	<b>290,136</b>	<b>-274,435</b>	<b>-33,368</b>	<b>583,953</b>	<b>566,286</b>
<b>Equity brought forward 2013-09-30</b>	<b>290,136</b>	<b>-274,435</b>	<b>-33,368</b>	<b>583,953</b>	<b>566,286</b>
<b>Equity brought forward 2013-10-01</b>	<b>290,136</b>	<b>-274,435</b>	<b>-33,368</b>	<b>583,953</b>	<b>566,286</b>
<b>Net profit</b>					
Net profit of the period Oct-Dec 2013	-	-	-	-23,602	-23,602
<b>Other comprehensive income</b>					
Translation difference	-	-	-3,414	-	-3,414
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-3,414</b>	<b>-23,602</b>	<b>-27,016</b>
<b>Equity brought forward 2013-12-31</b>	<b>290,136</b>	<b>-274,435</b>	<b>-36,782</b>	<b>560,351</b>	<b>539,270</b>
<b>Equity brought forward 2014-01-01</b>	<b>290,136</b>	<b>-274,435</b>	<b>-36,782</b>	<b>560,351</b>	<b>539,270</b>
<b>Net profit</b>					
Net profit of the period Jan- Sept 2014	-	-	-	228,394	228,394
<b>Other comprehensive income</b>					
Translation difference	-	-	-202,099	-	-202,099
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-202,099</b>	<b>228,394</b>	<b>26,295</b>
<b>Equity brought forward 2014-09-30</b>	<b>290,136</b>	<b>-274,435</b>	<b>-238,881</b>	<b>788,745</b>	<b>565,565</b>
<b>Equity brought forward 2014-10-01</b>	<b>290,136</b>	<b>-274,435</b>	<b>-238,881</b>	<b>788,745</b>	<b>565,565</b>
<b>Net profit</b>					
Net profit of the period Oct - Dec 2014	-	-	-	98,349	98,349
<b>Other comprehensive income</b>					
Translation difference	-	-	-91,735	-	-91,735
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-91,735</b>	<b>98,349</b>	<b>6,614</b>
<b>Equity brought forward 2014-12-31</b>	<b>290,136</b>	<b>-274,435</b>	<b>-330,616</b>	<b>887,094</b>	<b>572,179</b>

## CONDENSED STATEMENT OF CASH FLOWS - THE GROUP

	1 Jan - 31 Dec 2014	1 Jan - 31 Dec 2013
<i>All amounts in KSEK</i>		
<hr/>		
Operating activities		
Operating income	550,418	277,122
Adjustment for non-cash items	51,641	19,057
Interest received	2,654	341
Interest paid	-21,857	-678
Income tax	-24,585	-78,433
<b>Cash flow from operating activities before working capital changes</b>	<b>558,271</b>	<b>217,409</b>
Decrease(+)/increase in stocks	61,805	-137,671
Decrease(+)/increase in receivables	-156,267	-884
Decrease(-)/increase in short-term debts	-71,503	155,279
<b>Cash-flow from operating activities</b>	<b>392,306</b>	<b>234,133</b>
Investing activities		
Acquisition of tangible and intangible assets*	-209,031	-370,668
Sale of tangible and intangible assets	2,677	48,812
<b>Cash flow from investing activities</b>	<b>-210,394</b>	<b>-321,856</b>
Financing activities		
Change in long-term debt (increase+)	-88,045	75,965
<b>Cash flow from financing activities</b>	<b>-88,045</b>	<b>75,965</b>
Cash flow for the period	93,867	-11,758
Cash at the beginning of the period	949	13,325
Exchange rate difference in cash	-13,839	-618
<b>Cash at the end of the period</b>	<b>80,977</b>	<b>949</b>

\*During 2014 no net investments through financial leasing agreements have been made, the amount for the full year 2013 was KSEK 61,061. Investments through financial leasing are considered as not affecting the cash flow.



**CONDENSED INCOME STATEMENT - PARENT COMPANY**

(Misen Energy AB (publ))

	1 Oct - 31 Dec 2014 3 months	1 Oct - 31 Dec 2013 3 months	1 Jan - 31 Dec 2014 12 months	1 Jan - 31 Dec 2013 12 months
<i>All amounts in KSEK</i>				
<b>Operating revenue</b>				
Net sales	120	-	120	2,730
	<b>120</b>	<b>0</b>	<b>120</b>	<b>2,730</b>
<b>Operating expenses</b>				
Other external expenses	-4,248	-7,961	-14,949	-21,746
Personnel expenses	-1,296	-1,328	-4,996	-2,889
	<b>-5,544</b>	<b>-9,289</b>	<b>-19,945</b>	<b>-24,635</b>
<b>Operating income</b>	<b>-5,424</b>	<b>-9,289</b>	<b>-19,825</b>	<b>-21,905</b>
Interest income	0	335	0	337
Interest expense	-3,027	-1,338	-6,565	-2,998
	<b>-3,027</b>	<b>-1,003</b>	<b>-6,565</b>	<b>-2,661</b>
<b>Profit/loss after financial items</b>	<b>-8,451</b>	<b>-10,292</b>	<b>-26,390</b>	<b>-24,566</b>
Taxes for the period	-	-	-	-
<b>Net profit/loss</b>	<b>-8,451</b>	<b>-10,292</b>	<b>-26,390</b>	<b>-24,566</b>
<b>Statement of comprehensive income - Parent company</b>				
Net loss for the period	-8,451	-10,292	-26,390	-24,566
Other comprehensive income	-	-	-	-
Other comprehensive income for the period, net after taxes	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-8,451</b>	<b>-10,292</b>	<b>-26,390</b>	<b>-24,566</b>

**CONDENSED BALANCE SHEET - PARENT COMPANY**  
(Misen Energy AB (publ))

<i>All amounts in KSEK</i>	31 Dec 2014	31 Dec 2013
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Financial fixed assets</b>		
Shares in subsidiaries	1,018,323	1,001,799
<b>Total financial fixed assets</b>	<b>1,018,323</b>	<b>1,001,799</b>
<b>Total fixed assets</b>	<b>1,018,323</b>	<b>1,001,799</b>
<b>Total non-current assets</b>	<b>1,018,323</b>	<b>1,001,799</b>
<b>Current receivables</b>		
Other receivables	190	803
Short-term receivables subsidiaries	3,280	4,745
Prepaid expenses and accrued income	331	227
	<b>3,801</b>	<b>5,775</b>
<b>Cash and bank balances</b>	<b>359</b>	<b>479</b>
<b>Total current assets</b>	<b>4,160</b>	<b>6,254</b>
<b>TOTAL ASSETS</b>	<b>1,022,483</b>	<b>1,008,053</b>

(Misen Energy AB (publ))

<i>All amounts in KSEK</i>	31 Dec 2014	31 Dec 2013
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital	290,136	290,136
Statutory reserves	345	345
	<b>290,481</b>	<b>290,481</b>
<b>Non-restricted equity</b>		
Profit/Loss brought forward	672,900	697,467
Profit/loss for the year	-26,390	-24,566
	<b>646,510</b>	<b>672,901</b>
<b>Total equity</b>	<b>936,991</b>	<b>963,382</b>
<b>Non-current liabilities</b>		
Long-term loan	72,587	37,502
Other long-term debts to group companies	92	93
<b>Total non-current liabilities</b>	<b>72,679</b>	<b>37,595</b>
<b>Total non-current liabilities</b>		
Accounts payable	1,671	3,568
Other short-term liabilities	257	333
Other short-term liabilities group	7,238	-
Accrued expenses and deferred income	3,647	3,175
<b>Total current liabilities</b>	<b>12,813</b>	<b>7,076</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,022,483</b>	<b>1,008,053</b>
<b>Pledged assets</b>	<b>254,709</b>	<b>153</b>
<b>Contingent liabilities</b>	<b>259,137</b>	<b>39</b>

CONDENSED STATEMENT OF CHANGES IN EQUITY - PARENT COMPANY

<i>All amounts in KSEK</i>	Share capital	Statutory reserves	Share Premium reserve	Retained earnings	Total equity
<b>Equity brought forward 2013-01-01</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-16,819</b>	<b>987,947</b>
<b>Net profit</b>					
Net profit of the period Jan-Sept 2014	-	-	-	-14,274	-14,274
<b>Other comprehensive income</b>					
Translation difference	-	-	-	-	-
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-14,274</b>	<b>-14,274</b>
<b>Equity brought forward 2013-09-30</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-31,093</b>	<b>973,673</b>
<b>Equity brought forward 2013-10-01</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-31,093</b>	<b>973,673</b>
<b>Net profit</b>					
Net profit for the period Oct - Dec 2013	-	-	-	-10,291	-10,291
<b>Other comprehensive income</b>					
Translation difference	-	-	-	-	-
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-10,291</b>	<b>-10,291</b>
<b>Equity brought forward 2013-12-31</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-41,384</b>	<b>963,382</b>
<b>Equity brought forward 2014-01-01</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-41,383</b>	<b>963,383</b>
<b>Net profit</b>					
Net profit of the period Jan-Sept 2014	-	-	-	-17,941	-17,941
<b>Other comprehensive income</b>					
Translation difference	-	-	-	-	-
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-17,941</b>	<b>-17,941</b>
<b>Equity brought forward 2014-09-30</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-59,324</b>	<b>945,442</b>
<b>Equity brought forward 2014-10-01</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-59,324</b>	<b>945,442</b>
<b>Net profit</b>					
Net profit of the period Oct-Dec 2014	-	-	-	-8,451	-8,451
<b>Other comprehensive income</b>					
Translation difference	-	-	-	-	-
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-8,451</b>	<b>-8,451</b>
<b>Equity brought forward 2014-12-31</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-67,775</b>	<b>936,991</b>

**CONDENSED STATEMENT OF CASH FLOWS - PARENT COMPANY**

(Misen Energy AB (publ))

	1 Jan - 31 Dec 2014 12 months	1 Jan - 31 Dec 2013 12 months
<i>All amounts in KSEK</i>		
Operating activities		
Operating income	-19,825	-21,905
Adjustment for non-cash items	-	-
Interest received	-	2
Interest paid	-	-
<b>Cash flow from operating activities before working capital changes</b>	<b>-19,825</b>	<b>-21,903</b>
Cash flow from working capital changes		
Decrease(+)/increase in receivables	1,974	-4,661
Decrease(-)/increase in accounts payable	-1,897	2,488
Decrease(-)/increase(+) in short term debts	1,068	-300
<b>Cash flow from operating activities</b>	<b>-18,680</b>	<b>-24,376</b>
Investment activities		
Payment of shareholders contribution	-16,524	-
<b>Cash flow from investing activities</b>	<b>-16,524</b>	<b>0</b>
Financing activities		
Increase in long-term debt	35,084	16,343
<b>Cash flow from financing activities</b>	<b>35,084</b>	<b>16,343</b>
Cash flow for the period	-120	-8,033
Cash at the beginning of the period	479	8,512
<b>Cash at the end of the period</b>	<b>359</b>	<b>479</b>

## CONDENSED FINANCIAL AND OPERATIONAL KEY RATIOS

	1 Jan - 31 Dec 2014 12 months	1 Jan - 31 Dec 2013 12 months
<b><u>The Group</u></b>		
<b>Financial key ratios</b>		
EBITDA (KSEK)	586,089	302,373
Profit/loss per share before dilution SEK*	2.25	1.43
Profit/loss per share after dilution SEK*	2.25	1.43
Return on equity (ROE)	57.1%	38.7%
Return on capital employed (ROCE)	69.4%	41.0%
Debt/equity ratio	37.0%	54.4%
Equity ratio	58.6%	49.5%
Share of risk bearing capital	59.1%	51.0%
Weighted average number of shares for the period*	145,068,222	145,068,222
Number of outstanding shares before dilution *	145,068,222	145,068,222
Number of outstanding shares after dilution *	145,068,222	145,068,222
Weighted average number of shares for the period after dilution*	145,068,222	145,068,222

### **The Parent Company (Misen Energy AB)**

EBITDA (KSEK)	neg	neg
Profit/loss per share before dilution SEK*	neg	neg
Profit/loss per share after dilution SEK*	neg	neg
Return on equity (ROE)	neg	neg
Return on capital employed (ROCE)	nrq	neg
Debt/equity ratio	7.7%	3.9%
Equity ratio	91.6%	95.6%
Share of risk bearing capital	91.6%	95.6%
Weighted average number of shares for the period*	145,068,222	145,068,222
Number of outstanding shares before dilution *	145,068,222	145,068,222
Number of outstanding shares after dilution *	145,068,222	145,068,222
Weighted average number of shares for the period after dilution*	145,068,222	145,068,222

### **Definition of financial key ratios**

1. EBTDA (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.