

## Year-end report January - December 2019

### 1. Summary

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#### MISEN ENERGY AB (publ)

Reg. No. 556526-3968

#### Results for September-December 2019 ("Q4 2019") (within brackets same period 2018)

Consolidated operating group result	KSEK -7,192 (8,521)
Consolidated group net turnover	KSEK 6,113 (20,636)
Earnings per share	SEK -0.02 (0.03)
Parent company operating result	KSEK 5,616 (-345)
Parent company net turnover	KSEK 5,969 (3,437)

#### Results for January-December 2019 ("12M 2019") (within brackets same period 2018)

Consolidated operating group loss	KSEK -13,356 (-4,140)
Consolidated group net turnover	KSEK 28,071 (26,525)
Earnings per share	SEK -0.05 (-0.04)
Parent company operating result	KSEK 5,636 (-6,635)
Parent company net turnover	KSEK 20,333 (7,620)

#### Group definition

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

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

#### Joint Activity and Joint Activity Agreement

Misen Group together with PUL and Mr. Konstantin Guenevski had 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 was held by Joint Stock Company Ukrgasvydobuvannya ("**JSC Ukrgasvydobuvannya**" or "**UGV**") (Ukraine), a wholly owned subsidiary of National Joint Stock Company Naftogaz of Ukraine (Ukraine). JA was governed by the Joint Activity Agreement No.3, dated 10 June 2002 ("**JAA**" or "**JAA No.3**") (as further restated and amended). JAA No.3 was terminated 11 July 2018 by the partial final award rendered by the Arbitral Tribunal in the arbitration proceeding under Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce .

## 2. Essential Events during January - December 2019

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### Accounting treatment of the Joint Activity

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

On 11 July 2018, the Arbitral Tribunal rendered Final Partial Award in the arbitration proceeding commenced under JAA No.3 in accordance to Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. This award is a final award on those issues that were decided at this stage of the proceeding. The Arbitral Tribunal fully rejected the JAA's invalidity arguments, as well as the overwhelming majority of JSC Ukrgasvydobuvannya's arguments concerning Misen Enterprises AB and LLC Karpatygaz alleged "breaches". In specific, Final Partial Award acknowledges the following:

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

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

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

JAA with respect to commissioning the booster compressor stations (including the major Khrestyshchenska BCS) and conducting repair works of the wells.

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

JSC Ukrgasvydobuvannya, Misen Enterprises AB and LLC Karpatygaz agree that, following termination, the JA's assets should be transferred to JSC Ukrgasvydobuvannya, with Misen Enterprises AB and Karpatygaz LLC receiving compensation for their interests in those assets. The parties assigned LLC Karpatygaz, a former Operator under the JAA, to facilitate transfer of the JA's assets to JSC Ukrgasvydobuvannya. The Arbitral Tribunal shall decide on compensation for the assets of Misen Enterprises AB and LLC Karpatygaz in Joint Activity in the second phase of the ongoing arbitration proceeding.

Misen Enterprises AB, LLC Karpatygaz and JSC Ukrgasvydobuvannya started the second phase of the arbitration proceeding. JSC Ukrgasvydobuvannya filed its submission in March 2019. JSC Ukrgasvydobuvannya requested the Arbitral Tribunal, among other issues, to significantly reduce participation share of Misen Enterprises AB and LLC Karpatygaz in JAA No.3 and to award compensation of damages that JSC Ukrgasvydobuvannya allegedly suffered due to non-fundamental breaches of JAA No.3. Misen Enterprises and LLC Karpatygaz filed their submission in June 2019. They requested the Arbitral Tribunal to dismiss all the claims submitted by JSC Ukrgasvydobuvannya in their entirety and order to Ukrgasvydobuvannya to pay to Misen Enterprises AB and LLC Karpatygaz compensation for their share of the Joint Activity.

In November 2019, JSC Ukgazvydobuvannya, Misen Enterprises AB and LLC Karpatygaz filed their statements on costs. Misen Enterprises AB and LLC Karpatygaz claim that JSC Ukgazvydobuvannya should at a minimum bear the full costs of the first phase of the arbitration and reimburse Misen Enterprises AB and LLC Karpatygaz all costs related thereto given that JSC Ukgazvydobuvannya's arguments concerning alleged "fundamental breaches", "malicious arrangement" and "invalidity" under Ukrainian law unnecessarily burdened phase one of the arbitration proceeding and were rejected in their entirety in the Partial Final Award. In accordance to the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce, the Arbitral Tribunal should have issued the Final Award by the end of January 2020.

For further information, please also refer to chapter Essential events after the end of the 12M 2019.

Given that JAA No. 3 was terminated as of 11 July 2018, the Company believes that control over the specific assets owed by JA no longer exists when preparing this year-end report for the 12M 2019. Control is required to consolidate the assets as well as the future results of the JA in the Group accounts.

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

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

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

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

In November 2018, Misen Energy AB (publ) signed the Financing Agreement with PUL for the maximum sum of up to 12 million Euros. The Agreement obliges PUL to provide financing for the Swedish operation and an arbitration proceeding commented by JSC Ukgazvydobuvannya under Arbitration Rules of the Arbitration Institute of Stockholm Chamber of Commerce in July 2016 against Misen Enterprises AB and LLC Karpatygaz.

Under the Financing Agreement, PUL agreed to provide financing on a non-recourse, unsecured and unguaranteed basis. Misen Energy AB (publ) agreed to pay an amount equal to the PUL's outlay on the arbitration proceeding at the date of payment plus 20 % of any final settlement at the arbitration proceeding to PUL. Such fee shall only become payable upon any final settlement of the arbitration claim. If Misen Energy AB (publ) does not achieve success in the arbitration proceeding, PUL shall not be entitled to any fee or repayment of any outlay. The contribution from PUL in accordance with the Financing Agreement is recorded as „Other operating income“.

Misen Energy AB (publ) has a complete control over the arbitration proceeding and has the right to settle with JSC Ukgazvydobuvannya, discontinue proceeding, pursue the proceeding to trial and take any action Misen Energy AB (publ) considers appropriate to enforce the Final Award.

During 12M 2019 PUL has provided additional financing for the arbitration proceeding and the operation of the Swedish companies. For 2018 and 2019 the capital contribution amounts to KEUR 3,380 (KSEK 35,273).

### **Pre-trial Investigations in Criminal Cases**

The pre-trial investigations in criminal cases commenced by the General Prosecutor Office of Ukraine respectively in 2014 and 2017, as supplemented with the JSC Ukrgasvydobuvannya's criminal complaint dated 5 September 2016 and JSC Ukrgasvydobuvannya's motion and notice of commitment of criminal offence dated 21 and 22 February 2017, were ongoing as of the date of this report, to the best knowledge and understanding of Misen Enterprises and LLC Karpatygaz. Any pre-trial investigations in criminal cases are not public under the laws of Ukraine.

In September 2017, JSC Ukrgasvydobuvannya submitted another criminal complaint to the National Anticorruption Bureau of Ukraine (thereafter as "NABU"). In September 2017, NABU finished its pre-trial investigation and submitted a claim to the Commercial Court of Kiev. NABU requested the court to invalidate the Amendment No.4 to the JAA No.3 and the agreement for the provision of services on production, collection, treatment and transportation of natural gas, oil and gas condensate that LLC Karpatygaz concluded with JSC Ukrgasvydobuvannya in April 2011. The court instituted a legal proceeding in October 2017. The preparatory hearings were held in May-August 2018. The Court dismissed jurisdictional objections raised by Misen Enterprises AB and LLC Karpatygaz and moved the case to the consideration phase of the legal proceeding. The Court did not provide reasons for that dismissal.

The hearing was held in October 2018. The Kyiv Economic Court dismissed a claim what regards, among other issues, invalidation of JAA in their entirety. NABU and JSC Ukrgasvydobuvannya appealed against the decision. The appeal court hearing was held in May 2019. The North Economic Court of Appeal dismissed appeal claims submitted by NABU and JSC Ukrgasvydobuvannya. The Court upheld the decision of the first instance court.

On 5 June 2019, the Constitutional Court of Ukraine decided that NABU has no authority to challenge validity of any such agreements. Specifically, the Court decided that "paragraph 13 of part one of Article 17 of the Law of Ukraine "On the National Anti-Corruption Bureau of Ukraine" dated 14 October 2014 No. 1698-VII under which the National Anti-Corruption Bureau of Ukraine is vested with the right "in presence of the grounds provided for by law, to file claims with the court seeking to invalidate transactions according to the procedure established by the laws of Ukraine" be recognized as incompliant with the Constitution of Ukraine (unconstitutional)." The decision of the Constitutional Court of Ukraine is final and binding.

Disregarding the above decision of the Constitutional Court of Ukraine, NABU and JSC Ukrgasvydobuvannya appealed against the decision rendered by the North Economic Court of Appeal. NABU and JSC Ukrgasvydobuvannya claimed, among other issues, that the North Economic Court of Appeal had illegally upheld that Amendment No.4 of JAA No.3 was valid until its termination. In July 2019, the Supreme Court of Ukraine decided to open the cassation proceeding. The hearing was held on 4 September 2019 at which the case consideration was rescheduled to 2 October 2019. On 2 October 2019 the court postponed the hearing until 4 December 2019.

On 4 December 2019 the Supreme Court of Ukraine upheld cassation appeal of NABU and partially upheld cassation appeal of JSC Ukrgasvydobuvannya. At the same time the court cancelled rulings of Kyiv Economic Court and North Economic Court and sent the case for reconsideration in a new circle.

At any event, LLC Karpatygaz and Misen Enterprises AB consider the criminal allegations to be ungrounded and deny them in their entirety. Misen’s position is that the Arbitral Tribunal had the exclusive jurisdiction to determine validity of JAA No.3.

For further information, please also refer to chapter Essential events after the end of the 12M 2019.

### **Contribution to the JA**

Following termination of the JAA No. 3, Misen Enterprises AB considers that no further contributions can be made under JAA No.3. At the ongoing arbitration proceeding, Misen Enterprises AB agrees that damages for the breach of clause of the JAA regarding contribution is the only available remedy, however, argues that JSC Ukrgasvydobuvannya failed to prove loss and causation.

The liability regarding the remaining contribution, previously accounted for in Misen Group, has been reversed as a part of the deconsolidation of JA as of 31 December 2017.

### **Operations in the JA during 12M 2019**

#### ***Production report***

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

	12M 2019	12M 2018	12M 2017	12M 2016	12M 2015	12M 2014
Natural Gas (mmcm)	-	-	-	596.6	687.5	672.0
Gas Condensate (ktons)	-	-	-	31.1	31.9	28.6
Oil (ktons)	-	-	-	5.4	11.1	18.8
LPG (ktons)	-	-	-	8.3	6.1	-

Since December 2016 and before the Arbitral Tribunal rendered Final Partial award to terminate JAA No.3, JSC Ukrgasvydobuvannya continued, as Misen Energy AB (publ) believes, manifestly unlawful actions and refused to provide services in respect to production, collection, treatment and transportation of hydrocarbons to JA (see below “Sale of Hydrocarbons”). Due to this the production of hydrocarbons attributable to JA was zero. Misen Enterprises and Karpatygaz believe that they are entitled to their share of hydrocarbons attributable to JA since December 2016 until termination of JAA No.3 (since June 2017 excluding incremental production of natural gas from leased Booster Compressor Stations (“BCSs”). This issue will be decided by the Arbitral Tribunal in the ongoing arbitration proceeding.

During 12M 2019 the production attributable to the JA was at zero level due to termination of JAA.

#### ***Agreements with Solar Turbines CIS LLC and GEA Luftkuhler GmbH***

In June 2013 and in 2015, Karpatygaz LLC in its capacity as Operator of the Joint Activity and Solar Turbines CIS LLC entered into agreements for equipment supply and maintenance services (as further amended). Solar Turbines CIS LLC rendered the agreed services and supplied equipment, however

the Joint Activity did not pay for the services mainly due to the halted operations of the Joint Activity. As of 31 December 2019, outstanding debt to Solar Turbines CIS LLC amounted to KUSD 969.6 (KSEK 9,054.9).

In May 2015 Karpatygas LLC in its capacity as Operator of the Joint Activity and GEA Luftkuhler GmbH entered into agreements for equipment supply (as further amended). GEA Luftkuhler GmbH supplied agreed equipment, however the Joint Activity did not pay for the services mainly due to the halted operations of the Joint Activity. As of 31 December 2019, outstanding debt to GEA Luftkuhler GmbH amounted to KEUR 991.4 (KSEK 10,383.9).

Misen Enterprises, Karpatygas and JSC Ukrigasvydobuvannya discuss settlement of the debt to Solar Turbines CIS LLC and GEA Luftkuhler GmbH. Under JAA the parties are joint and several liable. Thus, all parties are liable under this agreement. This obligation is included as a contingent liability.

### ***Operation of the Booster Compressor Stations***

In early 2016, the JAA's participants agreed on a lease of the Khrestyschenska BCS to JSC Ukrigasvydobuvannya. UGV had operated this BCS for its sole benefit and paid the corresponding fuel gas costs acquired during the lease period since 1 January 2016 until termination of JAA No.3. The payments under agreements should be made proportionally to all participants by UGV.

In addition, given UGV's refusal to allocate the power supply costs as well as the JA's unavailability to sell hydrocarbons, in May 2017 the Joint Activity leased the remaining six BCSs to JSC Ukrigasvydobuvannya. In May 2018 the Lease Agreements, including Khrestyschenska BCS, were renewed. In accordance to the lease agreements, JSC Ukrigasvydobuvannya covered all the costs related to operation of the BCSs.

JSC Ukrigasvydobuvannya failed to make the lease payments to JA under the signed lease agreement, except the amount paid to JSC Sberbank and to be set off against future liabilities under renewed lease agreements. The monthly lease income amounted to approximately MUAH 18 (MSEK 7) including VAT, while the outstanding receivables amounted to MUAH 224 (MSEK 87) including VAT as of date the Arbitral Tribunal rendered the Final Partial Award to terminate the JAA No.3. Despite the fact that JSC Ukrigasvydobuvannya failed to make lease payments according to the agreements, JA has made VAT payments until termination of JAA No.3.

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

Misen Enterprises AB and LLC Karpatygas believe that starting from 11 July 2018, when the Arbitral Tribunal rendered the Final Partial Award to terminate JAA No.3, the lease agreements ceased to exist. As of 31 December 2019, Misen Enterprises AB, LLC Karpatygas and JSC Ukrigasvydobuvannya reached no agreement what regards operation of the booster compressor stations and the related costs.

### ***Subsoil use charge***

As previously reported, due to the 70% subsoil use charge applicable to JA, in October 2015, the Company submitted a notice of investment dispute to the Government of Ukraine in accordance with the Agreement between the Government of the Kingdom of Sweden and the Government of the Ukraine on the Promotion and Reciprocal Protection of Investments.

The Government of Ukraine continued to impose the exorbitant subsoil charge to the Joint Activity until termination of JAA No.3 on 11 July 2018. Up until termination of the JAA No.3 on 11 July 2018, the Company reached no amicable resolution of the dispute with the Government of Ukraine.

Misen Energy AB (publ) reserves all its rights in this respect.

### ***Tax payments in Ukraine***

Since 2011, JA and its participants have contributed to Ukraine KUAH 11,174,511 (adjusted KSEK 5,243,935) as subsoil use charge, value added tax and corporate profit tax. Despite termination of JAA No.3 on 11 July 2018 JA is still registered as taxpayer with tax authorities of Ukraine. Since 11 July 2018 JA paid KUAH 4,098 (adjusted KSEK 1,300) in VAT related to the lease services till 11 July 2018 (please see section Operation of the Booster Compressor Stations).

### ***Sale of hydrocarbons***

During 2019 JSC Ukrgasvydobuvannya continued, as the Company believes, manifestly unlawful actions and refused to provide services in respect of production, collection, treatment and transportation of hydrocarbons to JA.

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

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

In December 2017, the proceedings in both cases were halted until the final court ruling on case initiated by NABU, as described in the section "Pre-trial Investigations in Criminal Cases" above.

### ***Investment program report***

Due to financial constraints imposed by the increased subsoil use taxation as well as JSC Ukrgasvydobuvannya, as the Company believes, manifestly unlawful actions, since 2017 Misen Group almost completely halted investments into the development program of JA.

Since 2011 and until termination of JAA No.3, the Company has reached the following major milestones:

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



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

### ***Court proceeding in Case No. 910/21720/15***

In 2015, LLC Sberbank Leasing Ukraine (“**Sberbank Leasing**” later as Financial Leasing Center) initiated the court proceeding against JSC Ukgasvydobuvannya, LLC Karpatygaz and Misen Enterprises AB seeking to enforce the contract and recover penalties. Sberbank Leasing claims that JA failed to deliver the equipment within the terms of the contract and, therefore, Sberbank Leasing is entitled to recover penalties. Contrary to this, LLC Karpatygaz claims that the Joint Activity could suspend delivery of the equipment and, therefore, the Joint Activity had committed no violations. In October 2016, the Supreme Economic Court of Ukraine reversed decisions of the lower courts. The Ukrainian courts considered the case in a new circle. In February 2017 Sberbank Leasing changed its claims seeking now to recover USD 37,219,502 (SEK 365,350,651) of advance payment and UAH 352,987,638 (SEK 142,111,411) as foreign exchange losses and fines. In March 2017, Sberbank Leasing was renamed to Financial Leasing Center following the change of owners. In September 2017, the Supreme Economic Court of Ukraine again sent the case for reconsideration in a new circle. In October 2017 Kyiv Economic Court engaged the Specialized Anti-Corruption Prosecutor's Office.

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

By the Ruling dated 1 July 2019 the Kyiv Commercial Court resolved to re-open the proceeding in the case. LLC Karpatygaz filed a claim to the Kyiv Commercial Court and requested the Court to return the submission of Center of Financial Leasing without consideration. The Court held preparatory hearing in the case in July 2019.

At the hearing held on 16 September 2019 the Court rescheduled the hearing on 7 October 2019 and then on 11 November 2019.

On 11 November 2019, Kyiv Commercial Court rendered a judgment granting the claims of Financial Leasing Center for recovery USD 37,219,201.00 (UAH 911,948,019.95) from JSC Ukgazvydobuvannya, Misen Enterprises AB and LLC Karpatygaz jointly. LLC Karpatygaz and JSC Ukgazvydobuvannya appealed the judgment.

On 20 December 2019 the North Economic Court of Appeal halted the procedure initiated by JSC Ukgazvydobuvannya and ruled to amend appeal according to Code of Civil Procedures of Ukraine in 10 days.

On 26 December 2019 the North Economic Court of Appeal halted the procedure initiated by LLC Karpatygaz and ruled to amend appeal according to Code of Civil Procedures of Ukraine in 10 days.

For further information, please also refer to chapter Essential events after the end of the 12M 2019.

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

In December 2016, Sberbank Leasing initiated another case against JSC Ukgasvydobuvannya, LLC Karpatygaz and Misen Enterprises AB seeking to recover UAH 1,397,704,127 (SEK 562,710,091). Financial Leasing Center claims that the Joint Activity failed to deliver the equipment within the terms of the contract and thereby Financial Leasing Center was deprived of profit under the leaseback agreement. In June 2017, Financial Leasing Center filed additional claim to recover USD 10,170,581 (SEK 99,835,522) of lost profit. Kyiv Economic Court resolved to recover only

UAH 237,507,020 (SEK 95,619,376) of lost profit. In June 2018 the judge of Kyiv Economic Court recused himself based on the request of Financial Leasing Center.

On 13 August 2018, Kyiv Economic Court of Appeal upheld the decision of the first instance court and resolved to recover UAH 237,507,020 (SEK 95,619,376) of lost profit and UAH 9,856 (SEK 3,968) of court costs to Financial Leasing Center. This decision was subject to an immediate enforcement.

LLC Karpatygaz challenged the decision in the Supreme Economic Court of Ukraine. On 30 August 2018 Supreme Economic Court of Ukraine ruled to halt enforcement of ruling of Kyiv Economic Court of Appeal until it will be reconsidered according to cassation procedure.

The hearing was held in February 2019. Supreme Economic Court partially upheld cassation appeals of JSC Ukrgasvydobuvannya, LLC Karpatygaz and Misen Enterprises AB and annulled rulings of lower instance courts. The Court send Financial Leasing Center's claim to recover lost profits for a retrial to a court of first instance. By its ruling dated 7 May 2019 the Kyiv Commercial Court decided to hold the preparatory hearing on 5 September 2019. On 10 September 2019 the Kyiv Commercial Court suspended the court proceedings in that case upon a request of LLC Karpatygaz, until the final judgment in the case no. 910/21720/15.

Misen and Karpatygaz consider that all the claims are unlawful and believe that final court decision will abolish the decisions of lower courts.

## **Essential events after the end of the 12M 2019**

### ***Ongoing arbitration under JAA No.3***

On 31 January 2020 following the request of the Arbitral Tribunal, the Arbitration Institute of the Stockholm Chamber of Commerce decided that the Final Award shall be rendered by 31 March 2020.

### **Court proceeding in Case No. 910/18439/17 (National Anticorruption Bureau of Ukraine)**

By ruling dated 11 January 2020 the Kyiv Commercial Court resolved to open the proceeding in the case and scheduled to hold preparatory hearing on 4 February 2020. On 4 February 2020 the Kyiv Commercial Court rescheduled on 12 March 2020.

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

#### **Court proceeding in Case No. 910/21720/15**

On 2 January 2020 the North Economic Court resolved to open appeal procedure initiated by JSC Ukgazvydobuvannya and scheduled to hold hearing on 5 February 2020.

On 13 January 2020 the North Economic Court resolved to open appeal procedure initiated by LLC Karpatygaz and scheduled to hold hearing on 5 February 2020.

On 5 February 2020 the North Economic Court combined appeal procedures initiated by LLC Karpatygaz and JSC Ukgazvydobuvannya and scheduled the hearing to 4 March 2020.

### **Loan Agreement with SP Holdings Limited**

On 12 February 2020, Misen, PUL and SP Holdings signed an additional agreement to the Financing Agreement dated 28 November 2018 whereby from 1 October 2019 all rights and obligations of SP Holdings Limited deriving from the Loan Agreement have acquired PUL's Capital Partner's rights and obligations under the Financing Agreement. As a result of that, SP Holding Limited is not entitled to a lenders fee alongside with repayment of the loan amount. Instead, SP Holdings will be entitled to a portion of any final settlement of the arbitration claim.

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

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Misen Group net turnover for Q4 2019 was KSEK 6,113 (KSEK 20,636) and the Parent Company net turnover for this period was KSEK 5,969 (KSEK 3,437). Including capital contribution from PUL of KSEK 4,564 (KSEK 8,190).

Misen Group net turnover for 12M 2019 was KSEK 28,071 (KSEK 26,525) and the Parent Company net turnover for this period was KSEK 20,333 (KSEK 7,620) Including capital contribution from PUL of KSEK 21,878 (KSEK 13,395).

In Q4 2019 loss after financial items for the Misen Group was KSEK -10,867 (profit KSEK 10,519) the Parent Company profit after financial items made up KSEK 5,627 (loss KSEK -708).

For 12M 2019 loss after financial items for the Misen Group was KSEK -18,974 (KSEK -4,320) the Parent Company profit after financial items made up KSEK 5,675 (loss of KSEK -6,402).

Since 31 December 2017, JA is no longer consolidated into the accounts of Misen Energy since control ceased to exist. JAA No.3 was terminated on 11 July 2018.

During 12M 2019, due to termination of JAA, the production of hydrocarbons attributable to JA was zero (zero level during the same period 2017 due to violation by JSC Ukgazvydobuvannya of JAA).

#### **Financial assets and liabilities**

As of date of termination JAA, JA has KUAH 168,779 (KSEK 65,846) of written off bad debts. The subsidiary LLC Karpatygas, as the Operator of JA, is engaged in constructive negotiations with the debtors. The settlement of these outstanding obligations is also sought through the court proceedings in Ukraine.

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

#### **Contingent liabilities**

As of 31 December 2019, Misen group contingent liabilities amounted to KSEK 36,125 (KSEK 27,027 as of 31 December 2018), the change is mainly explained by the inventory of assets and liabilities that have taken place as a part of the ongoing arbitration proceedings.

As described above, the Group is also involved in two court proceedings with Sberbank Leasing (Court proceeding in Case No. 910/21720/15 and Court proceeding in Case No. No. 910/24412/16). The outcome of these court proceedings is uncertain at the date of this report.

#### **Cash position**

As of 31 December 2019, the cash balance of the Misen Group was KSEK 130 (KSEK 42). The cash flow from operations after changes in working capital for 12M 2019 was KSEK -112 (KSEK -14,537).

## Capital expenditure

The Misen Group's capital expenditure on equipment for gas production in Ukraine related to the JA activity during 12M 2019 was at zero level due to deconsolidation as described above.

## Amendments to the tax code

As reported in previous reports, as of 1 January 2015 Ukrainian Parliament adopted amendments to the tax code. According to the adopted amendments, Joint Activities are not corporate profit tax ("CPT") payers starting from 2015. Instead, Joint Activities' operators are liable to pay income taxes on behalf of the participants. In December 2015 Ukrainian Parliament adopted additional amendments to the tax code. According to these amendments the CPT return is submitted within 40 days after the end of reporting period on a quarterly basis. The CPT obligations are based on the tax returns for the previous quarter and are paid within 10 days after submission of the return.

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

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

Despite termination of JAA No.3 on 11 July 2018 JA is still registered as taxpayer with tax authorities of Ukraine and obliged to pay taxes according to the Tax Code if such obligations will arise.

## Expected future development of the Company and going concern

As described earlier in this report, the participants of the JAA No.3 have confirmed their agreement to terminate the JAA No 3 on 24 January 2018 and the JAA No.3 was terminated on 11 July 2018. Due to this fact, JA can no longer be considered a going concern. The value of the net assets and the size of the any compensation entitled to the Group as a consequence of the termination of JAA No.3 is uncertain at the date of this report. To account for an asset in accordance with IFRS the asset needs to be virtually certain which is not the case as the size of any compensation is dependent on the outcome of the arbitration.

For the remaining operations of the Group a long-term financing agreement with PUL was signed 21 November 2018. Financing received under the financing agreement is expected to cover arbitration costs and other operating expenses in the Swedish Group. Group accounts are therefore prepared based on the going concern assumption.

## Sector information - the Misen Group

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

### Geographical area

	31 Dec 2019	31 Dec 2018
<i>(All amounts in KSEK)</i>		
Net sales, external:		
Sweden	--	--
Ukraine	347	297
Fixed assets:		
Sweden	--	--
Ukraine	123	296

### Transactions with related parties

	31 Dec 2019	31 Dec 2018
<i>(All amounts in KSEK)</i>		
Management, Board and major Shareholders:		
Income statement:		
Purchase of services	13,359	8,639
Interest and fees, cost	8,033	574
Capital contribution, income	21,877	13,283
Balance sheet		
Salaries and remunerations	6,509	5,173
Short-term debts	20,069	5,204
Long-term debts	--	--

### Environmental impact

Since the JA has been terminated the Group no longer faces any environmental risks.

## **Accounting principles**

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

IFRS 16, Leasing, applies from January 1, 2019 and mean that almost all leases are reported in the balance sheet. Misen Energy AB (publ) has chosen to apply the simplified transition method and will not recalculate the comparative figures. The company's lease commitments consist solely of lease agreements for premises and thus the new standard did not have any material impact on the company's financial reports.

## **Financial and other risks**

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

The current financial and other risks relate to the outcome of the ongoing arbitration proceeding what regards compensation to Misen Enterprises AB and LLC Karpatygaz for their share in the Joint Activity, enforcement of the arbitral awards rendered in accordance to the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce and other risks related to the multiple court proceedings in Ukraine.

A more in-depth explanation of the different risk exposures in the Company's business is included in the annual report 2018.

## **First North**

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

## **Publication of the January - December 2019 year-end report**

This January – December 2019 year-end report is published at the Company's website (<http://www.misenenergy.se>), and a printed version can be ordered at [info@misenenergy.se](mailto:info@misenenergy.se).

*This information is information that Misen Energy AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CET on 28 February 2019.*

## Future reports and events

Next report, the annual report 2019, will be published on 8 April 2020.

The AGM will be held 29 April 2020.

The report for the first quarter 2020 will be published 29 May 2020.

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

## Stockholm, 28 February 2020

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

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

The registered office of Misen Energy AB (publ) is in Stockholm and the shares are traded on First North Growth Market under identification ticker MISE. The Certified Adviser of the company at Nasdaq First North Growth Market is Erik Penser Bank AB, tel.: +46 8 463 80 00, e-mail: [certifiedadviser@penser.se](mailto:certifiedadviser@penser.se).

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



**CONDENSED INCOME STATEMENT-THE GROUP**

	1 Oct - 31 Dec 2019 3 months	1 Oct - 31 Dec 2018 3 months	1 Jan - 31 Dec 2019 12 months	1 Jan - 31 Dec 2018 12 months
<i>All amounts in KSEK</i>				
<b>Operating revenue</b>				
Net sales	102	11	347	297
Other operating income	6,011	20,625	27,724	26,228
	<b>6,113</b>	<b>20,636</b>	<b>28,071</b>	<b>26,525</b>
<b>Operating expenses</b>				
Other external expenses	-9,564	-5,013	-23,127	-17,496
Personnel expenses	-1,992	-7,005	-13,334	-13,048
Depreciation and amortisation of tangible and intangible fixed assets	-30	-47	-97	-71
Other operating cost	-1,719	-50	-4,869	-50
	-13,305	-12,115	-41,427	-30,665
<b>Operating income/loss</b>	<b>-7,192</b>	<b>8,521</b>	<b>-13,356</b>	<b>-4,140</b>
<b>Financial items</b>	<b>-3,675</b>	<b>1,998</b>	<b>-7,970</b>	<b>-180</b>
<b>Profit/loss after financial items</b>	<b>-10,867</b>	<b>10,519</b>	<b>-21,326</b>	<b>-4,320</b>
Taxes for the period	0	0	0	0
<b>Profit/loss for the period</b>	<b>-10,867</b>	<b>10,519</b>	<b>-21,326</b>	<b>-4,320</b>
<b>Profit is attributable to:</b>				
Owners of Misen Energy AB (publ)	-2,679	4,962	-7,951	-5,592
Non-controlling interests	-8,188	5,557	-13,375	1,272
	-10,867	10,519	-21,326	-4,320
<b>Statement of comprehensive income - The Group</b>				
<b>Net profit for the period</b>	<b>-10,867</b>	<b>10,519</b>	<b>-21,326</b>	<b>-4,320</b>
<b>Other comprehensive income</b>				
Items possible for later reclassification in income statement:				
Translation differences	-77	74	582	-87
<b>Other comprehensive income for the period, net after taxes</b>	<b>-77</b>	<b>74</b>	<b>582</b>	<b>-87</b>
<b>Total comprehensive income for the period</b>	<b>-10,944</b>	<b>10,593</b>	<b>-20,744</b>	<b>-4,407</b>
<b>Total comprehensive income for the period is attributable to:</b>				
Owners of Misen Energy AB (publ)	-2,717	5,000	-7,656	-5,637
Non-controlling interests	-8,227	5,593	-13,088	1,230
	-10,944	10,593	-20,744	-4,407
<b>Net earnings per share, attributable to the owners of Misen Energy AB's (publ) (in SEK per share)</b>				
Net earnings for the period, before and after dilution	-0.02	0.03	-0.05	-0.04
Average number of shares for the period was 145,068,222				

**CONDENSED BALANCE SHEET-THE GROUP**

<i>All amounts in KSEK</i>	31 Dec 2019	31 Dec 2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible fixed assets	0	1
Tangible fixed assets	123	295
<b>Total non-current assets</b>	<b>123</b>	<b>296</b>
<b>Current assets</b>		
Stock	41	95
Accounts receivable	5,463	8,384
Other receivables	3,358	2,834
Prepaid expenses and accrued income	281	351
<b>Total current assets</b>	<b>9,143</b>	<b>11,664</b>
<b>Cash and bank balances</b>	<b>130</b>	<b>42</b>
<b>Total current assets</b>	<b>9,273</b>	<b>11,706</b>
<b>TOTAL ASSETS</b>	<b>9,396</b>	<b>12,002</b>

<i>All amounts in KSEK</i>	31 Dec 2019	31 Dec 2018
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to owners of Misen Energy AB (publ)	-29,538	-19,901
Non-controlling interests	-5,430	5,677
<b>Total equity</b>	<b>-34,968</b>	<b>-14,224</b>
<b>Current liabilities</b>		
Accounts payable	23,741	15,438
Short-term loans	2,618	2,553
Other short-term debt	3,375	2,480
Accrued expenses and deferred income	14,630	5,755
<b>Total current liabilities</b>	<b>44,364</b>	<b>26,226</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,396</b>	<b>12,002</b>

CONDENSED STATEMENT OF CHANGES IN EQUITY - THE GROUP

	Attributable to owners of Misen Energy AB (publ)				Total	Non-controlling interests	Total equity
	Share capital	Other equity	Other reserves	Retained earnings			
<i>All amounts in KSEK</i>							
<b>Equity brought forward 2018-01-01</b>	<b>290,136</b>	<b>-274,435</b>	<b>-237</b>	<b>-6,805</b>	<b>8,659</b>	<b>-28,604</b>	<b>-19,945</b>
<b>Net result</b>							
Net result of the year 2018	0	0	0	-5,592	-5,592	1,272	-4,320
<b>Other comprehensive income</b>							
Translation difference	0	0	0	-45	-45	-42	-87
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-5,637</b>	<b>-5,637</b>	<b>1,230</b>	<b>-4,407</b>
<b>Transactions with non-controlling interests</b>							
Sale of shares in subsidiary	0	0	0	11,348	11,348	-1,220	10,128
Other transactions with non-controlling interests				-34,271	-34,271	34,271	0
<b>Total transactions with non-controlling interests</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-22,923</b>	<b>-22,923</b>	<b>33,051</b>	<b>10,128</b>
<b>Equity brought forward 2018-12-31</b>	<b>290,136</b>	<b>-274,435</b>	<b>-237</b>	<b>-35,365</b>	<b>-19,901</b>	<b>5,676</b>	<b>-14,224</b>
<b>Equity opening balance 2019-01-01</b>	<b>290,136</b>	<b>-274,435</b>	<b>-237</b>	<b>-35,365</b>	<b>-19,901</b>	<b>5,676</b>	<b>-14,224</b>
<b>Total comprehensive income</b>							
Net result of the year 2019				-7,951	-7,951	-13,375	-21,326
<b>Other comprehensive income</b>							
Translation difference				295	295	287	582
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-7,656</b>	<b>-7,656</b>	<b>-13,088</b>	<b>-20,744</b>
<b>Transactions with non-controlling interests</b>							
Other transactions with non-controlling interests				-1,982	-1,982	1,982	0
<b>Equity brought forward 2019-12-31</b>	<b>290,136</b>	<b>-274,435</b>	<b>-237</b>	<b>-45,003</b>	<b>-29,539</b>	<b>-5,430</b>	<b>-34,968</b>

## CONDENSED STATEMENT OF CASH FLOWS - THE GROUP

	1 Jan-31 Dec 2019 12 months	1 Jan-31 Dec 2018 12 months
<i>All amounts in KSEK</i>		
<b>Operating activities</b>		
Operating income	-13,356	-4,140
Adjustment for non-cash items	4,894	-8,373
Interest and dividends received	5	4
Interest paid	-5	-53
Income tax	-87	-7
<b>Cash flow from operating activities before working capital changes</b>	<b>-8,549</b>	<b>-12,569</b>
Decrease(+)/increase in stocks	70	-94
Decrease(+)/increase in receivables	-296	857
Decrease(-)/increase in short-term debts	8,663	-2,731
<b>Cash-flow from operating activities</b>	<b>-112</b>	<b>-14,537</b>
<b>Investing activities</b>		
Acquisition of tangible and intangible assets	-54	-536
Sale of tangible and intangible assets	251	247
Sale of shares in subsidiary	-	10,128
<b>Cash flow from investing activities</b>	<b>197</b>	<b>9,839</b>
<b>Financing activities</b>		
Change in interest bearing debt (increase+)	-	2,553
<b>Cash flow from financing activities</b>	<b>0</b>	<b>2,553</b>
Cash flow for the period	85	-2,145
Cash at the beginning of the period	42	2,181
Exchange rate difference in cash	3	6
<b>Cash at the end of the period</b>	<b>130</b>	<b>42</b>

**CONDENSED INCOME STATEMENT - PARENT COMPANY**

(Misen Energy AB (publ))

	1 Oct - 31 Dec 2019 3 months	1 Oct - 31 Dec 2018 3 months	1 Jan-31 Dec 2019 12 months	1 Jan-31 Dec 2018 12 months
<i>All amounts in KSEK</i>				
<b>Operating revenue</b>				
Other operating income	5,969	3,437	20,333	7,620
	<b>5,969</b>	<b>3,437</b>	<b>20,333</b>	<b>7,620</b>
<b>Operating expenses</b>				
Other external expenses	174	-3,531	-7,835	-8,386
Personnel expenses	-527	-251	-6,862	-5,869
	<b>-353</b>	<b>-3,782</b>	<b>-14,697</b>	<b>-14,255</b>
<b>Operating result</b>	<b>5,616</b>	<b>-345</b>	<b>5,636</b>	<b>-6,635</b>
Result from sale of subsidiary	0	0	0	488
Financial items net	59	-363	58	-255
	<b>59</b>	<b>-363</b>	<b>58</b>	<b>233</b>
<b>Profit/loss after financial items</b>	<b>5,675</b>	<b>-708</b>	<b>5,694</b>	<b>-6,402</b>
Taxes for the period	-	-	-	-
	<b>5,675</b>	<b>-708</b>	<b>5,694</b>	<b>-6,402</b>
<b>Net profit/loss</b>	<b>5,675</b>	<b>-708</b>	<b>5,694</b>	<b>-6,402</b>
<b>Statement of comprehensive income - Parent company</b>				
Net profit/ loss for the period	5,675	-708	5,694	-6,402
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>5,675</b>	<b>-708</b>	<b>5,694</b>	<b>-6,402</b>

**CONDENSED BALANCE SHEET - PARENT COMPANY**

(Misen Energy AB (publ))

*All amounts in KSEK* 31 Dec 2019 31 Dec 2018**ASSETS****Non-current assets****Financial fixed assets**

Shares in subsidiaries

332,359 313,359

**Total financial fixed assets**332,359 313,359**Total fixed assets**332,359 313,359**Total non-current assets**332,359 313,359**Current receivables**

Other receivables

7 1

Prepaid expenses and accrued income

305 339

312 340**Cash and bank balances**

- 35

**Total current assets**312 375**TOTAL ASSETS**332,671 313,734*All amounts in KSEK* 31 Dec 2019 31 Dec 2018**EQUITY AND LIABILITIES****Equity****Restricted equity**

Share capital

290,136 290,136

Statutory reserves

345 345

290,481 290,481**Non-restricted equity**

Profit/Loss brought forward

-2,815 3,588

Profit/loss for the year

5,694 -6,402

2,879 -2,814**Total equity**293,360 287,667**Non-current liabilities**

Other long-term debts to group companies

88 88**Total non-current liabilities**88 88**Current liabilities**

Accounts payable

17,880 10,602

Short-term loans

2,618 2,553

Other short-term liabilities

452 417

Other short-term liabilities group

5,929 8,114

Accrued expenses and deferred income

12,344 4,293**Total current liabilities**39,223 25,979**TOTAL EQUITY AND LIABILITIES**332,671 313,734

**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
<b>Equity brought forward 2018-01-01</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-710,697</b>	<b>294,069</b>
<b>Net result</b>					
Result of the year 2018	-	-	-	-6,402	-6,402
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-6,402</b>	<b>-6,402</b>
<b>Equity brought forward 2018-12-31</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-717,099</b>	<b>287,667</b>
<b>Equity opening balance 2019-01-01</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-711,402</b>	<b>287,667</b>
<b>Net result</b>					
Result of the year 2019	-	-	-	5,694	5,694
<b>Equity brought forward 2019-12-31</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-711,402</b>	<b>293,358</b>

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

(Misen Energy AB (publ))

	1 Jan-31 Dec 2019 12 months	1 Jan-31 Dec 2018 12 months
<i>All amounts in KSEK</i>		
Operating activities		
Operating income	5,636	-6,635
Interest paid	-5	-53
<b>Cash flow from operating activities before working capital changes</b>	<b>5,631</b>	<b>-6,688</b>
Decrease(+)/increase in receivables	-13,043	40
Decrease(-)/increase in accounts payable	7,406	-7,057
Decrease(-)/increase(+) in short term debts	-29	-585
<b>Cash flow from operating activities</b>	<b>-35</b>	<b>-14,290</b>
<b>Investment activities</b>		
Sale of shares in subsidiary	-	10,128
<b>Cash flow from investing activities</b>	<b>0</b>	<b>10,128</b>
<b>Financing activities</b>		
Change in interest bearing debt	-	2,553
<b>Cash flow from financing activities</b>	<b>0</b>	<b>2,553</b>
Cash flow for the period	-35	-1,609
Cash at the beginning of the period	35	1,644
<b>Cash at the end of the period</b>	<b>0</b>	<b>35</b>



## Alternative Performance Measures – Group

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

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

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

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

## CONDENSED FINANCIAL AND OPERATIONAL KEY RATIOS

	1 Jan - 31 dec 2019 12 months	1 Jan-31 Dec 2018 12 months
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### The Group

#### Financial key ratios

EBITDA (KSEK)	-13,259	-4,069
Financial cost	-8,038	-629
Profit/loss per share before dilution SEK*	-0.05	-0.03
Profit/loss per share after dilution SEK*	-0.05	-0.03
Return on equity (ROE)	n.a.	neg
Return on capital employed (ROCE)	n.a.	neg
Debt/equity ratio	neg	neg
Equity ratio	neg	neg
Share of risk bearing capital	neg	neg
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)	5,636	-6,635
Profit/loss per share before dilution SEK*	0.04	-0.04
Profit/loss per share after dilution SEK*	0.04	-0.04
Return on equity (ROE)	n.a.	neg
Return on capital employed (ROCE)	n.a.	neg
Debt/equity ratio	0.9%	-
Equity ratio	88.2%	91.9%
Share of risk bearing capital	88.2%	91.9%
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. 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.
8. Proportion of risk-bearing capital %, defined as the sum of of the Group's and Parent Company's respective equity and deferred tax (including minority interest) divided by the balance sheet total.
9. 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.