

## Interim report January - March 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 1 July 2011 represent the Misen Group. The structure of the Misen Group remains the same 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 Ukrigasvydobuvannya (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 Ukrigasvydobuvannya.

#### Results for the First Quarter 2014 (within brackets same period 2013)

Consolidated operating group income	KSEK 65,237 (132,942)
Consolidated group net turnover	KSEK 166,174 (231,108)
Earnings per share	SEK 0.10 (0.72)
Parent company operating income	KSEK -5,929 (-3,911)
Parent company net turnover	KSEK 0 (0)

## **2. Essential Events During the Period January – March 2014**

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### **Gas balance situation**

The pattern of being excluded from the gas balance continued in the first quarter 2014 and in February the JA has accumulated an inventory of six months production of natural gas in the underground storage, thus sustaining a negative impact on both the income and the cash flow of the Misen Group.

To address the situation, on 13 January 2014 the Company submitted to Ukraine a formal Notice of Investment Dispute under the Agreement between the Government of Ukraine and the Government of the Kingdom of Sweden concerning the Promotion and Reciprocal Protection of Investments (BIT), as well as under the Energy Charter Treaty. If the problems described in the Notice of Investment Dispute cannot be settled within six months, the Company reserves its right to submit the dispute for international arbitration in accordance with the BIT.

As of the end of March 2014 the Company negotiated sales of 128 mmcm of the natural gas. 88 mmcm from this constitutes 50% of production volumes from Q1 2014, and 40 mmcm have been allocated from the stock produced in 2013 and stored in the underground storages. This allowed the Company's subsidiary LLC Karpatygaz to initiate a series of payments of JA's debts.

Sales of additional production entitlements are being negotiated. Management trusts that the situation with production to storage could be discontinued, and uncertainty for the future business and going concern is thus expected to decrease.

### **Financing from the Fund**

Within the framework of the financing agreement between the Company and a Dutch financing fund (Stichting Bewaarder Pluribus Optimum Fund), whereby the Company has been granted a financial facility of up to KEUR 7,500 (corresponding to approximately KSEK 66,200), a tranche of KEUR 550 (KSEK 4,890) was drawn during the first quarter of 2014. Accordingly, the total debt under the financing agreement as of 31 March 2014 is KEUR 4,750 (KSEK 43,225). During the first quarter 2014 a settlement has been reached with the fund, whereby the Company has been granted financing sufficient for the Company's Swedish operations for the year 2014. As a security for the loan the Company has pledged 10% of shares in the subsidiary Misen Enterprises AB to the fund, this is reflected under the pledged assets in the Company's financials.

### **Amendment No. 6 to the JAA**

On 21 February 2014, a new Amendment No. 6 to the JAA was signed and is pending approval with the Ukrainian State authorities. This was preceded by negotiations regarding extension of the Company's subsidiary Misen Enterprises AB obligation to contribute to JA KUSD 12,516 (KSEK 80,685) under the Amendment No. 5. With the full support and understanding from all related parties, the newly signed amendment provides greater authority to JA's Management Committee, which in turn

agreed on extension of Misen Enterprises AB obligation to contribute funding until 31 December 2014.

In addition, Amendment No. 6 excluded inoperative well stock that fell under the expiring licenses held by PJSC Ukrgasvydobuvannya, thus addressing and mitigating company-related license risks.

The above-mentioned signing of Amendment No. 6, effectively cancels the previously signed and announced Amendment No. 6 (in April 2013).

### Investment program

Due to the constrains imposed on JA's ability to dispose of its production entitlements, the Company has introduced a temporary measure of suspending new investments during the first quarter 2014. Provided situation with the gas balance is solved, this temporary measure shall be revoked and the investment program will continue as planned. The Company will inform on progress.

### Production report

The table below sets forth the **average daily production** indicators by the end of the specified period:

	Q1 2014	Q1 2013
Natural Gas (mmcm*)	1.97	1.7
Gas Condensate (tons)	89.3	85.3
Oil (tons)	62.6	57.1

*\*million cubic meters*

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

	Q1 2014	Q1 2013
Natural Gas (mmcm)	174	152
Gas Condensate (ktons*)	8.1	7.6
Oil (ktons)	5.7	5.1

*\* thousand tons*

### Observation List

In January 2014, the Company was transferred to the Observation List on the First North NASDAQ OMX Nordic Exchange Stockholm AB. The reasons for assigning the Company an observation status are not primarily related to the ongoing financial difficulties, but are rather triggered by concern over the Company's control of its assets and the overall uncertainty related to the turbulent political and economic situation in Ukraine.

Under the Swedish stock exchange rules, transfer to the Observation List is a signal to the market/shareholders that the development of the company should be closely monitored. The Company shall continue following the situation and will be reporting on material developments as they occur.

#### **Essential events after end of the first quarter 2014**

As of the end of April 2014, the Company negotiated additional sales of 60 mmcm of the natural gas that has been allocated from the stock produced in 2013 and stored in the underground storages. This allows the Company's subsidiary LLC Karpatygaz to continue payments of JA's debts.

The gas balance issue is given certain progress, but the Company could not identify it as being solved. The pattern of being excluded from the gas balance continues in the second quarter of 2014. As of the beginning of May 2014, the JA keeps accumulated inventory of five months production of natural gas in the underground storage. Due to the Company subsidiary's inability to sell all of its production entitlements, an uncertainty for the future business and going concern remains, although the management trusts that the situation with production to storage could be discontinued, and uncertainty for the future business and going concern is thus expected to decrease.

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In April 2014, the Company has received all required approvals and confirmations with the Ukrainian State authorities, enforcing de facto and de jure validity of the Amendment No. 6 to the JAA. The Company's commitment to facilitate additional financing to JA, when required, has been reduced to the original value of KUAH 3,000,000 (approximately KSEK 1,760,000) and is reflected in 2014 reports under contingent liability in the Misen Group's accounts.

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

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The Misen Group accounted for an operating income of KSEK 65,237 for the first quarter 2014 as compared to KSEK 132,942 for the same period last year. Profit after financial items for the period was KSEK 22,702, as compared to KSEK 130,420 for the same period last year. The lower result in the quarter is due to the lower sales that in turn are related to the governmental regulations for increased portion of the gas production to be kept as inventory. Also, Misen Group's profit after financial item has deteriorated due to JA's functional currency devaluation in first quarter of 2014, since majority of interest bearing debts are US dollar denominated. The gas production increased in the first quarter 2014 compared to the first quarter 2013 and is on the same level as in the end of 2013.

During the first quarter 2014, the gas production within JA totaled 174 mmcm (152 mmcm in the first quarter 2013), generating a turnover of KSEK 329,607 (KSEK 456,791) of which 50.01 % is attributable to the Misen Group's interest in JA. Due to the governmental regulations, five months of JA production of natural gas is kept in storage as of the end of the first quarter 2014.

Loss after the financial items for the Company in the first quarter of 2014 amounted to KSEK -5,929 (KSEK -3,911).

Misen Group revenue for the first quarter of 2014 was KSEK 166,174 (KSEK 231,108) and the Company revenue for this period was KSEK 0 (KSEK 0).

During the fourth quarter of 2013, JA continued experiencing problems with its gas not being accepted in the Ukrainian gas balance. As a result of this, nothing of the gas production in the fourth quarter 2013 was invoiced to the customers, while five months production was kept in stock. Sales during the first quarter 2014 are mix of gas produced during 2013 and 2014. As of today, no permanent solution to the gas balance problem has been found.

The margin in JA is suffering from the change in sales mix, where the proportion of oil and gas condensate has increased. The lower margin on these products in combination with dropping market prices on gas has lead to that the EBIT margin has in the first quarter of 2014 decreased to 39 % from 58 % in the same period last year.

The decreased value of the UAH has lead to currency losses on the loans held by the JA in other currencies than UAH. These losses are included in the financial items of the Income Statement.

As a result of the problems with the gas balance, the JA has breached covenants under the financing and leasing agreements. Therefore all loans in the JA are defined as short-term in the balance sheet. With a mutual understanding of the situation and trust that production to storage could be discontinued in 2014, the Company's subsidiary is negotiating extensions with the creditors and suppliers.

As security for the loan used for financing of the Company, 10 % of its shares in the subsidiary Misen Enterprises AB were pledged to the Dutch financing fund (Stichting Bewaarder Pluribus Optimum Fund).

As a result of the renegotiated Amendment No. 6 to the JAA, the Company's obligation to provide financing to the JA projects has decreased from KUAH 5,000,000 to KUAH 3,000,000 (KSEK 1,760,000), which is reflected in contingent liabilities.

## **Cash position**

As of 31 March 2014, the cash balance of the Misen Group was KSEK 3,801 (KSEK 27,233). The cash flow from operations before changes in working capital was KSEK 64,871 in the first quarter of 2014 (KSEK 107,850).

## **Capital expenditure**

The Misen Group's capital expenditure on equipment for gas production in Ukraine related to the JA activity in the first quarter 2014 amounted to KSEK 22,477 (KSEK 86,969).

At the end of the first quarter 2014, capital expenditure orders not yet delivered remain at an aggregate value of KSEK 633,447. 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 as soon as the above described business challenges are solved.

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

Provided the situation with the gas balance is resolved within the year 2014, the operations of the JA are expected to develop in a positive way with a continuous substantial growth in production and sale of gas and thereof increasing profits and positive cash flow from operations resulting in an increased shareholder value. In the near future however, the abovementioned problems with the gas balance will continue to negatively impact on the Misen Group income and cash flow.

Please also see the description of problems with the gas balance earlier in 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 IFRS 11 ("Joint Arrangements") does not have an impact on the financial statements of the Company.

## **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 exploration and production of hydrocarbons in Ukraine. 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 continues investigating what measures are needed to extend licenses expiring in 2018, as certain licenses formally expire at that time. It is not expected that any problems will arise with extending the licenses.

The need for funding that may arise in 2014 will be handled through extended credits and, if necessary, adjustments in the investment program (please see chapters above).

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

## **Exchange rate risks**

Due to the political instability in Ukraine during the first quarter of 2014 the rate for UAH towards SEK has decreased from 0.7718 on 31 December 2013 to 0.5750 on 31 March 2014, or -27.7%. Since the Misen Group's operations and net assets are almost entirely located in Ukraine this has caused a negative effect on the Misen Group's equity, decreasing it by KSEK 157,400.

The Company's cash flow and income are hedged against depreciation since the sales price is linked to the gas import price in USD. Up to 70% of the Company's expense is subsoil charge, which is also directly linked to the gas and oil prices in USD. As for the rest of the costs, they will most likely 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.

## **Political risks**

As mentioned in the annual report 2013, in recent years, 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, nationalization, confiscation of assets and legislative changes concerning the level of foreign ownership.

The Company is concerned with the latest events in Ukraine that started evolving during the fourth quarter 2013. At present the Company is experiencing a range of negative impacts observed on the

Misen Group level as described in the previous chapters. The Company continues monitoring the situation.

### First North

Misen Energy AB (publ) is listed on First North, which is an alternative market place operated by NASDAQ OMX Nordic Exchange Stockholm AB and the Company adheres to the rules and regulations for First North. The Certified Adviser of the Company is Thenberg & Kinde Fondkommission AB.

### Sector information - the Misen Group

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

### Geographical area

	31 March 2014	31 March 2013	31 Dec 2013
<i>(All amounts in KSEK)</i>			
Net sales, external:			
Sweden	--	--	--
Ukraine	164,850	228,457	618,332
Fixed assets:			
Sweden	--	--	--
Ukraine	689,616	650,595	904,656

### Transactions with related parties

(Amounts for 31 March 2013 not available)

	31 March 2014	31 Dec 2013
<i>(All amounts in KSEK)</i>		
Ukrigasvydobuvannya:		
Sale	42,114	164,180
Purchase	37,242	179,955
Short-term receivables	--	2,152
Short-term debts	45,950	16,824
Management and Board:		
Purchase of services	516	2,217
Salaries and remunerations	1,101	4,199
Short-term debts	171	--



## Publication of the Q1 interim report

This interim report for the first quarter 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.se](mailto:info@misenergy.se).

## Future reports

Next report, the Q2 report 2014, will be released on 28 August 2014.

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

Stockholm, 27 May 2014

## Misen Energy AB (publ)

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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 OMX First North.

In 2011, Misen Energy AB (publ) acquired Misen Enterprises AB and its Ukrainian subsidiary, LLC Karpatygas, including the rights of 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 OMX First North is Thenberg & Kinde Fondkommission AB.

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

**CONDENSED INTERIM INCOME STATEMENT-THE GROUP**

	1 Jan-31 March 2014 3 months	1 Jan-31 March 2013 3 months	1 Jan-31 Dec 2013 12 months
<i>All amounts in KSEK</i>			
<b>Operating revenue</b>			
Net sales	164,850	228,457	618,332
Other operating income	1,324	2,651	5,243
	<b>166,174</b>	<b>231,108</b>	<b>623,575</b>
<b>Operating expenses</b>			
Other external expenses	-79,133	-88,777	-283,746
Personnel expenses	-4,463	-3,650	-16,536
Depreciation and amortisation of tangible and intangible fixed assets	-6,797	-5,194	-25,251
Other operating cost	-10,544	-545	-20,920
	<u>-100,937</u>	<u>-98,166</u>	<u>-346,453</u>
<b>Operating income</b>	<b>65,237</b>	<b>132,942</b>	<b>277,122</b>
<b>Financial items</b>	<b>-42,535</b>	<b>-2,522</b>	<b>-9,561</b>
<b>Profit/loss after financial items</b>	<b>22,702</b>	<b>130,420</b>	<b>267,561</b>
Taxes for the period	-8,357	-26,101	-59,094
	<u>-8,357</u>	<u>-26,101</u>	<u>-59,094</u>
<b>Profit/loss for the period attributable to the parent company shareholders</b>	<b>14,345</b>	<b>104,319</b>	<b>208,467</b>
<b>Interim Statement of comprehensive income - The Group</b>			
Net profit for the period	14,345	104,319	208,467
Other comprehensive income			
Items possible for later reclassification in income statement:			
Translation differences	-157,400	-5,993	-23,695
Other comprehensive income for the period, net after taxes	<u>-157,400</u>	<u>-5,993</u>	<u>-23,695</u>
<b>Total comprehensive income for the period</b>	<b>-143,055</b>	<b>98,326</b>	<b>184,772</b>
<b>Net earnings per share, allocated to the share owners in the parent company (SEK per share)</b>			
Net earnings for the period, before and after dilution	0.10	0.72	1.43
Average number of shares for the period were 145 068 222.			

## CONDENSED BALANCE SHEET-THE GROUP

<i>All amounts in KSEK</i>	31 March 2014	31 March 2013	31 Dec 2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible fixed assets	36,556	39,700	37,684
Tangible fixed assets	653,060	610,895	866,972
<b>Total non-current assets</b>	<b>689,616</b>	<b>650,595</b>	<b>904,656</b>
<b>Current assets</b>			
Stock	107,334	9,181	142,773
Accounts receivable	73,170	58,723	4,999
Other receivables	37,142	11,865	37,117
Prepaid expenses and accrued income	287	-	237
	<b>217,933</b>	<b>79,769</b>	<b>185,126</b>
Cash and bank balances	3,801	27,233	949
<b>Total current assets</b>	<b>221,734</b>	<b>107,002</b>	<b>186,075</b>
<b>TOTAL ASSETS</b>	<b>911,350</b>	<b>757,597</b>	<b>1,090,731</b>

<i>All amounts in KSEK</i>	31 March 2014	31 March 2013	31 Dec 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>396,215</b>	<b>452,824</b>	<b>539,270</b>
<b>Non-current liabilities</b>			
Long-term loans	43,225	88,760	37,502
Long-term deferred tax liability	8,728	1,334	17,011
Other long-term liabilities	1,751	-	2,468
<b>Total non-current liabilities</b>	<b>53,704</b>	<b>90,094</b>	<b>56,981</b>
<b>Total non-current liabilities</b>			
Accounts payable	131,839	59,751	118,034
Tax debts	-	17,512	-
Short-term loans	214,836	65,481	255,994
Other short-term debt to JA	37,596	37,935	37,733
Other short-term debt	46,177	32,205	74,261
Accrued expenses and deferred income	30,983	795	8,458
<b>Total current liabilities</b>	<b>461,431</b>	<b>213,679</b>	<b>494,480</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>911,350</b>	<b>756,597</b>	<b>1,090,731</b>
<b>Pledged assets</b>	<b>369,829</b>	<b>359,123</b>	<b>613,592</b>
<b>Contingent liabilities</b>	<b>1,924,789</b>	<b>2,633,653</b>	<b>4,114,931</b>

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>	-	-	-	0	0
Net profit of the period Jan-March 2013	-	-	-	104,319	104,319
<b>Other comprehensive income</b>	-	-	-	0	0
Translation difference	-	-	-5,993	0	-5,993
<b>Total comprehensive income</b>	<b>290,136</b>	<b>-274,435</b>	<b>-19,080</b>	<b>456,203</b>	<b>452,824</b>
<b>Equity brought forward 2013-03-31</b>	<b>290,136</b>	<b>-274,435</b>	<b>-19,080</b>	<b>456,203</b>	<b>452,824</b>
<b>Equity brought forward 2013-04-01</b>	<b>290,136</b>	<b>-274,435</b>	<b>-19,080</b>	<b>456,203</b>	<b>452,824</b>
<b>Net profit</b>	-	-	-	-	0
Net profit of the period April-Dec 2013	-	-	-	104,148	104,148
<b>Other comprehensive income</b>	-	-	0	-	0
Translation difference	-	-	-17,702	-	-17,702
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-17,702</b>	<b>104,148</b>	<b>86,446</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>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net profit for the year	-	-	-	14,345	14,345
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Translation difference	-	-	-157,400	-	-157,400
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-157,400</b>	<b>14,345</b>	<b>-143,055</b>
<b>Equity brought forward 2014-03-31</b>	<b>290,136</b>	<b>-274,435</b>	<b>-194,182</b>	<b>574,696</b>	<b>396,215</b>

## CONDENSED STATEMENT OF CASH FLOWS - THE GROUP

	1 Jan-31 March 2014 3 months	1 Jan-31 March 2013 3 months	1 Jan-31 Dec 2013 12 months
<i>All amounts in KSEK</i>			
Operating activities			
Operating income	65,237	132,942	277,122
Adjustment for non-cash items	6,797	5,194	19,057
Interest received	0	159	341
Interest paid	-88	-2,680	-678
Income tax	-7,075	-27,765	-78,433
<b>Cash flow from operating activities before working capital changes</b>	<b>64,871</b>	<b>107,850</b>	<b>217,409</b>
	0	0	0
Decrease(+)/increase in stocks	-4,228	-1,374	-137,671
Decrease(+)/increase in receivables	-94,980	-44,322	-884
Decrease(-)/increase in short-term debts	64,666	47,621	155,279
<b>Cash-flow from operating activities</b>	<b>30,329</b>	<b>109,775</b>	<b>234,133</b>
Investing activities			
Acquisition of tangible and intangible assets*	-22,477	-86,969	-370,668
Sale of tangible and intangible assets	0	0	48,812
Change of long-term receivables (increase-)			
<b>Cash flow from investing activities</b>	<b>-22,477</b>	<b>-86,969</b>	<b>-321,856</b>
Financing activities			
Change in long-term debt (increase+)	-2,583	-8,939	75,965
<b>Cash flow from financing activities</b>	<b>-2,583</b>	<b>-8,939</b>	<b>75,965</b>
Cash flow for the period	5,269	13,867	-11,758
Cash at the beginning of the period	949	13,325	13,325
Exchange rate difference in cash	-2,417	41	-618
<b>Cash at the end of the period</b>	<b>3,801</b>	<b>27,233</b>	<b>949</b>

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

**CONDENSED INTERIM INCOME STATEMENT - PARENT COMPANY**

(Misen Energy AB (publ))

	1 Jan-31 March 2014 3 months	1 Jan-31 March 2013 3 months	1 Jan-31 Dec 2013 12 months
<i>All amounts in KSEK</i>			
<b>Operating revenue</b>			
Net sales	0	0	2,730
	<b>0</b>	<b>0</b>	<b>2,730</b>
<b>Operating expenses</b>			
Other external expenses	-4,226	-2,811	-21,746
Personnel expenses	-1,703	-1,100	-2,889
	<b>-5,929</b>	<b>-3,911</b>	<b>-24,635</b>
<b>Operating income</b>	<b>-5,929</b>	<b>-3,911</b>	<b>-21,905</b>
Interest income	-	-	337
Interest expense	-593	-323	-2,998
	<b>-593</b>	<b>-323</b>	<b>-2,661</b>
<b>Profit/loss after financial items</b>	<b>-6,522</b>	<b>-4,234</b>	<b>-24,566</b>
Taxes for the period	0	-	-
<b>Net profit/loss</b>	<b>-6,522</b>	<b>-4,234</b>	<b>-24,566</b>
<b>Interim Statement of comprehensive income - Parent company</b>			
Net loss for the period	-6,522	-4,234	-24,566
Other comprehensive income	0	0	0
Other comprehensive income for the period, net after taxes	0	0	0
<b>Total comprehensive income for the period</b>	<b>-6,522</b>	<b>-4,234</b>	<b>-24,566</b>
<b>Earnings per share allocated to the share owners in the parent company (SEK per share)</b>			
Net earnings for the period, before and after dilution	Neg	Neg	Neg

**CONDENSED BALANCE SHEET - PARENT COMPANY**

(Misen Energy AB (publ))

<i>All amounts in KSEK</i>	31 March 2014	31 March 2013	31 Dec 2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Financial fixed assets</b>			
Shares in subsidiaries	1,001,799	1,001,799	1,001,799
<b>Total financial fixed assets</b>	<b>1,001,799</b>	<b>1,001,799</b>	<b>1,001,799</b>
<b>Total fixed assets</b>	<b>1,001,799</b>	<b>1,001,799</b>	<b>1,001,799</b>
<b>Total non-current assets</b>	<b>1,001,799</b>	<b>1,001,799</b>	<b>1,001,799</b>
<b>Current receivables</b>			
Accounts receivable	0	0	0
Other receivables	342	493	803
Short-term receivables from subsidiaries	4,657	1,513	4,745
Prepaid expenses and accrued income	255	0	227
	<b>5,254</b>	<b>2,006</b>	<b>5,775</b>
<b>Cash and bank balances</b>	<b>156</b>	<b>7,821</b>	<b>479</b>
<b>Total current assets</b>	<b>5,410</b>	<b>9,828</b>	<b>6,254</b>
<b>TOTAL ASSETS</b>	<b>1,007,209</b>	<b>1,011,627</b>	<b>1,008,053</b>

<i>(Misen Energy AB) All amounts in KSEK</i>	31 March 2014	31 March 2013	31 Dec 2013
<b>EQUITY</b>			
<b>Restricted equity</b>			
Share capital	290,136	290,136	290,136
Statutory reserves	345	345	345
	<b>290,481</b>	<b>290,481</b>	<b>290,481</b>
<b>Non-restricted equity</b>			
Profit/Loss brought forward	672,901	697,465	697,466
Profit/loss for the year	-6,522	-4,234	-24,565
	<b>666,379</b>	<b>693,231</b>	<b>672,901</b>
<b>Total equity</b>	<b>956,860</b>	<b>983,712</b>	<b>963,382</b>
<b>Non-current liabilities</b>			
Long-term loan	43,225	25,284	37,502
Other long-term debts to group companies	93	93	93
<b>Total non-current liabilities</b>	<b>43,318</b>	<b>25,377</b>	<b>37,595</b>
Accounts payable	1,230	1,544	3,568
Other short-term liabilities	457	993	333
Accrued expenses and deferred income	5,344	0	3,175
<b>Total current liabilities</b>	<b>7,031</b>	<b>2,537</b>	<b>7,076</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,007,209</b>	<b>1,011,626</b>	<b>1,008,053</b>
<b>Pledged assets</b>	<b>100,333</b>	<b>152</b>	<b>153</b>
<b>Contingent liabilities</b>	<b>39</b>	<b>39</b>	<b>39</b>

**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 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-March 2013	-	-	-	-4,234	-4,234
<b>Other comprehensive income</b>					
Translation difference	-	-	-	-	0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-4,234</b>	<b>-4,234</b>
<b>Equity brought forward 2013-03-31</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-21,053</b>	<b>983,713</b>
<b>Equity brought forward 2013-04-01</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-21,053</b>	<b>983,713</b>
<b>Net profit</b>					
Net profit for the period April - Dec 2013	-	-	-	-20,331	-20,331
<b>Other comprehensive income</b>					
Translation difference	-	-	-	-	0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-20,331</b>	<b>-20,331</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>-41,384</b>	<b>963,382</b>
<b>Net profit</b>					
Net profit of the period Jan-March 2014	-	-	-	-6,522	-6,522
<b>Other comprehensive income</b>					
Translation difference	-	-	-	-	0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-6,522</b>	<b>-6,522</b>
<b>Equity brought forward 2014-03-31</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-47,906</b>	<b>956,860</b>



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

(Misen Energy AB (publ))

	1 Jan-31 March 2014 3 months	1 Jan-31 March 2013 3 months	1 Jan-31 Dec 2013 12 months
<i>All amounts in KSEK</i>			
Operating activities	-5,929	-3,911	-21,905
Operating income	-	-	-
Adjustment for non-cash items	-	-	2
Interest received	-	-323	-
Interest paid	0	0	
<b>Cash flow from operating activities before working capital changes</b>	<b>-5,929</b>	<b>-4,234</b>	<b>-21,903</b>
Cash flow from working capital changes			
Decrease(+)/increase in receivables	521	-1,226	-4,661
Decrease(-)/increase in accounts payable	-2,338	464	2,488
Decrease(-)/increase(+) in short term debts	1,700	-944	-300
<b>Cash flow from operating activities</b>	<b>-6,046</b>	<b>-5,940</b>	<b>-24,376</b>
Financing activities			
Increase in long-term debt	5,723	5,249	16,343
<b>Cash flow from financing activities</b>	<b>5,723</b>	<b>5,249</b>	<b>16,343</b>
Cash flow for the period	-323	-691	-8,033
Cash at the beginning of the period	479	8,512	8,512
<b>Cash at the end of the period</b>	<b>156</b>	<b>7,821</b>	<b>479</b>

**CONDENSED FINANCIAL AND OPERATIONAL KEY RATIOS**

	1 Jan - 31 March 2014 3 months	1 Jan - 31 March 2013 3 months	1 Jan-31 Dec 2013 12 months
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**The Group**
**Financial key ratios**

EBITDA (KSEK)	72,034	138,136	302,373
Profit/loss per share before dilution SEK*	0.10	0.72	1.43
Profit/loss per share after dilution SEK*	0.10	0.72	1.43
Return on equity (ROE)	n.a.	n.a.	38.7%
Return on capital employed (ROCE)	n.a.	n.a.	41.0%
Debt/equity ratio	65.4%	26.9%	54.4%
Equity ratio	43.5%	49.4%	49.5%
Share of risk bearing capital	44.4%	49.4%	51.0%
Weighted average number of shares for the period*	145,068,222	145,068,222	145,068,222
Number of outstanding shares before dilution *	145,068,222	145,068,222	145,068,222
Number of outstanding shares after dilution *	145,068,222	145,068,222	145,068,222
Weighted average number of shares for the period after dilution*	145,068,222	145,068,222	145,068,222

\*Adjusted for amalgamation of shares 100:1 in January 2012

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

EBITDA (KSEK)	neg.	neg.	neg.
Profit/loss per share before dilution SEK*	neg.	neg.	neg.
Profit/loss per share after dilution SEK*	neg.	neg.	neg.
Return on equity (ROE)	n.a.	n.a.	neg.
Return on capital employed (ROCE)	n.a.	n.a.	neg.
Debt/equity ratio	4.5%	2.6%	3.9%
Equity ratio	95.0%	97.2%	95.6%
Share of risk bearing capital	95.0%	97.2%	95.6%
Weighted average number of shares for the period*	145,068,222	145,068,222	145,068,222
Number of outstanding shares before dilution *	145,068,222	145,068,222	145,068,222
Number of outstanding shares after dilution *	145,068,222	145,068,222	145,068,222
Weighted average number of shares for the period after dilution*	145,068,222	145,068,222	145,068,222

\*Adjusted for amalgamation of shares 100:1 in January 2012

**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. Share of risk bearing capital defined as the sum of the group and the parent company's equity and deferred tax liabilities (including minority shares) divided by balance sheet total.
9. Number of outstanding shares with full dilution defined as number of outstanding shares including maximum utilized warrants.
10. Registration of new share issues took place on 31 January 2006; 20 February 2006 and 13 April 2006 of 4,000,000; 2,537,454 and 6,530,546 shares respectively at a price of 0.25 per share.
11. Registration of new share issues took place on 3 November 2006; 21 November 2006 and 22 November 2006 of 988,563; 213,000 and 1,700,089 shares respectively at a price of 1.2240 SEK per share.
12. Registration of an offset issue took place on 30 November 2006.
13. Registration of new share issues took place on 11 January 2007 and 22 February 2007 of 4,650,000 and 1,670,180 shares respectively at a price of 1.2240 SEK per share.
14. Registration of a new share issue took place on 15 March 2007 of 13,200,000 shares at a price of 1.54 SEK per share.
15. Registration of a new share issue took place on 2 April 2007 of 10,185,000 shares at a price of 1.54 SEK per share.
16. Registration of a new share issue on 12 July 2007 of 42,000,000 at a price of 2.40 SEK per share.
17. Registration of a new share issue on 11 February 2009 of 32,339,802 at a price of 0.60 SEK per share.
18. Registration of share capital write-down of 13,849,777.84 SEK on 6 May 2010 without reduction in number of shares. Share capital was thereafter 3,462,444.46 SEK. Quota value per share thereafter 0.02 SEK per share.
19. Registration of a new share issue on 2 September 2010 of 48,000,000 shares at a price of 0.04 per share.
20. Registration of a new share issue on 22 September 2011 of 14,285,700,000 shares at a price of 0.07 SEK per share.
21. On 12 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.