MISEN ENERGY AB (publ.)
556526-3968

Annual report and consolidated financial statements

for the financial year 2020

The Board of Directors and Managing Director present the following annual accounts and the consolidated financial statements.

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Contents Page

Unless otherwise stated, all amounts are reported in KSEK. Information in brackets refers to the previous year.

Administration Report

The Board of Directors and the Managing Director hereby present the following annual accounts and consolidated financial statements for Misen Energy AB (publ) for the financial year 2020.

Misen Energy AB (publ) Corporate Identity Number 556526-3968.

The Misen Energy Group

About the company

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 Kungsportsavenyen 32, 411 36 Gothenburg. The Company is listed at Nasdaq First North Stockholm. The Misen Group ("**Misen Group**" or "**Group**") comprises Misen Energy AB (publ) and the partially owned subsidiaries LLC Karpatygaz (Ukraine) and Misen Enterprises AB (Sweden).

In June 2016, in July 2017 and in November 2017, the Parent Company sold respectively 37.5%, 8% and 2% of Misen Enterprises AB shares to the Hong Kong based company Powerful United Limited ("**PUL**"). The same owners that control the Company's shareholder TCT Holding AB also control PUL. In March 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) remains the owner of 50.5% of Misen Enterprises AB shares and maintains full control of the company. Misen Enterprises AB is consolidated in the Misen Group accounts and the remaining 49.5% held by other investors are accounted for as a non-controlling interest.

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 the Joint Stock Company Ukrgasvydobuvannya ("JSC Ukrgasvydobuvannya" or "UGV") (Ukraine), a wholly owned subsidiary of the National Joint Stock Company Naftogaz of Ukraine (Ukraine). JA 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 by the Partial Final Award rendered 11 July 2018 by the Arbitral Tribunal in the arbitration proceeding under Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce ("SCC Arbitration Rules"). Misen Enterprises AB, LLC Karpatygaz and JSC Ukrgasvydobuvannya endeavour to take all steps necessary and appropriate to given a practical effect to termination of the JAA No.3, including deregistering the Joint Activity in Ukraine.

History

The Parent Company, formerly Svenska Capital Oil AB (publ), was founded in 2004 and its shares have been traded on the First North List at OMX Stockholm since 12 June 2007. During the period from 2005 to 2010, the Company was engaged in the development of geo resources in Ukraine. As the former jointly owned subsidiary LLC Capital Oil Ukraine was sold on 30 December 2010, the Company's oil prospecting in Ukraine came to an end. Starting in 2011, the business has focused on gas extraction within a new joint activity, the JA, in Ukraine. Under this revised business focus, all shares in Misen Enterprises AB and its Ukrainian subsidiary, LLC Karpatygaz, were acquired in 2011.

The Annual General Meeting on 30 June 2011 approved the Board's proposal to acquire all shares in Misen Enterprises AB. This acquisition was completed on 1 July 2011. Payment was made through the issue of new shares in Svenska Capital Oil AB for the entire purchase sum, which amounted to KSEK 999,999. Through this transaction, the five previous owners of Misen Enterprises AB became the dominant shareholders in Svenska Capital Oil AB, with a total shareholding of 98.8% of all shares. Through this, IFRS rules for reverse acquisitions in preparing the consolidated financial statements were applied.

Joint Activity

The Company's partially owned subsidiaries Misen Enterprises AB and LLC Karpatygaz had, between them, rights to 50.01 per cent of the net profit after taxes of a large gas and oil production project in Ukraine. The remaining rights to 49.99 per cent of net profits after taxes belonged to JSC Ukrgasvydobuvannya. The net profit from the gas and oil production project attributable to the parties was calculated based on the production volumes assigned to JA in accordance with JAA No.3. These volumes were calculated as the difference between a production level should investments be undertaken and a predetermined base line of production that would have been produced had the project not existed (i.e. no further investment had taken place).

Implementation of JAA No.3 has significantly contributed to the energy security and independence of Ukraine through sustainable growth in production of natural gas, what was the primary objective of JSC Ukrgasvydobuvannya when entering JAA No.3. The project was managed and supervised by the so-called Management Committee consisting of authorized representatives of the participants of JAA No.3. It was the supreme management body of JA that approved and monitored implementation of Annual Programs in accordance to JAA No.3. Misen Group was represented at the Management Committee of JA by the authorised representatives.

In August 2016 JSC Ukrgasvydobuvannya commenced an arbitration proceeding under JAA No.3 in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce ("SCC Arbitration Rules") and requested the Arbitral Tribunal to invalidate or, alternatively, terminate JAA No.3. in July 2018 the Arbitral Tribunal decided that JAA No.3 shall be terminated due to material change in circumstances and impossibility to achieve the purpose of JAA No.3. Misen Enterprises AB and LLC Karpatygaz sought compensation for their share in the Joint Activity upon termination of JAA No.3.

Risks and risk management

Significant risks that the Group is exposed to and the risk management for these risks are described in the section Supplementary information on page 38-41 as well as in note 22.

Accounting treatment of the Joint Activity

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

In July 2018, the Arbitral Tribunal rendered a Final Partial Award in accordance with the SCC Arbitration Rules. 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, a Final Partial Award acknowledged the following:

> **The Arbitral Tribunal has fully, unanimously and unequivocally dismissed all the claims submitted by JSC Ukrgasvydobuvannya in relation to alleged invalidity of the JAA.** In sum, the Tribunal confirmed that the JAA was 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.
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> **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, among other matters, 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.
>
> **The only instance where the Arbitral Tribunal partially endorsed the position of JSC Ukrgasvydobuvannya is the Tribunal's findings that Misen Enterprises did not meet its obligation to make part of its contribution in the amount of approximately MUSD 8.5 by 31 December 2015 and that Karpatygaz was late under the JAA in equipping certain wells with metering stations.** However, the Arbitral Tribunal decided that these breaches, whether considered alone or together, cannot be characterised as substantially depriving JSC Ukrgasvydobuvannya of what it expected to receive when making the JAA and do not give right for JSC Ukrgasvydobuvannya to terminate the JAA.
>
> **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.**
>
> **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.

Misen Enterprises AB, LLC Karpatygaz and JSC Ukrgazvydobuvannya went through the second phase of the arbitration proceeding. JSC Ukrgazvydobuvannya filed its submission in March 2019. JSC Ukrgazvydobuvannya requested the Arbitral Tribunal, among other issues, to reduce participation share of Misen Enterprises AB and LLC Karpatygaz in JAA No.3 and to award compensation of damages that JSC Ukrgazvydobuvannya allegedly suffered due to non-fundamental breaches of JAA No.3. Misen Enterprises and LLC Karpatygaz filed their submission in June 2019. Misen Enterprises AB and LLC Karpatygaz requested the Arbitral Tribunal to dismiss all the opponent's claims and order to UGV to pay to Misen Enterprises AB and LLC Karpatygaz compensation for their interests in the joint assets.

In March 2020 the Arbitral Tribunal rendered a Consent Award and confirmed the settlement agreement concluded between JSC Ukrgazvydobuvannya, Misen Enterprises AB and LLC Karpatygaz in July 2019. In specific, the following issues were resolved:

JSC Ukrgazvydobuvannya owns hydrocarbons produced using JA's assets from 1 December 2016 to 10 July 2018 (termination of JAA No.3). Total value of the produced hydrocarbons is MUAH 1,200 (MSEK 344) including VAT.

Misen Enterprises AB, Karpatygaz LLC and JSC Ukrgazvydobuvannya should terminate all the court proceedings in relation to the hydrocarbons produced using the JA's assets from 1 December 2016 to 10 July 2018.

Misen Enterprises AB and Karpatygaz LLC waive claims for any payments under the respective agreements for lease of booster compression stations. JSC Ukrgazvydobuvannya is solely responsible for gas storage costs and any other charges and taxes related to the production, storage and processing costs.

In June 2020, Misen Enterprises AB and LLC Karpatygaz received a Second Final Partial Award under the SCC Arbitration Rules. The Arbitral Tribunal decided that JSC Ukrgasvydobuvannya should get title to the joint property only on payment in full of compensation to Misen Enterprises AB and LLC Karpatygaz. The Arbitral Tribunal fully rejected the overwhelming majority of JSC Ukrgasvydobuvannya's arguments concerning valuation of the joint property. The Arbitral Tribunal decided that:

Joint property should be valued solely by reference to the Depreciated Replacement Cost ("DRC") methodology. In a nutshell, DRC methodology derives the replacement cost of the asset by looking at current costs of a similar property or the costs of reproducing a replica and depreciates that cost based on physical deterioration and economic obsolescence.

The Arbitral Tribunal decided that in many respects (including but not limited to allocation of fuel gas costs, application of the economic obsolescence test) the DRC method should be applicable as suggested by the quantum experts of Misen Enterprises AB and LLC Karpatygaz.

The Arbitral Tribunal decided that JSC Ukrgasvydobuvannya has not established any loss it allegedly suffered due to a failure of LLC Karpatygaz to engage a contractor to design and develop metering stations at certain wells under JAA. The Arbitral Tribunal also decided that JSC Ukrgasvydobuvannya should not be entitled to any damages for a failure of Misen Enterprises AB to make a full contribution under JAA. However, in light of this, the Arbitral Tribunal reduced the share of Misen Enterprises AB to 23.9% (as opposed to 50% under JAA) and increased the share of LLC Karpatygaz to 0.015% (as opposed to 0.01% under JAA) in the joint property.

As a result, the Arbitral Tribunal directed JSC Ukrgasvydobuvannya, Misen Enterprises AB and LLC Karpatygaz to agree on the net value of the joint property in Ukrainian Hryvnia as of 11 July 2018. The parties reached an agreement.

In November 2020, Misen Enterprises AB and LLC Karpatygaz received a Final Award by Consent recording a Settlement Agreement on settlement of certain legal relations. This award provides:

> The total value to be paid by JSC Ukrgasvydobuvannya to Misen Enterprises AB and LLC Karpatygaz is UAH 1,575,093,162.86 (KSEK 451,784) for their share in the joint property under the JAA No.3 including for hydrocarbons produced using JA's assets from 1 December 2016 to 10 July 2018 (termination of JAA No.3).
>
> JSC Ukrgasvydobuvannya is entitled to withhold a tax on non-resident income for 15% of the specified amount to Misen Enterprises AB (UAH 236,113,788, KSEK 67,725) and pay the withheld amount to the budget of Ukraine. The Settlement Agreement does not regulate payment of tax, if any, in Sweden.
>
> Ownership of shares of Misen Enterprises AB and LLC Karpatygaz in the joint property under the JAA No.3 shall pass to JSC Ukrgasvydobuvannya from the date of full payment by JSC Ukrgasvydobuvannya to Misen Enterprises and LLC Karpatygaz of all amounts under the that settlement agreement.

To receive compensation, Misen Enterprises AB had to seek recognition and enforcement of the Final Award by Consent in Ukraine.

For further information, please also refer to chapter Essential events after the end of the 12M 2020.

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 existed when preparing this interim report for the 12M 2020. Control is required to consolidate the assets as well as the future results of the JA in the Group accounts.

The claims against JSC Ukrgazvydobuvannya accounted for as an asset in the Group financial statements based on the Final Award by Consent granted by the Arbitral Tribunal in the SCC case V 2016/114 on 5 November 2020.

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. 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.

Enforcement of the Arbitration Awards

In order to fully execute the arbitration awards and obtain compensation from

JSC Ukrgazvydobuvannya, Misen Enterprises AB and LLC Karpatygaz had to seek an enforcement and recognition of the arbitration awards in Ukraine under the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

In April 2020, Misen Enterprises filed a motion to enforce a Consent Award dated 26 March 2020. The court confirmed and recognized that award in June 2020.

In July 2020, Misen Enterprises AB filed a motion to confirm and enforce the Second Partial Final Award dated 12 June 2020 in Ukraine. In September 2020 Kyiv Court of Appeal granted an application of Misen Enterprises AB whereby Misen Enterprises AB sought recognition and enforcement of a Second Partial Final Award (subject to the Corrections of the Second Partial Final Award dated 18 August 2020). JSC Ukrgazvydobuvannya filed a cassation appeal to the Supreme Court of Ukraine. The hearing was scheduled on 14 January 2021.

In November 2020, Misen Enterprises AB filed a motion to confirm and enforce a Final Award by Consent granted by the Arbitral Tribunal in the SCC case V 2016/114 on 5 November 2020. The hearing was scheduled on 5 January 2021.

For further information, please also refer to chapter Essential events after the end of the 12M 2020.

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 Ukrgazvydobuvannya under the SCC Arbitration Rules 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 could 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".

In 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.

In March 2020 Misen Energy AB (publ) signed another Financing Agreement with a new financial partner Mr. Edvardas Jatautas, the United States based international businessman, who undertook to fund Misen in case PUL waives its priority right to provide funding under the respective Financing Agreement. Under the Financing Agreement signed in March 2020, Misen Energy AB (publ) was entitled to up to 1 million EUR to fund the Swedish operation and the ongoing SCC arbitration proceeding. For the use of the new credit facility, Misen Energy AB was obliged to pay a fee equal to the funder's outlay plus an outlay multiplied by three.

In November 2020, Misen Energy AB (publ), Misen Enterprises AB, PUL and Mr. Edvardas Jatautas signed an Amendment Agreement to the Priorities and Call Option Agreement whereby, among other things, the parties reduced a fee under the Financing Agreement signed in March 2020. Under the amended terms, the Company shall pay a fee equal to the funder's outlay plus an outlay multiplied by two.

Misen Energy AB (publ) had a complete control over the arbitration proceeding and had a right to settle with JSC Ukrgazvydobuvannya, discontinue proceeding, pursue the proceeding to trial and take any action Misen Energy AB (publ) considered appropriate.

During the 12M 2020 PUL and Mr. Edvardas Jatautas have provided additional financing for the arbitration proceeding and the operation of the Swedish companies. For 2018-2019 and the 12M 2020 the capital contribution amounts to KEUR 3,380 (KSEK 35,273).

For further information, please also refer to chapter Essential events after the end of the 12M 2020.

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. Following that, the parties attended a multiple court hearings in Ukraine.

In 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 refuse to terminate the court proceedings in Ukraine. In 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 sent the case for reconsideration in a new circle. In January 2020 the Kyiv Commercial Court resolved to open the court proceeding. The parties had a multiple court hearings.

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.

Contribution to the JA

Following termination of the JAA No. 3, Misen Enterprises AB considers that it had no obligation to make any contribution. 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 of the JA during 12M 2020

Given that the Arbitral Tribunal terminated the JAA No.3 in July 2018, during 12M 2020 the Joint Activity did not conduct any production operations in Ukraine.

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 entered into agreements for equipment supply and maintenance services (as further amended) with Solar Turbines CIS LLC and Solar Turbines Europe S.A. respectively. Solar Turbines CIS LLC and Solar Turbines Europe S.A. 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 2020, outstanding debt to Solar Turbines CIS LLC and Solar Turbines Europe S.A. amounted to KUSD 969.6 (KSEK 7,946.2).

In May 2015 Karpatygaz 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 2020, outstanding debt to GEA Luftkuhler GmbH amounted to KEUR 991.4 (KSEK 9,964.7).

Misen Enterprises, Karpatygaz and JSC Ukrgasvydobuvannya discuss settlement of the debt to Solar Turbines CIS LLC and GEA Luftkuhler GmbH. This obligation is included as a contingent liability.

Operation of the Booster Compressor Stations

Misen Enterprises AB and LLC Karpatygaz 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. In March 2020 the Arbitral Tribunal rendered a Consent Award, which confirmed settlement agreement concluded in July 2019. For an appropriate consideration, Misen Enterprises AB and LLC Karpatygaz waived their claims for payments under the BCSs lease agreements.

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. 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.

For further information, please also refer to chapter Essential events after the end of the 12M 2020.

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

On 26 March 2020 the Arbitral Tribunal rendered a Consent Award and confirmed a settlement agreement concluded in July 2019. In the agreement Misen Enterprises AB and LLC Karpatygaz agreed that all hydrocarbons produced using the JA's assets from 1 December 2016 to 10 July 2018 (termination of JAA No.3) belonged to JSC Ukrgasvydobuvannya. Misen Enterprises AB, LLC Karpatygaz and JSC Ukrgazvydobuvannya should terminate all respective court proceedings in Ukraine.

This Consent Award was confirmed and recognized in Ukraine in June 2020.

Investment program report

Due to financial constraints imposed by the increased subsoil use tax 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 were commissioned including Khrestyschenska, the largest in Ukraine,
- 4 BCS reached the final stages of construction.

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

Court proceeding in Case No. 910/21720/15 and in Case No. No. 910/24412/16

In May 2020, JSC Ukrgasvydobuvannya, Misen Enterprises AB and LLC Karpatygaz signed a Settlement Agreement with Financial Leasing Center LLC. Under the Agreement, JSC Ukrgasvydobuvannya paid UAH 237,507,020.04 (KSEK 68,124) to Financial Leasing Center LLC. The settlement amount was less than 15% of the total amount that Financial Leasing Center LLC had claimed in both court proceedings.

In May 2020, the Parties filed the Settlement Agreement with the Northern Commercial Court of Appeal for approval. The court approved the Settlement Agreement on 3 June 2020. JSC Ukrgasvydobuvannya executed the respective payment to Financial Leasing Center LLC. The parties terminated all the respective court proceedings in Ukraine.

As a result, the value of the Joint Activity's assets was reduced by UAH 237,507,020.04 (SEK 74,744,884) in the Second Partial Final Award.

Essential events after the end of 12M 2020

SCC arbitration under JAA No.3

The Arbitral Tribunal rendered the following awards in the SCC case V 2016/114 under the SCC Arbitration Rules: Final Partial Award dated 11 July 2018, Consent Award dated 26 March 2020, Second Final Partial Award dated 17 June 2020 and Final Award by Consent dated 5 November 2020 and Interpretation of the Final Award by Consent dated 22 December 2020.

Enforcement of the Arbitration Awards

The parties seek to enforce the Final Partial Award in Ukraine. Specifically, the parties are preparing documents necessary for deregistration of JA in Ukraine.

The Consent Award confirming a settlement agreement in relation to all hydrocarbons produced using the JA's assets from 1 December 2016 to 10 July 2018 (termination of JAA No.3) was confirmed and recognized by a court ruling in June 2020.

On 14 January 2021 the Supreme Court of Ukraine issued a ruling recognizing a Second Partial Final Award dated 12 June 2020 (subject to the Corrections of the Second Partial Final Award dated 18 August 2020). Accordingly, JSC Ukrgasvydobuvannya transferred EUR 2,739,784.53 (KSEK 27,538), SEK 344,415.38, USD 7,971.59 (KSEK 65), and GBP 10,940.05 (KSEK 122) to Misen Enterprises AB for the legal costs incurred in the SCC case V 2016/114.

On 5 January 2021 the Kiev Court of Appeal recognized Final Award by Consent dated 5 November 2020. Following that, on 10 February 2021, Misen Enterprises AB received USD 47,060,537.16 (KSEK 385,677) and LLC Karpatygaz received UAH 1,001,242.74 (KSEK 287) from JSC Ukrgasvydobuvannya. This compensation is after taxes applicable to Misen Enterprises AB in Ukraine. JSC Ukrgasvydobuvannya was entitled to withhold a tax on non-resident income of 15% for the compensation to Misen Enterprises AB in the amount of UAH 236,113,788 (KSEK 67,725) and pay the withheld amount to the budget of Ukraine.

On 23 March 2021 the Kiev Court of Appeal recognized Interpretation of the Final Award by Consent dated 22 December 2020 and ordered JSC Ukrgasvydobuvannya to transfer EUR 107,798.40 (SEK 1,094,154) to Misen Enterprises AB. JSC Ukrgasvydobuvannya had 30 days to appeal against the decision. As of the date of this Report, Misen Enterprises AB has not yet received this amount from JSC Ukrgasvydobuvannya.

Given that the awarded amounts have been paid to the partially owned subsidiaries of Misen Energy AB (publ), the effect of compensation will be reflected in the Misen Group's accounts for 2020. Misen Energy AB (publ) assesses its obligations to the business partners and the shareholders.

Court Proceedings against NABU in Case No. 910/18439/17

The court hearing will be held on 22 April 2021.

Payments to the Funders under the Financing Agreements

Following successful resolution of the SCC arbitration dispute and given that Misen Enterprises AB received compensation from JSC Ukrgasvydobuvannya, Misen Energy AB (publ) and Misen Enterprises AB were obliged to execute payments to the funders under the financing agreements. Namely, under the Financing Agreement concluded with a financial partner controlled by businessman Mr. Edvardas Jatautas in March 2020, the companies paid EUR 1,940,000.00 (SEK 19,558,690); under the Financing Agreement concluded with Powerful United Limited in November 2018, the companies paid EUR 8,452,140.90 (SEK 85,212,785) and EUR 3,221,404.00 (SEK 32,477,550). In consideration of the payments, Misen Energy AB (publ) and Misen Enterprises AB consider that they met all terms satisfactorily and the financing agreements terminate.

ICSID arbitration against Ukraine

On 24 March 2021, Misen Energy AB (publ) and its partially owned subsidiary Misen Enterprises AB filed a Request for Arbitration under the Washington Convention and the Rules of the International Centre for Settlement of Investment Disputes (ICSID). ICSID is an international organization that is part of the World Bank Group, headquartered in Washington, D.C., in the United States.

Misen Energy AB (publ) and Misen Enterprises AB will determine the precise amount of the compensation with quantum experts and specify the amount claimed in its Memorial in the ICSID arbitration.

Ownership structure

Major shareholders as of 31 December 2020:

Shareholder	Shares and votes, no.	Shares and votes, %
Norchamo Ltd. (CY)	43,057,475	29.68
Nellston Holdings Ltd. (CY)	43,001,100	29.64
Blankbank Investment Ltd. (CY)	26,491,377	18.26
TCT Holding AB (SE)	16,545,866	11.41
Forest Walkway AB (SE)	13,200,000	9.10
Total, major shareholders	142,295,818	98.09
Others	2,772,404	1.91
Total	145,068,222	100.00

Comparative performance indicators

Alternative performance measures (APM) – Group

As of 3 July 2016, new guidelines for alternative performance indicators (APMs), published by the European Securities and Markets Authority (ESMA) are applicable. Alternative performance indicators refer to financial measurements that are not defined within the framework of IFRS. Misen Energy AB (publ) regularly uses alternative performance indicators in its communications in order to improve comparisons between different periods and provide a more in-depth overview of the Company's performance for analysts, investors and other stakeholders. Not all companies calculate their alternative performance indicators using the same methods. The usefulness of these performance indicators is therefore limited, and they should not be used as a substitute for financial measurements within the framework of IFRS. Below the alternative performance indicators for the Group are presented.

Summary of the financial development of Misen Group and the Parent Company, covering the last five years, is showed below. Unless otherwise stated, all amounts are in KSEK.

	2020	2019	2018	2017	2016
The Group					
Net sales, KSEK	38	347	297	7 938	653,122
EBITDA, KSEK	340,484	-13,259	Neg.	Neg.	60,566
Financial expenses	140	8,038	629	6 900	31,096
Profit/loss after financial items, KSEK	340,314	-21,326	-4,320	-1,071,791	-5,509
Earnings per share before dilution*, SEK	0,82	-0.05	-0.03	-3.95	-0.05
Earnings per share after dilution*, SEK	0,82	-0.05	-0.03	-3.95	-0.05
Return on equity, %	213,9%	Neg.	Neg	Neg.	Neg.
Return on capital employed, %	715,7%	Neg.	Neg	Neg.	5,1 %
Balance sheet total, KSEK	487,343	9,396	12,002	5,880	592,433
Equity/assets ratio, %	26,2%	Neg.	Neg.	Neg.	78,4 %
Proportion of risk-bearing capital, %	26,2%	Neg.	Neg	Neg.	78,4 %
Debt/equity ratio, %	0,0%	Neg.	Neg.	-	6,4 %
Number of employees	36	46	69	105	133

	2020	2019	2018	2017	2016
Parent Company					
Net sales, KSEK	-	-	-	-	-
EBITDA, KSEK	-37,936	5,636	Neg.	Neg.	Neg.
Profit/loss after financial items, KSEK	74,464	5,694	- 6,402	-26,037	-33,080
Return on equity, %	20,2%	2,0%	Neg.	Neg.	Neg.
Return on capital employed, %	22,2%	1,9%	Neg.	Neg.	Neg.
Balance sheet total, KSEK	437,173	332,671	313 734	325 021	325 855
Equity/assets ratio, %	84,1%	88,2%	91,9%	90,4 %	98,2 %
Debt/equity ratio, %	0,0%	0,8%	0,9%	-	0,0 %
Number of employees	3	3	3	3	4

Definitions of key ratios are provided in the section “Supplementary information”.

Results – Misen Group and the Company

Misen Group net turnover for 2020 was KSEK 509,842 (KSEK 28,071 in 2019) and the Parent Company net turnover for this period was KSEK 19,543 (KSEK 20,333).

In February 2020, Misen, PUL and SP Holdings signed an additional agreement to the Financing Agreement 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 was not entitled to a lenders fee alongside with repayment of the loan amount. Instead, SP Holdings was entitled to a portion of any final settlement of the arbitration claim.

On 10 February 2021, Misen Enterprises AB received USD 47,060,537.16 (KSEK 393,426) and LLC Karpatygaz received UAH 1,001,242.74 (KSEK 295) from JSC Ukrgasvydobuvannya in accordance with the ruling of the Kyiv Court of Appeal of 5 January 2021. This compensation is after taxes applicable to Misen Enterprises AB in Ukraine. JSC Ukrgasvydobuvannya was entitled to withhold a tax on non-resident income for 15% of the compensation to Misen Enterprises AB (UAH 236,113,788, KSEK 75,845) and pay the withheld amount to the budget of Ukraine.

For 2020 profit after financial items for Misen Group was KSEK 340,314 (loss KSEK -21,326 in 2019) the Parent Company profit after financial items made up KSEK 74,464 (KSEK 5,694).

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

During 2020, due to termination of JAA, the production of hydrocarbons attributable to JA was zero (zero level during the same period 2019 due to termination of JAA).

Financial assets and liabilities

As of date of termination of JAA No.3, the JA had KUAH 168,779 (KSEK 48,411) of written off bad debts. LLC Karpatygaz was appointed by the parties of the JAA No.3 to engage 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 2020, Misen group contingent liabilities amounted to KSEK 31,210 (KSEK 36,125), the change is mainly explained by the inventory of assets and liabilities that have taken place as a part of the ongoing arbitration proceeding.

Cash position

As of 31 December 2020, the cash balance of the Misen Group was KSEK 934 (KSEK 130). The cash flow from operations after changes in working capital for the 12M 2020 was KSEK 806 (KSEK -112).

Capital expenditure

The Misen Group´s capital expenditure on equipment for gas production in Ukraine related to JA during the 12M 2020 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, the 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 JAA No.3 was terminated as of 11 July 2018. Due to this fact, JA ceased to exist and hence can no longer be considered a going concern. The claims against JSC Ukrgazvydobuvannya accounted for as an asset in the Group financial statements based on the Final Award by Consent granted by the Arbitral Tribunal in the SCC case V 2016/114 on 5 November 2020.

In January and February 2021 Misen Enterprises AB received compensation from JSC Ukrgazvydobuvannya. Given this, Misen group has secured financing for up to 12 months to continue the arbitration proceeding against the Government of Ukraine in accordance with the Sweden – Ukraine BIT.

Group accounts are therefore prepared based on the going concern assumption.

Proposed appropriation of profits

The following profits are at the disposal of the Annual General Meeting (all in SEK):

Retained earnings and additional paid-in capital	2,879,284
Net profit for the year	74,463,710
	77,342,994

The Board of Directors proposes that losses brought forward be appropriated as follows:

To be paid as dividends	58,027,289
To be carried forward	19,315,705
	77,342 994

For information regarding the result of the Company's operations and its financial position, please refer to the income statement and balance sheet below, with accompanying additional disclosures, which together with the administration report, constitute an integral part of this annual report.

MISEN ENERGY AB (publ.)
556526-3968

Consolidated income statement	Note	2020	2019
All amounts in KSEK			
Net sales	1, 2	38	347
Other operating income	3, 28	509,804	27,724
		509,842	28,071
Operating expenses			
Other external expenses	4, 5, 28	-7,326	-23,289
Personnel expenses	6, 7	-10,855	-13,172
Depreciation and amortisation of tangible and intangible fixed assets	8	-33	-97
Other operating expenses	9	-151,177	-4,869
Total operating expenses		-169,391	-41,427
Operating profit/loss		340,451	-13,356
Profit/loss from financial items			
Other interest income and similar profit/loss items	10	3	68
Interest expenses and similar profit/loss items	11,22	-140	-8,038
Total profit/loss from financial items		-137	-7,970
Profit/loss after financial items		340,314	-21,326
Taxes for the year	12	-68,012	-
Net profit/loss for the year		272,302	-21,326

Profit/loss attributable to:

MISEN ENERGY AB (publ.)

556526-3968

Consolidated income statement	**Note**	**2020**	**2019**
All amounts in KSEK			
Misen Energy AB (publl) shareholders		118,665	-7,951
Non-controlling interests		153,637	-13,375
		272,302	-21,326
Earnings per share, before and after dilution, SEK		0,82	-0,05

Statement of comprehensive income - Group			
Items that may be subsequently reclassified to profit or loss			
Translation differences		472	582
Other comprehensive income for the year, net after taxes		472	582
Total comprehensive income for the year		272,774	-20,744
Attributable to:			
Misen Energy AB (publ) shareholders		118,904	-7,658
Non-controlling interests		153,870	-13,086
Total comprehensive income for the year		272,774	-20,744

Average number of shares during the year was 145,068,222 (2019: 145,068,222).

Consolidated balance sheet	Note	31 Dec 2020	31 Dec 2019
All amounts in KSEK			
Assets			
Fixed assets	2		
Intangible fixed assets			
Rights and licences	13	-	-
		-	-
Tangible fixed assets			
Equipment, tools, fixtures and fittings	14	60	123
Total fixed assets		60	123
Current assets			
Inventories, etc.	15		
Goods for resale		30	41
Current receivables			
Accounts receivable - trade	16, 17	2,241	5,463
Other receivables	18	2,502	3,358
Prepaid expenses	19	481,576	281
		486,319	9,143

MISEN ENERGY AB (publ.)
556526-3968

Consolidated balance sheet	Note	31 Dec 2020	31 Dec 2019
Cash and bank balances	16	934	130
Total current assets		487,283	9,273
TOTAL ASSETS		487,343	9,396
Equity and liabilities			
Equity			
Share capital	20	290,136	290,136
Other contributed capital		-274,435	-274,435
Other reserves		-237	-237
Profit/Loss brought forward		110,531,	-52,428
Non-controlling interests		1,499	1,995
Total equity		127,495	-34,968
Current liabilities			
Short-term loans	16, 21, 22	-	2,618
Accounts payable - trade	16	24,946	23,741
Tax liabilities		68,012	
Other liabilities		113,570	3,375
Accrued expenses and deferred income	24	153,320	14,630

Consolidated balance sheet	**Note**	**31 Dec 2020**	**31 Dec 2019**
Total current liabilities		359,848	44,364
TOTAL EQUITY AND LIABILITIES		487,343	9,396

Changes in equity for the Group

All amounts in KSEK

	Share capital	Other contributed capital	Other reserves	Profit/Loss brought forward	Total	Non-controlling interests	Total equity
Opening equity 1 Jan. 2019	**290,136**	**-274,435**	**-237**	**-35,365**	**-19,901**	**5,677**	**-14,224**
Net result							
Net profit/loss for the year	-	-	-	-7,951	-7,951	-13,375	-21,326
Other comprehensive income							
Translation differences	-	-	-	295	295	287	582
Total comprehensive income	**0**	**0**	**0**	**-7,656**	**-7,656**	**-13,088**	**-20,744**
Other transactions with non-controlling interests	-	-	-	-9,407	-9,407	9,407	0

	Share capital	Other contributed capital	Other reserves	Profit/Loss brought forward	Total	Non-controlling interests	Total equity
Total transactions with non-controlling interests	**-**	**-**	**-**	**-9,407**	**-9,407**	**9,407**	**0**
Closing equity 31 Dec. 2019	**290,136**	**-274,435**	**-237**	**-52,428**	**-36,964**	**1,995**	**-34,968**
Opening equity 1 Jan 2019	**290,136**	**-274,435**	**-237**	**-52,428**	**-52,428**	**1,995**	**-34,968**
Net result							
Net profit/loss for the year	-	-	-	118,665	118,665	153,637	272,302
Other comprehensive income							
Translation differences	-	-		239	239	233	472
Total comprehensive income	**0**	**0**	**0**	**-7,656**	**-7,656**	**-13,088**	**-20,744**
Transactions with holders of non-controlling interests							
Other transactions with non-controlling interests	-	-	-	44,055	44,055	-44,055	0

	Share capital	Other contributed capital	Other reserves	Profit/Loss brought forward	Total	Non-controlling interests	Total equity
Total transactions with holders of non-controlling interests	**0**	**0**	**0**	**44,055**	**44,055**	**-44,055**	**0**
Closing equity 31 Dec. 2020	**290,136**	**-274,435**	**-237**	**110,531**	**125,996**	**1,499**	**127,495**

Cash flow statement for the Group	**Note**	**2020**	**2019**
All amounts in KSEK			
Operating activities			
Operating profit/loss before financial items		340,451	-13,356
Adjustment for non-cash items	25	-342,457	4,715
Interest received		-	5
Interest paid		-4	-5
Income tax paid		-	-87
		-2,010	-8,728
Cash flow from changes in working capital			
Increase/decrease Inventories		-	70
Increase/decrease Other current receivables		-1,152	-118
Increase/decrease Other current operating liabilities		3,968	8,664
Cash flow from operating activities		806	-112
Investment activities			
Investments in tangible fixed assets		-20	-54
Tangible fixed assets sold		24	251
Cash flow from investing activities		4	197

Cash flow statement for the Group	Note	2020	2019
All amounts in KSEK			
Cash flow for the year		810	85
Cash and cash equivalents at the beginning of the year		130	42
Exchange rate differences in cash and cash equivalents		-6	3
Cash and cash equivalents at year-end		934	130

Income statement for the Parent Company	**Note**	**2020**	**2019**
All amounts in KSEK			
Other operating income	3, 28	19,543	20,333
Operating expenses			
Other external expenses	4, 5	-5,930	-7,801
Personnel expenses	6, 7	-6,919	-6,896
Total operating expenses		-44,630	-14,697
		-57,479,	
Operating profit/loss			5,636
		-37,936	
Profit/loss from financial items			
Result from participations in Group companies			-
Other interest income and similar profit/loss items	10	112,540	8,096
Interest expenses and similar profit/loss items	11	-	-8,038
Total profit/loss from financial items	11	-140	58
		112,400	
Profit/loss after financial items		74,464	5,694
Income tax	12	-	-
Net profit/loss for the year		74,464	5,694

Statement of comprehensive income - Parent Company

Income statement for the Parent Company	**Note**	**2020**	**2019**
All amounts in KSEK			
Net profit/loss for the year		74,464	5,694
Other comprehensive income for the year		-	-
Total comprehensive income for the year		74,464	5,694

MISEN ENERGY AB (publ.)
556526-3968

Balance sheet for the Parent Company	Note	31 Dec 2020	31 Dec 2019
All amounts in KSEK			
Assets			
Fixed assets			
Financial fixed assets			
Shares in subsidiaries	27	243,359	332,359
Total fixed assets		243,359	332,359
Current assets			
Current receivables			
Receivables from Group companies	16	193,324	-
Other short-term receivables	18	-	7
Prepaid expenses	19	299	305
		193,622	312
Cash and bank	16	191	-
Total current assets		193,814	312
Total assets		437,174	332,671
Equity and liabilities			
Equity			

MISEN ENERGY AB (publ.)
556526-3968

Balance sheet for the Parent Company	Note	31 Dec 2020	31 Dec 2019
Restricted equity			
Share capital	20	290,136	290,136
Statutory reserves		345	345
		290,481	290,481
Non-restricted equity			
Profit/loss brought forward		2,880	-2,814
Net loss for the year		74,464	5,694
		77,343	2,880
Total equity		367,825,	293,361
Non-current liabilities			
Liabilities to Group companies	16	88	88
Total non-current liabilities		88	88
Current liabilities			
Accounts payable - trade	16	19,343	17,880
Liabilities to Group companies	16	-	5,929
Short-term loans	16, 27	-	2,618
Other short-term liabilities		1,105	451
Accrued expenses and deferred income	24	48,813	12,344
Total current liabilities		69,261	39,222
Total equity and liabilities		437,174	332,671

MISEN ENERGY AB (publ.)

556526-3968

Statement of changes in equity - Parent Company

All amounts in KSEK

	Share capital	Statutory reserves	Share premium reserve	Profit/Loss brought forward	Total equity
Opening equity 1 Jan. 2019	**290,136**	**345**	**714,285**	**-717,099**	**287,667**
Net result					
Net profit/loss for the year	-	-	-	5,694	5,694
Total comprehensive income	**0**	**0**	**0**	**5,694**	**5,694**
Closing equity 31 Dec. 2019	**290,136**	**345**	**714,285**	**-711,405**	**293,361**
Opening equity 1 Jan. 2020	**290,136**	**345**	**714,285**	**--711,405**	**293,361**
Net result					
Net profit/loss for the year	-	-	-	74,464	74,464
Total comprehensive income	**0**	**0**	**0**	**74,464**	**74,464**
Closing equity 31 Dec. 2020	**290,136**	**345**	**714,285**	**-636,941**	**367,825**

MISEN ENERGY AB (publ.)

556526-3968

Cash flow statement for the Parent Company	**2020**	**2019**
All amounts in KSEK		
Operating activities		
Operating profit/loss before financial items	-37 936	5,636
Adjustment for non-cash items	42 012	-
Interest paid	-7	-5
	4 069	5,631
	17 300	
Increase/decrease Other current receivables	1 331	-18,972
Increase/decrease Accounts payable - trade	-22 509	7,406
Increase/decrease Other current operating liabilities	191	5,900
Cash flow from operating activities		-35
Cash flow for the year	191	-35
Cash and cash equivalents at the beginning of the year	0	35
Cash and cash equivalents at year-end	191	0

Supplementary information

General disclosures

General information

The Parent Company is a limited liability company with its registered offices in Stockholm. The address of the Head Office is Kungsportsavenyen 32, 411 37 Gothenburg, Sweden. The Parent Company's shares are listed at Nasdaq First North Stockholm.

Before the termination of JAA No 3 in July 2018 the Group main business activities were extraction of hydrocarbons, with the focus of oil and gas production in Ukraine. Misen Energy AB's business focus was to undertake the Group-wide tasks and, together with its partially owned subsidiary Misen Enterprises AB, complete the ongoing legal processes allowing to defend the legitimate interests of the shareholders.

The Board of Directors and the Managing Director have, on 7 April 2021, approved this annual report and consolidated financial statements for publication.

Unless otherwise stated, all amounts are reported in KSEK. Information in brackets refers to the previous year.

Summary of important accounting principles

The most important accounting principles applied in the preparation of the consolidated financial statements are set out below. Unless otherwise stated, these principles have been consistently applied for all years disclosed.

Basis of preparation of the financial statements

The consolidated financial statements for the Misen Group have been prepared in accordance with the Annual Accounts Act, RFR 1 Supplementary Accounting for Groups, and International Financial Reporting Standards (IFRS) as adopted by the EU. The consolidated financial statements have been prepared using the cost method.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in applying the Group's accounting principles. Areas involving a high level of judgement, which are complex, or areas where assumptions and estimates are of substantial significance to the consolidated financial statements are commented on, where applicable, in the notes.

Group definition

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

In June 2016, July 2017 and November 2017, Parent Company sold respectively 37.5%, 8% and 2% of Misen Enterprises AB shares to the Hong Kong based company Powerful United Limited. In March 2018, Parent Company sold 2% of Misen Enterprises AB shares to Mr. Konstantin Guenevski.

Misen Energy AB (publ) remains 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.

Consolidated financial statements

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method is used to report the Group's business combinations. The purchase price for the acquisition of a subsidiary comprises the fair value of assets and liabilities that the Group transfers to former owners of the acquired company and the shares issued by the Group. The purchase price also includes the fair value of all assets and liabilities resulting from an agreement on contingent consideration. Identifiable assets acquired and liabilities assumed at a business combination are measured initially at their fair values at the acquisition date. For each acquisition – i.e. on a case-by-case basis – the Group determines whether non-controlling interest in the acquired company is reported at fair value or at the proportionate share of the reported value of the acquired company's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Any intra-Group transactions, balance sheet items, income and expenses on transactions between Group companies are eliminated. Gains and losses resulting from intra-Group transactions and reported as assets are also eliminated. Accounting standards of subsidiaries have been changed, where necessary, to ensure a consistent application of the Group's standards.

Joint activities

Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group had only one holding in the Joint Activity in 2017. The Group's interests in jointly controlled entities are recognised by proportionate consolidation. The Group combines its share of income and expenses, assets and liabilities and cash flows of the joint arrangement, with the corresponding items in its own consolidated financial statements. The Group recognises the portion of gains or losses from its sale of assets to a joint arrangement, which corresponds to the other participants' ownership share. The Group does not recognise any share of profits or losses in a joint arrangement, which result from the Group's purchase of assets from the joint arrangement until the assets are sold on to an independent party. Nevertheless, if a transaction involves a loss, it is recognised immediately, provided that the loss is incurred due to overvaluation of an asset.

As per 31 December 2017 and onwards the Group concluded that control over the specific assets under JAA No.3 no longer existed. This conclusion was reached because of the termination of JAA No. 3. Control is required to consolidate the assets as well as the future results of JA in the Group accounts. The result from JA has therefore not been included in the Group accounts since 2018. The

JAA No.3 was terminated on 11 July 2018.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision- maker. The chief operating decision-maker is the function responsible for allocating resources and assessing the performance of operating segments. In the Group, this function has been identified as the Board of Directors and Group Management.

The Board and Group management does not follow the operations in any dimension other than the operations as a whole, which is why no separate segment reporting is prepared.

Translation of foreign currencies

Functional currency and presentation currency

Items included in the financial statements of each of the Group's entities are estimated using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Swedish Crowns (SEK), which is the Parent Company's functional and presentation currency.

Transactions and balance sheet items

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within financial income or expenses. All other foreign exchange gains and losses are presented in the income statement within Other operating income/expenses.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

The following exchange rates have been applied in the financial statements:

Currency	Income statement	Balance sheet
UAH	0.34	0.29

Revenue recognition

Net sales comprise revenue from sales of goods and services. In accordance with IFRS 15, revenue is recognized when control of the goods/services is transferred to the customer based on a 5-step model:

1. Identify the contract with the customer
2. Identify the various performance commitments in the contract
3. Determine the transaction price
4. Allocate the transaction price to the various performance obligations.
5. Recognise revenue once the obligation has been fulfilled.

The Group recognize revenue when the Group fulfills a performance obligation by transferring goods or services to the customer that is when the customer obtains control over the asset. The performance obligation can be fulfilled either over time or at a point in time. The Group's net sales comprise mainly sales of goods. Sales of goods are recorded as revenue when the control of the goods has been transferred to the customer, which normally corresponds to the delivery of the goods. Delivery has occurred when the goods has been transported to the agreed location, the risk for the goods has been transferred to the customer and the customer has either accepted the goods in accordance with the agreement, the time for objection in accordance with the agreement has passed or the Group has objective evidence that all criteria for acceptance has been fulfilled.

Revenue for services are recognized over time. For services of short-term nature, revenue is in practice recognized when the service has been completed.

The parent company revenue comprise only intercompany revenue. The revenue is recognized over time as the services are consumed.

Financial contributions are recognized when the contributions have been received and the obligation related to the contribution has been performed.

Current and deferred income tax

The tax expense for the period comprises current tax calculated on the period's tax profit according to current tax rates. The current tax expense is adjusted with changes in deferred tax assets and liabilities related to temporary differences and unutilised tax loss carry forwards.

The current tax expense is calculated on the basis of the tax regulations that at the balance sheet date have been enacted or substantively enacted in countries where the Parent Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. When deemed appropriate, Management makes provisions for amounts expected to be paid to the tax authorities.

Deferred tax is recognised on all temporary differences arising between the fiscal value of assets and liabilities and their reported values in the consolidated financial statements. Deferred tax is not recognised if it arises from the initial recognition of goodwill. Nor is deferred tax recognised if it arises as a result of a transaction that constitutes the initial recognition of an asset or liability in a business combination that, at the time of the transaction, affects neither the accounting or fiscal results. Deferred income tax is calculated using tax rates (and legislation) that have been determined or advised by the balance sheet date and which are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority and relate to either the same taxable entity or different taxable entities where there is an intention to settle balances by net payments.

Current and deferred tax are recognised in the income statement, except when the tax relates to items recognised in other comprehensive income or directly in equity. In such cases, tax is also recognised in other comprehensive income or equity.

Leasing

As the Joint Activity's participants have agreed to terminate JAA No.3 in 2018, the remaining operations of the Group were limited from 2018 and onwards. As of this report, the impact of IFRS 16 relates only to the rental of office premises for Misen Energy AB where the financial impact is considered insignificant. Therefore the lease contract for these office premises is treated as a short-term lease with the leasing cost expensed in the income statement. All other leases in the Group are either of short-term nature or low-value leases which are also expensed in the income statement.

Intangible assets

Intangible assets are recognised at acquisition cost less accumulated amortisation. Intangible assets mainly relate to software as well as trademark and gas supply license. Amortisation of intangible assets is made with 25% per year

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. Depreciation on furniture, fittings and equipment is based on cost on a straight-line basis of estimated useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Subsequent costs are added to the asset's reported value or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Group and that the cost of the asset can be measured reliably. All other forms of repairs and maintenance are expensed in the income statement in the period in which they arise. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds of the sale with the reported value and are recognised in the income statement.

Depreciation according to plan is made as per the following:
- Equipment, tools, fixtures and fittings 10-50%.

Write-downs of non-financial assets

Assets which are depreciated or amortised are impairment tested at such time as events or changes in circumstances indicate that the reported value may not be recoverable. Write-downs are undertaken in the amount with which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling expenses and the value in use. When assessing impairment requirements, assets are grouped at the lowest level at which there are separate identifiable cash flows (cash-generating units). Assets, which have previously been written down, are tested at each balance date to see if a reversal should be made.

Financial assets

The group classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value (either through OCI or through profit or loss), and those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Group determines the classification of the financial assets at initial recognition.

The Group has only financial assets in the category amortised cost.

Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. They are included in current assets, with the exception of assets with maturities greater than 12 months after the reporting date, which are instead classified as fixed assets. Interest income from these financial assets is included in finance income using the effective interest rate method. The Group's financial assets measured at amortised cost (prior Loans and receivables) comprise accounts receivables and cash and cash equivalents. Cash and cash equivalents include cash and bank deposits.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. For more information about the expected credit loss, see note 17. The expected credit losses for the parent company's receivables on Group companies is considered insignificant and no expected credit loss is therefore recorded for these receivables.

Financial liabilities

The Group classifies the financial liabilities in the following categories: liabilities measured at amortised cost and derivatives. The Group has the following liabilities measured at amortised cost:

Accounts payable - trade

Accounts payable are commitments to pay for goods or services which have been purchased from the supplier in the course of the day-to-day operations. Accounts payable are classified as current liabilities if they are due for payment within one year or less. If this is not the case, they are reported as non-current liabilities. Accounts payable are initially recognised at fair value and subsequently measured at amortised cost by applying the effective interest method. The fair value of current accounts payable and other current liabilities corresponds to their carrying amounts as the discount effect is immaterial.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs. Borrowings are subsequently recognised at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the borrowing period using the effective interest method.

Fees paid for loan facilities are recognised as transaction costs for the borrowing to the extent that it is probable that some or all of the facility will be utilised. In such cases, the fee is incurred when the facility is utilised. When there is no evidence that it is probable that some or all of the facility will be utilised, the fee is recognised as a pre-payment for financial services and amortised over the maturity of the loan facility.

Bank overdrafts are reported as borrowings under Current liabilities in the balance sheet.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. Borrowing costs are charged to profit or loss for the period to which they relate.

Borrowing expenses

General and specific borrowing expenses which are directly attributable to the purchase, establishment or production of qualified assets, that is, assets which necessarily require a considerable amount of time to prepare for their intended purpose or sale, are recognised as a portion of their acquisition cost. Capitalisation ceases when all activities required to prepare the asset for its intended use or sale have largely been completed.

Financial income which has accrued when special borrowed capital has been temporarily invested while waiting to be utilised to finance assets, reduces the borrowing expenses which can be capitalised. All other borrowing expenses are expensed as they arise.

Inventories

Inventories are valued at the lower of acquisition cost and net realisable value, whereby the FIFO principle is applied. The net realisable value has been calculated as the selling price after deductions for estimated selling expenses. The net realisable value is estimated at the normal selling price less selling and completion expenses.

Provisions

Provisions are recognised when the Group has a legal or informal obligation as a result of prior events and it is probable that an outflow of resources will be required in order to settle the obligation so that this does not take place and the amount has been calculated in a reliable manner. Provisions are not recognised for future operating losses.

If there are a number of similar obligations, the likelihood that an outflow of resources will be required in the regulation of the entire group of commitments is assessed. A provision is recognised even if the likelihood of an outflow with respect to any one item in this group of obligations is minimal. No such provisions have been recognised within the Group.

Remuneration of employees

Short-term remuneration of employees

Liabilities for salaries and benefits, including non-monetary benefits and paid leave, which are expected to be settled within 12 months of the end of the financial year, are recognised as current liabilities in the undiscounted amount expected to be paid when the liabilities are settled. The expense is recognised as the services are rendered by the employees.

Remuneration after concluded employment

The Group only has defined contribution pension plans. For defined contribution pension plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as personnel costs when they fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments may accrue to the Group.

Share capital

Ordinary shares are classified as equity. Transaction costs that can be directly attributed to the issue of new shares or options are recognised net after tax in equity as a deduction from the issue proceeds.

Earnings per share

Profit/loss per share before dilution

Earnings per share before dilution are calculated by dividing the profit or loss attributable to Parent Company shareholders with a weighted average number of outstanding ordinary shares during the period.

Profit/loss per share after dilution

For the calculation of earnings per share after dilution, the amounts used for the calculation of earnings per share before dilution are adjusted by taking into account the effect after tax of dividends and interest expenses on potential ordinary shares and the weighted average of the additional ordinary shares that would have been outstanding in a conversion of all potential ordinary shares.

At present, the Group has no effect from dilution, which means that the earnings per share before dilution correspond to earnings per share after dilution.

Parent Company accounting principles

The Parent Company has prepared its annual report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. RFR 2 states that the Parent Company, in the annual report for the legal entity, shall apply all EU-approved IFRS as far as possible within the framework of the Swedish Annual Accounts Act, taking into account the relationship between accounting and taxation. The recommendation states which exceptions and additions are to be made to the IFRS.

The Parent Company accordingly applies the principles presented above except for the exemptions presented below. Unless otherwise stated, these principles have been consistently applied for all years disclosed.

Financial instruments

The parent company applies the paragraphs in RFR 2 (IFRS 9 Financial instruments p 3-10), whereby financial instruments are measured at cost. Financial instruments of short term nature are subsequently measured at the lower of cost and fair value. For the calculation of the net realizable value of receivables recorded as current assets the principles of impairment and expected credit loss in IFRS 9 shall be used. The parent company has only inter-company receivables where the expected credit loss risk is deemed insignificant.

Presentation

The income statement and balance sheet follow the presentation according to the Annual Accounts Act.

Borrowing expenses

The Parent Company immediately expenses all borrowing expenses.

Participations in subsidiaries

Shares and participations in subsidiaries and associates are recognised at cost less potential write-downs. Cost includes acquisition-related costs and any additional purchase price. Received dividends are recognised as financial income. Dividends, which exceed the subsidiary's comprehensive income for the period or mean that the book value of the holding's net assets in the consolidated financial statements is below the book value of the participations, are an indication that there is an impairment requirement.

When there is an indication that shares or participations in a subsidiary or associate have decreased in value, an estimate of the recoverable amount is made. If this is lower than the carrying amount, a write-down is made. Write-downs are recognised in Result from participations in Group companies or Result from participations in associated companies.

Taxes

The Parent Company reports untaxed reserves including deferred tax where applicable. In the consolidated financial statements, however, untaxed reserves are divided between deferred tax liabilities and equity.

Group contributions

Group contributions paid or received by the Parent Company with the aim of minimising the Group's total tax are recognised in the income statement as appropriations.

Significant estimates and assumptions for accounting purposes

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The accounting estimates that result from these, by definition, seldom correspond to the actual results. The estimates and assumptions that imply a significant risk of material adjustments in the carrying values of assets and liabilities within the next financial year are outlined below.

Assessment of ongoing disputes and claims

Management has evaluated the ongoing disputes and claims.

- Request for Arbitration from PJSC Ukrgasvydobuvannya (SCC Arbitration)
- Request for Arbitration against Ukraine (ICSID arbitration)

SCC Arbitration is terminated and the respective arbitration awards are either already enforced or in the process of being enforced.

Following the termination of JAA No. 3, the Group no longer reports its share of the assets or liabilities related to JAA No 3 in the balance sheet as management view is that the IFRS requirements for control are no longer met.

The assessed potential Group exposure to debts in JA are shown as contingent liabilities (see note 21).

In the ICSID arbitration, the Arbitral Tribunal shall determine, among other issues, the going concern value of Misen's share at the time the exorbitant subsoil use tax was imposed on the Joint Activity, which led to the termination of the JAA No.3.

Based on the information currently available as well as supporting documentation from legal counsel, these ongoing disputes and claims described in the administration report do not require any additional provision or adjustment to the carrying values of assets and liabilities at the balance sheet date.

However, it cannot be excluded that the outcome of these disputes and claims may have a material effect on the Group's financial results and carrying value of assets and liabilities in the future (see note 21).

Recognition of current tax and deferred tax

Amendments to the tax code in Ukraine were adopted as of 1 January 2015. According to the newly adopted amendments, JAs are not corporate profit tax ("CPT") payers starting from 2015. Instead, it is the operators in the JAs that are obliged to pay tax monthly on behalf of the participants.

The tax is based on the calculation from the most recently filed tax return. In December 2015, the Ukrainian Parliament passed further amendments to the tax legislation. According to these amendments, returns shall be filed quarterly within 40 days after the end of each quarter. The tax payment is based on the return for the previous quarter and shall be paid within 10 days from the return being submitted.

In this annual report, it has been presumed that the Misen Group will be a taxpayer under Ukrainian law with regard to taxes related to JA, based on the assumption that the Misen Group has operations in Ukraine. JAs such as the JA in Ukraine have not been clearly defined in Swedish tax legislation. JA has in the tax return of Misen Enterprises since 2015 been treated as a foreign legal entity taxed by the participants (Sw. I utlandet delägarbeskattad juridisk person). This annual report has been prepared on the assumption that the income in JA accrued before 1 January 2015 will not be subject to Swedish tax, that the holding in 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 Company's tax losses carried forward can no longer utilised through group contributions from Misen Enterprises AB.

Recognition of deferred tax assets and tax loss carry forwards

The Group continuously evaluates the possibility of utilising tax loss carry forwards in each legal entity. At present, there are tax loss carry forwards in the Group's Swedish units. Because it is uncertain when and to what extent the tax loss carry forwards can be utilised against future taxable profits, no deferred tax assets regarding tax loss carry forwards have been recognised. Tax loss carry forwards in Sweden can be rolled over and have no expiration date.

Impairment requirements for shares in subsidiaries

If there is an indication of an impairment requirement on the Parent Company's shares in subsidiaries, impairment testing is done.

Valuation of shares in Misen Enterprises

The value of the Parent Company's shares in Misen Enterprises AB at the balance sheet date amounts to MSEK 332 (MSEK 313). The Parent Company owns 50.5% of the total outstanding shares in Misen Enterprises AB.

The value of Misen Enterprises AB is dependent on the value of the assets that were held by JA at the date of the Arbitral Tribunal's decision to terminate JAA No.3 as of 11 July 2018. In accordance with the Final Partial Award issued by the Arbitral Tribunal, the assets shall be transferred to the JA's participant UGV with Misen Enterprises AB and LLC Karpatygaz receiving compensation for their share of those assets. The Arbitral Tribunal determined the compensation for the assets of Misen Enterprises AB and LLC Karpatygaz in the Joint Activity.

The Board of Directors performed valuations in accordance with generally accepted valuation techniques for the assets held by JA as of 11 July 2018 based on realistic scenarios. These valuations show that the value of the Parent Company's shares in Misen Enterprises AB can be supported. As the final value of the assets are dependent on the decision by the Arbitral Tribunal, there is a risk that another value will be decided by the Arbitral Tribunal.

Business risks

Local risk

Public authorities in Ukraine are susceptible to corruption. Threats such as the lack of transparency and poor public ethics may be faced at all levels of government, including the local and regional levels. That affects businesses and threatens the universal access to basic services. Combating corruption, reforming Ukraine's judiciary system as well as decentralisation, deregulation and "deoligarcisation" remain among the key priorities for Ukraine.

A legal framework that provides limited security and support for foreign investors is a risk for Misen Group to recover the full value of its assets in Ukraine.

Political risks

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, nationalisation, confiscation of assets and legislative changes concerning the level of foreign ownership.

During the summer of 2014, the subsoil use charge to be paid in connection with production was increased from 25% to 55% and in 2016, this tax was 70% for JAs. This had a negative effect on the Group and complicated the implementation of the investment program of JA and, finally, led to termination of the JAA due to a material change in circumstances and inability to achieve the purpose of the JAA.

Annexation of Crimea by Russia in March 2014 and occupation of Eastern Ukraine by pro-Russian separatists illustrate a potential threat to recover value of Misen Group's assets.

Economic risks

Ukraine's transformation from a rigid, centrally planned economy to a market economy has been hampered by strong economic and political special interests. A small number of people with substantial wealth have had a dominant position in the country and have influenced policies in a negative way.

After the events during 2013-2014 a new platform was introduced for economic development in Ukraine. The country is negotiating closer integration with the EU and substantial financial support from the IMF, EU and US is being offered.

In 2016 Ukraine signed Association and Free Trade Agreement with the European Union. That enabled a reorientation of foreign trade.

At the end of 2019 the external debt to GDP ratio stood at 76%. In 2019, debt repayments amounted to USD 14 billion (9% of GDP). The current account deficit has been expected to increase slightly in 2020, given that expatriates' employee compensations and remittances (9% of total GDP) coupled with road and gas transit revenues (2%) are not enough to offset debt interest and the trade deficit (10%). Meanwhile, foreign exchange reserves cover just 3 months of imports. FDI inflows amount to only 1.5% of GDP and, moreover, 20% of this is round-tripping capital. Accordingly, covering the financing requirement will depend on market involvement and the execution of the new agreement with the International Monetary Fund (IMF). Market interest will be maintained by high interest rates, while an USD 5.5 billion Extended Credit Facility over three years was concluded with the IMF at end-2019.

Economic risks remain, but should decrease provided Ukraine's integration with Western Europe does not stall.

Foreign exchange risk

During the year, the exchange rate between UAH and SEK appreciated from 0.3192 on 31 December 2018 to 0.3901 on 31 December 2019, an increase of 22 percent. The primary reason for this was the resumption of the cooperation with IMF, market interest for Ukrainian sovereign as well as eorobonds. Since all assets of Misen Group are located in Ukraine, this has a positive impact on the Misen Group's assets value to be recovered.

Currency restrictions risk

Due to economic crisis in Ukraine, since 2013 the National Bank of Ukraine has toughened currency controls in Ukraine and implemented number of temporary currency control restrictions, aimed to stabilize Ukrainian economy.

Since May 2016 the National Bank of Ukraine has declared gradual elimination of temporary currency control measures introduced in 2013. Most of the currency control measures have already been eased or cancelled.

In 2018 Ukrainian Government adopted Law of Ukraine "On Currency and Currency Transactions" (effective since 7 February 2019) that established a new core principle for performing currency transactions: "everything that is not forbidden is allowed".

As of date of publishing of the report, a number of limitations related to repatriation of foreign investments could pose a potential threat to recover value of Misen Group's assets:

- Repatriation of dividends. Non-residents of Ukraine are allowed to repatriate dividends received from participation in Ukrainian legal entities for up to 2018 and in amount not exceeding EUR 7,000,000 per month. This limit does not apply if dividends are transferred to investment account of such non-resident, opened with Ukrainian bank (not overseas account or regular account with one of Ukrainian banks).
- Limit for repatriation of corporate investment. Non-residents of Ukraine are allowed to repatriate income from sale of shares in a Ukrainian company / as a result of withdrawal from Ukrainian company in the amount up to EUR 5,000,000 per month. This limit does not apply if the above income is transferred to investment account of such non-resident, opened with Ukrainian bank (not overseas account or regular account with one of Ukrainian banks).

Nevertheless, taking into account that the Arbitral Tribunal's Final Award could not be considered either dividends received from participation in Ukrainian legal entities or sale of shares in a Ukrainian company the risk of currency restrictions is low.

However, constantly changing regulatory environment bears significant risk to recovery of Misen Group's assets value.

Tax risk

The Misen Group currently conducts activities in Sweden and, through its subsidiary LLC Karpatygaz and the prior participation in the JA, in Ukraine. The tax legislation in each country can change over time. Consequently, it cannot be ruled out that changes regarding the tax legislation and its enforcement might, in the future, affect the Misen Group's profit.

Ukrainian tax, currency and customs legislation is under continued development. In cases of conflict between different legal systems, Management applies different interpretations. The Group Management considers that its interpretations are accurate and durable, but cannot guarantee that its judgement will not be questioned by the Ukrainian authorities.

Risks from litigation and claims

In the course of operating activities, the Joint Activity, as represented by LLC Karpatygaz, got involved in a great number of legal disputes and court proceedings in Ukraine. In particular, such legal disputes and court proceedings occurred or could occur in relation to suppliers or services providers. For the Misen Group, these may result in payments due to the prior participation in JAA No.3. Risks may also emerge in connection with the ongoing arbitration proceeding commenced by JSC Ukrgasvydobuvannya in August 2016. The Misen Group could be liable to pay damages for non-material breaches of JAA No.3 claimed by JSC Ukrgasvydobuvannya and/or face challenges in relation to enforcement of the final award before Ukrainian courts.

Financial risks and risk management

The Group is exposed to financial risks including market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. For a description of the Group's exposure and risk management regarding these risks, please see Note 22.

Definitions of key ratios

1. EBITDA (earnings before interest, tax, depreciation and amortisation) is defined as the Group's and Parent Company's respective operating profit plus depreciation.

2. Earnings per share before dilution are calculated by dividing the profit or loss attributable to Parent Company shareholders with a weighted average number of outstanding ordinary shares during the period.

3. Earnings per share after dilution are calculated by the amounts used for the calculation of earnings per share before dilution being adjusted by taking into account the effect after tax of dividends and interest expenses on potential ordinary shares and the weighted average of the additional ordinary shares that would have been outstanding in a conversion of all potential ordinary shares. At present, the Group has no effect from dilution, which means that the earnings per share before dilution correspond to earnings per share after dilution.

4. Return on equity is defined as the Group's and Parent Company's respective profit divided by equity at the end of the period.

5. Return on working capital is defined as the Group's and Parent Company's respective profit after financial items plus interest expenses plus/minus exchange rate differences for financial loans divided by total working capital (the average of the two most recent balance sheet totals less non interest-bearing liabilities).

6. Debt/equity ratio is defined as the Group's and Parent Company's respective interest-bearing liabilities in relation to the reported equity.

7. Equity/assets ratio is defined as the Group's and Parent Company's respective equity (including minority interest) as a percentage of the balance sheet total.

8. The portion of risk-bearing capital is defined as the sum of the Group's and Parent Company's respective equity and deferred tax (including minority interest) divided by the balance sheet total.

9. Number of outstanding shares at full dilution is defined as the number of outstanding shares including maximum utilisation of warrants as well as outstanding paid subscribed shares.

10. The number of employees reflects the average number of employees converted into full-time equivalents and calculated as total hours of work during the year divided by the theoretical working hours. For JA, 50.01% of this number has been consolidated until 31 December 2017.

Notes, common for Parent Company and Group

Note 1 Revenue distribution

	Group		Parent Company	
	2020	2019	2020	2019
Income included in net sales:				
Natural gas	-	-	-	-
Other	38	347	-	-
Total	38	347	-	-

Note 2 Segment information - Group

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

Geographical area	2020-12-31	2019-12-31
Net sales, external		
Ukraine	38	347
Fixed assets		
Ukraine	60	123

Note 3 Other operating income

	Group		Parent Company	
	2020	2019	2020	2019

	Group		Parent Company	
	2020	2019	2020	2019
Invoiced employee expenses	3,360	5,832	-	-
Capital contribution in accordance with financing agreement	22,574	21,877	13,904	14,745
Final award SCC	481,825	-	-	-
Management fee	-	-	5,577	5,577
Other	2,045	15	62	11
Total	509,804	27,724	19,543	20,333

Capital Contribution in accordance with financing agreement

In November 2018, Misen Energy AB (publ) and Misen Enterprises AB signed the Financing Agreement with Powerful United Limited (PUL) for the maximum sum of up to MEUR 12. The Agreement obliged PUL to provide financing for the Swedish operation and an arbitration proceeding commented by JSC Ukrgazvydobuvannya under the SCC Arbitration Rules. The Agreement did not obligate PUL to cover any contingent liabilities.

Under the Financing Agreement, PUL agreed to provide financing on a non-recourse, unsecured and unguaranteed basis, covering arbitration costs as well as corporate costs. Misen Energy AB (publ) agreed to repay received financing and pay 20 % of any final settlement of the arbitration claim to PUL. Such fee shall only become payable upon a final settlement of the arbitration claim. The capital contribution has therefore entirely been recorded as Other operating income.

Misen Energy AB (publ) had a complete control over the arbitration proceeding.

Note 4 Remuneration of auditors

	Group		Parent Company	
	2020	2019	2020	2019
Frejs Revisorer AB:				
Audit assignment	157	-	146	-

	Group		Parent Company	
	2020	2019	2020	2019
Tax advisory services	4	-	4	-
Other services	3	-	3	-
PwC				
Audit assignment	481	706	481	706
Tax advisory services	101	90	101	90
Other services	-	-	-	-
Total	746	796	735	796

Note 5 Other external expenses

	Group		Parent Company	
	2020	2019	2020	2019
Production and transport expenses	19	238	-	-
Legal costs	1,085	13,448	1,085	133
Other	6,222	9,603	4,845	7,668
Total	7,326	23,289	5,930	7,801

Note 6 Salaries and remuneration to the Board and Company management

	Basic salary / Director's fee	Other remuneration	Benefits	Pension	Total
2020					
Group					
Göran Wolff, MD	1,790	-	24	402	2,216
Andrius Smaliukas, Chairman of the Board	356	-	-	-	356
Oleg Batyuk, Board of Directors	154	-	-	-	154
Dimitrios Dimitriadis, Board of Directors	154	-	-	-	154
Pavel Prysiazhniuk, Board of Directors	67	-	-	-	67
Other senior executives, 2 individuals	2,619	-	-	162	2,781
Total	**5,140**	**-**	**24**	**564**	**5,728**

	Basic salary / Director's fee	Other remuneration	Benefits	Pension	Total
2019					
Group					
Göran Wolff, MD	1,840	-	24	407	2,271
Andrius Smaliukas, Chairman of the Board	395	-	-	-	395
Oleg Batyuk, Board of Directors	171	-	-	-	171
Dimitrios Dimitriadis, Board of Directors	171	-	-	-	171
Pavel Prysiazhniuk, Board of Directors	75	-	-	-	75
Other senior executives, 3 individuals	2,933	-	-	196	3,129

	Basic salary / Director's fee	Other remuneration	Benefits	Pension	Total
Total	**5,585**	**-**	**24**	**603**	**6,212**

Note 7 Wages, salaries, other remuneration and social security contributions

	Group		Parent Company	
	2020	2019	2020	2019
Average number of employees				
Women	16	20	1	1
Men	20	26	2	2
Total	36	46	3	3
Employees per country				
Sweden	3	3	3	3
of which men	2	2	2	2
Ukraine	33	43	-	-
of which men	18	24	-	-
Total	36	46	3	3
of which men	20	26	2	2

	Group		Parent Company	
	2020	2019	2020	2019
Total wages, salaries, other remuneration, social security contributions and pension costs				
Salaries and remuneration of the Board of Directors, Managing Director and other senior executives	5,444	5,585	5,148	5,454
Salaries and remuneration of other employees	2,887	4,951	-	-
	8,331	10,536	5,148	5,454
Statutory and contractual social security contributions	1,591	2,033	936	955
Pension costs for Board of Directors, Managing Director or other senior executives	564	603	458	472
Total	10,486	13,172	6,542	6,881

No agreements regarding severance pay are in place.

The MD has a period of notice of 24 months with retained fixed remuneration.

Wages, salaries and other remuneration by country and between management staff and other employees				
Management staff, Sweden	5,444	5,585	5,148	5,454

	Group		Parent Company	
	2020	2019	2020	2019
Management staff, Ukraine	-	-	-	-
Other employees, Ukraine	2,887	4,951	-	-

Members of the Board and senior executives				
No. of members of the Board at balance sheet date				
Men	4	4	4	4
Total	4	4	4	4
No. of Managing Directors and other senior executives				
Women	1	1	1	1
Men	3	3	2	2
Total	4	4	3	3

Note 8 Depreciation/amortisation and write-downs

	Group	
	2020	2019

	Group	
	2020	2019
Depreciation, amortisation and write-downs of tangible and intangible assets		
Depreciation of equipment and buildings	33	97
Total	33	97

Note 9 Other operating expenses

	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Bad debt losses	3,456	4,690	-	-
Fines and penalties	-	168	-	-
Repayment capital contribution	49,001	-	30,518	-
Financing fees	97,785	-	14,112	-
Other operating expenses	935	12	-	-
Total	151,177	4,869	44,630	0

Note 10 Other interest income and similar profit/loss items

	Group		Parent Company	
	2020	2019	2020	2019
Dividends received	-	-	112,540	-

	Group		Parent Company	
	2020	2019	2020	2019
Interest income	3	5	-	8,033
Translation Differences	-	63	-	63
Total	3	68	112,540	8,096

Note 11 Interest expenses and similar profit/loss items

	Group		Parent Company	
	2020	2019	2020	2019
Other interest expenses	7	8,038	7	8,038
Other financial expenses	133	-	133	-
Total	140	8,038	140	8,038

Note 12 Tax on profit for the year

Distribution of income tax	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Current tax	68,012	-	-	-
Deferred taxes	-	-	-	-
Total	**68 012**	**0**	**0**	**0**

	Group		Parent Company	
	2020	2019	2020	2019
Reported result before taxes	340,314	-21,326	74,464	5,694
Tax according to national tax rates	-72,827	4,385	-15,935	-1,219
Effect of non-deductible expenses	-1	-861	-1	-16
Effect of non-taxable income	0	0		
Increase in tax deficits not recognized	4,816	-,4,759	15,936	

	Group		Parent Company	
	2020	2019	2020	2019
Utilized tax deficits not previously recognized	-	1,235	-	1,235
Tax expenses for the year	68,012	-	-	-

Weighted average tax rate was 20% (2019: 21%).

Deferred tax assets related to tax losses carried forward for the Group and the parent company have not been recognized since the possibility to use these assets to reduce future tax payments is uncertain. The outstanding tax losses carried forward in the Group amounts to KSEK 364,558. The parent company outstanding tax losses amounts to KSEK 269,401. Tax losses in Sweden represents KSEK 362,072 and may be carried forward for an unlimited time.

Note 13 Rights and licences

	Group	
	2020-12-31	2019-12-31
Opening acquisition value	1	1
Translation differences	-	-
Sales and scrapping	-	-
Deconsolidation	-	-
Closing accumulated acquisition value	1	1
Opening amortisation/depreciation	-	-
Deconsolidation	-	-
Depreciation/amortisation for the year	-1	-1
Translation differences	-	-
Closing accumulated depreciation/amortisation	-1	-1
Closing residual value according to plan	0	0

Note 14 Equipment, tools, fixtures and fittings

	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Opening acquisition value	295	425	403	403
Purchases	19	54	-	-

	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Translation differences	-74	80	-	-
Sales and scrapping	-47	-264	-	-
Reclassifications	-	-	-	-
Closing accumulated acquisition value	193	295	403	403
Opening amortisation/depreciation	-172	-130	-403	-403
Sales and scrapping	25	87	-	-
Depreciation/amortisation for the year	-32	-96	-	-
Translation differences	-45	-33	-	-
Closing accumulated depreciation/amortisation	-133	-172	-403	-403
Closing residual value according to plan	60	123	0	0

Note 15 Inventories

	Group	
	2020-12-31	2019-12-31
Valued at acquisition value		
Goods for resale	30	41

	Group	
	2020-12-31	2019-12-31
Total	30	41

Note 16 Financial instruments by category

	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Assets				
Amortized cost				
Accounts receivable, external	2,241	5,463	-	-
Receivables from Group companies	-	-	193,324	-
Cash and bank balances	934	130	191	-
Total	3,175	5,593	193,515	-
Liabilities				
Amortized cost				
Short-term loans	-	2,618	-	2,618
Liabilities to Group companies	-	-	88	6,017
Accounts payable and other liabilities excluding non-financial liabilities	24,946	27,116	19,344	17,880
	24,946	29,734	19,432	20,498

Note 17 Accounts receivable - trade

	Group	
	2020-12-31	2019-12-31
Accounts receivable, external	2,241	5 463
Total	2,241	5 463

As per 31 December 2020, Accounts receivable (excluding doubtful debts) amounted to KSEK 2 241 (2019: KSEK 5 463) less write-downs, totaling KSEK 0 (KSEK 0).

Maturity analysis of accounts receivable:

Not overdue	2,209	5,434
Overdue	29	29
Total	2,241	5,463

Impairment of accounts receivables

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Trade receivables are written-off when there is no reasonable possibility of repayment. Since the termination of the JA, the Group has only remaining accounts receivables from the prior operations. The Group has reversed the prior recognized impairment of these receivables since an agreement with the customer has been reached including a plan for repayment. Management's view is that these receivables will be paid in full and no expected credit loss has been recorded.

Note 18 Other receivables

	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
VAT recoverable	275	304	-	-
Receivable JA 493	-	2 567	-	-
Receivable JA 3	-	446	-	-
Other receivables	2 227	41	-	7
Total	2 502	3 358	-	7

Management's assessment is that these receivables will be paid in full and no expected credit loss has been recorded.

Note 19 Prepaid expenses

	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Final award	480 938	-	-	-
Other prepaid expenses	638	281	299	305
Total	481 576	281	299	305

Note 20 Share capital

Share information	2020	2098
Parent Company		
Weighted average number of shares for the year	145,068,222	145,068,222
No. of outstanding shares at balance date before dilution	145,068,222	145,068,222
No. of outstanding shares at balance date after full dilution	145,068,222	145,068,222

Note 21 Contingent liabilities

	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Guarantee commitment JA	31,210	36,125	-	-
Total contingent liabilities	31,210	36,125	0	0

	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31

As of 31 December 2020, Misen group contingent liabilities amounted to KSEK 31,210 (KSEK 36,125 as of 31 December 2019), the change is mainly explained by the inventory of assets and liabilities that have taken place as a part of the ongoing arbitration proceedings.

Under the Financing Agreement, PUL provided financing on a non-recourse, unsecured and unguaranteed basis, covering arbitration costs as well as corporate costs. Given the success in the arbitration proceeding PUL was entitled to its outlay on the arbitration and 20% (twenty percent) of the proceeds from the arbitration.

Note 22 Financial risk management and borrowing

Financial risk management

Financial risk factors

Before the termination of JAA No 3, the Group was subject to various financial risks: market risk (comprehensive foreign exchange risk, interest rate risk and price risk), credit risks and liquidity risks. After the termination of JA No 3, these risks are considered limited. The Group strives for awareness of potentially negative effects on the Group's financial performance. The financing costs comprise fixed borrowing fee and default interest. No foreign exchange hedging has been undertaken during 2019 or 2018.

Market risk

Foreign exchange risk

Through its operations in different countries, the Group is exposed to fluctuations in a number of currencies. Therefore, effects on the Company's earnings and financial position from foreign exchange volatility cannot be disregarded.

Out of the Group's total sales and expenses in 2020, SEK 2 million and SEK 2 million, respectively, were denominated in UAH, implying that a +/- 10% change in the UAH exchange rate would affect the Group's profit by SEK +/- 0,2 million.

The Group's net assets with UAH as reporting currency amounted to SEK-30 million. Thereby, a +/- 10% change in the UAH exchange rate would affect the Group's equity by SEK +/- 0,3 million.

Interest rate risk
As described above, the Group had as at 31 December 2020 had no interest-bearing liabilities. All financial liabilities are of short-term nature. Therefore a change in the market interest rates would have no significant impact on the Group's financial costs.

Price risk

Since the Group's sales of hydrocarbons has ceased since the termination of JA No 3, the Group is no longer exposed for price risks.

Credit risk

The Group takes on exposure to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to fulfill an obligation.

The Group's maximum exposure to credit risk amounts to the figures reported in the balance sheet. The Group's risks are structured by setting credit limits on counterparties. Limits on the level of credit risk are monitored on an ongoing basis and approved regularly by Management. LLC Karpatygaz management undertakes regular age analyses and follows up on overdue accounts receivable.

Liquidity risk

Liquidity risk refers to the risk that financing of the Group's capital requirements and the refinancing of outstanding loans is made more complicated and expensive.

The Group terminated the arbitration case against the JA's partner JSC Ukrgasvydobuvannya. The Group is involved in the ICSID arbitration proceeding against Ukraine. In Ukraine, Misen Enterprises AB is also involved in a few additional court proceedings, which require financing to complete. Within the JA there were external liabilities where the Group is joint and several liable, which may require additional financing.

The financing need that may arise in 2021 will be covered with the compensation received under the arbitration awards from the SCC arbitration. The major part of the current assets comprise receivables accounted for at amortized cost.

The table below shows liabilities at 31 December 2020 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows including gross loan commitments. Such undiscounted cash flows may differ from the amount included in the balance sheet because the amounts in the balance sheet are based on discounted cash flows.

When the amount payable is not fixed, the amount disclosed is determined by reference to the loan terms applicable at the end of the reporting period. Payment obligations in currencies other than the report currency (SEK) are reported after translation at the closing rate of exchange.

Payment dates for financial liabilities as per 31 December 2020	< 1 month	1 month - 1 year	1 year - 2	> 2 years	Total
	-				
Accounts payable and other financial liabilities	24,946	-	-	-	24,946
Total	**24,946**	**-**	**-**	**-**	**24,946**

Payment dates for financial liabilities as per 31 December 2020					
Accounts payable and other financial liabilities	24,946	-	-	-	24,946
Total	**24,946**	**-**	**-**	**-**	**24,946**

The loan agreement with SP Holdings, with the principal amount of KSEK 2,618 has 12 February 2020 been renegotiated and the principal amount as well as accrued interest will be considered as other operational income in the accounts for 2020.

	Group		Parent Company	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018

Interest-bearing liabilities

Current liabilities				
Short-term loans	-	2,618	-	2,618
Total	-	-	-	-
Total interest-bearing liabilities	-	2,618	-	2,618

Interests

Weighted average effective interest rates on borrowing amounted to:

	Group		Parent Company	
	2020	2019	2020	2019
Short-term loans	-	182,5%		182,5%-
Liabilities to Group companies	ET	ET	-	-

Currencies

	Group		Parent Company	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
Interest-bearing liabilities per currency				
EUR	-	2,618	-	2,618
Total	**-**	**2,618**	**-**	**2,618**

Note 23 Pledged assets

The Group has no pledged assets

Note 24 Accrued expenses and deferred income

	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Accrued interest expenses	-	8,608	-	8,608
Accrued salaries and other staff expenses	275	649	-	-
Accrued holiday pay	1,156	1,396	937	1,150
Accrued social security contributions	-	-	154	139
Accrued financing fees	146,785	-	-	-
Other items	5,104	3,977	48,030	2,447
Total	153,320	14,630	48,813	12,344

Note 25 Adjustment for non-cash items

	Group		Parent Company	
	2020	2019	2020	2019
Depreciation/amortisation	33	97	-	-

	Group		Parent Company	
	2020	2019	2020	2019
Profit/loss from sales of fixed assets	-1	-72	-	-
Transfer of loan and accrued interest to financing agreement	-11,226	-	-2,618	-
Accrued final award	-480,938	-		-
Accrued financing fees	146,786	-	44,630	-
Bad debt loss	2,889	4,690	-	-
Unrealised exchange rate differences	-	-	-	-
Total	-342,457	4,715	42,012	-

	Group		Parent Company	
Change in financial liabilities	2020	2019	2020	2019
Opening financial liabilities	2,618	2,553	2,618	2,553
Loans raised	-	-	-	-
Total cash items	-2,618	-	-2,618	-
	-	-	-	-
Translation differences		65	-	65
Closing financial liabilities	-	2,618	-	2,618

Note 26 Other short-term debt

	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Antecipated dividends to holders of non-controlling interests	110,311	-	-	-
Other short-term debt	3,439	3,375	1,103	452
Total	113,570	3,375	1,103	452

Note 27 Participations in Group companies

Group	Corp. ID no.	Domicile	Share of equity (%)
Misen Enterprises AB	556526-3968	Sweden	50,5%
Capital Oil Resources Sweden AB	556754-4878	Sweden	100%
LLC Karpatygaz	30162340	Ukraine	100%

Parent Company	Share of equity %	Share of votes %	No. of shares	Book value, 31 Dec. 2020	Book value, 31 Dec. 2019
Misen Enterprises AB	50.5	50.5	25,250	243,359	313,359
Total				243,359	313,359

	2020	2019
Participations in Group companies		
Opening acquisition value	332 359	313 359
Capital contribution/repayment	-89 000	19 000
Sales of participations	-	-
Closing accumulated acquisition value	243 359	332 359
Closing book value	243 359	332 359

Note 28 Transactions with related parties

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Sales to related parties	**-**	**-**	**5 577**	**5 577**
Misen Enterprises AB	11 360	21 877	2 748	14 745
Powerful United Ltd capital contribution	2 748	0	2 752	-
SP Holding	14 108	21 877	11 077	20 322
Total				

Repayment of capital contribution, financing fees, purchases and interest from related parties

Balit LLC 4)	2 923	1 423	2 923	1 423
Dentons 1)	1 918	9 197	830	-
Lexford Investment 1)	-	546	-	546
Sergey Probylov	810	-	-	-
Powerful United Ltd 5)	117,605	-	14,025	
SP Holdings 5)	-	8,033	2,512	8 033
Total	123,256	18,653	20,290	10,002

Operating receivables/liabilities attributable to related parties

Receivables/liabilities from the sale/purchase of goods/services are stated below.

Receivables from related parties

Misen Enterprises AB	-	-	193,324	-
Total	-	-	193,324	-

Liabilities to related parties

Capital Oil Resources AB	-	-	88	88
Misen Enterprises AB	-	-	-	5,929
Balit LLC 3)	1,741	726	1,741	558
Dentons 1)	8,462	7,209	7,374	7,209
PUL 4)	227,916	-	16,537	-
SP Holding 4)	-	11,226	-	11,226
Sergiy Probylov, loan 2)	807	1,337	-	-
Total	238,926	20,446	25,652	25,010

1) Refers to purchases of management services from a company where a Board member is a partner.

2) Refers to salaries to employees who are a significant shareholder with substantial influence in the Group.

3) Refers to purchases of management services from a Board member/prior Managing Director in a subsidiary

4) Refers to interest and liabilities to major shareholders.

Note 29 Proposed appropriation of profits

The following profits are at the disposal of the Annual General Meeting (all in SEK):

Retained earnings and addition al paid-in capital	2,879,284
Net profit for the year	74,463,710
	77,342,994

The Board of Directors proposes that losses brought forward be appropriated as follows:

To be paid as dividends	58,027,289
To be carried forward	19,315,705
	77,342,994

Note 30 Essential events after the end of 2020

Essential events after the end of 2020

SCC arbitration under JAA No.3

The Arbitral Tribunal rendered the following awards in the SCC case V 2016/114 under the SCC Arbitration Rules: Final Partial Award dated 11 July 2018, Consent Award dated 26 March 2020, Second Final Partial Award dated 17 June 2020 and Final Award by Consent dated 5 November 2020 and Interpretation of the Final Award by Consent dated 22 December 2020.

Enforcement of the Arbitration Awards

The parties seek to enforce the Final Partial Award in Ukraine. Specifically, the parties are in the process of preparing a set of documents necessary for deregistration of the Joint Activity in Ukraine.

The Consent Award confirming a settlement agreement in relation to all hydrocarbons produced using the JA's assets from 1 December 2016 to 10 July 2018 (termination of JAA No.3) was confirmed and recognized by a court ruling in Ukraine in June 2020.

On 14 January 2021 the Supreme Court of Ukraine issued a ruling recognizing the Second Partial Final Award dated 12 June 2020 (subject to the Corrections of the Second Partial Final Award dated

18 August 2020). Accordingly, JSC Ukrgasvydobuvannya transferred EUR 2,739,784.53 (KSEK 27,538), SEK 344,415.38, USD 7,971.59 (KSEK 65), and GBP 10,940.05 (KSEK 122) to Misen Enterprises AB for the legal costs incurred the SCC case V 2016/114.

On 5 January 2021 the Kiev Court of Appeal recognized Final Award by Consent dated 5 November 2020. Following that on 10 February 2021, Misen Enterprises AB received USD 47,060,537.16 (KSEK 385,677) and LLC Karpatygaz received UAH 1,001,242.74 (KSEK 287) from JSC Ukrgasvydobuvannya. This compensation is after taxes applicable to Misen Enterprises AB in Ukraine. JSC Ukrgasvydobuvannya was entitled to withhold a tax on non-resident income for 15% of the compensation to Misen Enterprises AB (UAH 236,113,788, KSEK 67,725) and pay the withheld amount to the budget of Ukraine.

On 23 March 2021 the Kiev Court of Appeal recognized Interpretation of the Final Award by Consent dated 22 December 2020 and ordered JSC Ukrgasvydobuvannya to transfer EUR 107,798.40 (SEK 1,094,154) to Misen Enterprises AB. JSC Ukrgasvydobuvannya has 30 days to appeal against the decision. Misen Enterprises AB has not yet received this amount from JSC Ukrgasvydobuvannya.

Given that the awarded amounts have been paid to the partially owned subsidiaries of Misen Energy AB (publ), the effect of compensation will be reflected in the Misen Group's accounts for 2020. Misen Energy AB (publ) assesses its obligations to the business partners and the shareholders.

Court Proceedings against NABU in Case No. 910/18439/17

The court hearing will be held on 22 April 2021.

Payments to the Funders under the Financing Agreements

Following successful resolution of the SCC arbitration dispute under the SCC Arbitration Rules and given that Misen Enterprises AB received compensation from JSC Ukrgasvydobuvannya, Misen Energy AB (publ) and Misen Enterprises AB were obliged to execute payments to the funders under the financing agreements. Namely, under the Financing Agreement concluded with a financial partner controlled by businessman Mr. Edvardas Jatautas in March 2020 the companies paid EUR 1,940,000.00 (SEK 19,558,690); under the Financing Agreement concluded with Powerful United Limited on 28 November 2018 the companies paid EUR 8,452,140.90 (SEK 85,212,785) and EUR 3,221,404.00 (SEK 32,477,550). In consideration of the payments, Misen Energy AB (publ) and Misen Enterprises AB consider that they met all terms satisfactorily and the financing agreements terminate.

ICSID arbitration against Ukraine

On 24 March 2021, Misen Energy AB (publ) and its partially owned subsidiary Misen Enterprises AB filed a Request for Arbitration under the Washington Convention and the Rules of the International Centre for Settlement of Investment Disputes (ICSID). ICSID is an international organization that is part of the World Bank Group, headquartered in Washington, D.C., in the United States.

Misen Energy AB (publ) and Misen Enterprises AB will determine the precise amount of the compensation with quantum experts and specify the amount claimed in its Memorial in the ICSID arbitration.

MISEN ENERGY AB (publ.)

556526-3968

Affirmation

The Board of Directors and the Managing Director hereby affirm that the annual report has been prepared in accordance with Generally Accepted Accounting Principles, gives a true and fair view of the Parent Company's financial position and performance, and that the administration report gives a fair overview of the development of the Parent Company's operations, financial position and performance and, additionally, describes the significant risks and uncertainty factors faced by the Parent Company. The Board of Directors and the Managing Director also confirm that the consolidated financial statements have been prepared in accordance with international financial reporting standards, IFRS, as adopted by the EU, that they give a true and fair view of the Group's financial position and performance, and that the administration report for the Group gives a fair overview of the Group's operations, financial position and performance, and, additionally, describes significant risks and uncertainty factors faced by the Group.

The income statements and balance sheets will be submitted for adoption at the Annual General Meeting on 28 April 2021.

Stockholm, 9 April 2021.

Andrius Smaliukas

Board member, Chairman

Oleg Batyuk

Board member

Dimitrios Dimitriadis

Board member

Pavel Prysiazhniuk

Board member

Göran Wolff

Managing Director

MISEN ENERGY AB (publ.)
556526-3968

Our audit report was submitted

Frejs Revisorer AB

Ulf Johansson

Authorised Public Accountant

Auditor-in-Charge

FREJS

Auditor's report

To the general meeting of the shareholders of Misen Energy AB (publ.)
Corporate identity number 556526-3968

Report on the annual accounts and the consolidated accounts

No statements are made respective statements made
We have been assigned to perform an audit of the annual accounts for Misen Energy AB (publ.) for the financial year 2020 and we have executed an audit of the consolidated accounts for Misen Energy AB (publ.) for 2020.

We refrain from expressing an opinion on the annual report. Due to the facts described in the section Basis for Opinions in our report is so significant, we have not been able to obtain sufficient and appropriate audit evidence as a basis for the audit opinion regarding the annual report.

The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the consolidated accounts.

As a result of the situation described in the section Basis for Opinions, we can neither recommend nor oppose to the General Meeting of Shareholders to adopt the income statement and balance sheet for the Parent company.

We recommend that the General Meeting of Shareholders adopts the income statement and balance sheet for the Group.

Basis for Opinions
The assessment of the value of the Parent company's shares in the subsidiary Misen Enterprises AB, which amounts to KSEK 243,359 and corresponds to 56 % of the Parent company's total assets and thereby representing a significant part of the Parent company's assets, is entirely dependent on the outcome of the ongoing legal processes between the participants of the JA.

Since the value of the shares in subsidiaries enter into the determination of the financial result, we were unable to determine whether adjustments might have been necessary in respect of the result for the year, reported in the Parent company income statement.

We conducted our audit of the consolidated accounts in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the Parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained for the audit of the consolidated accounts is sufficient and appropriate to provide a basis for our opinion.

FREJS

Other information

The audit of the annual accounts and the consolidated accounts for the financial year January 1, 2019 to December 31, 2019 was performed by another auditor who submitted an audit report dated May 5, 2020 with modified opinions in the Report on the annual accounts and unmodified opinions in the Report on the consolidated accounts.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

No statements are made respective statements made

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Misen Energy AB (publ.) for the financial year 2020 and the proposed appropriations of the company's profit or loss.

As a result of the situation described in the section "Basis for Opinions", we can neither recommend nor reject the Annual General Meeting that the profit be appropriated in accordance with the proposal in the statutory administration report.

We recommend to the Annual General Meeting that the members of the Board and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

As stated in our Report on the annual accounts and consolidated accounts, we can neither approve nor reject that the balance sheet is approved for the Parent Company and the Group.

We conducted the audit of the administration of the Board of Directors and the Managing Director in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

FREJS

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

FREJS

Remark

During the financial year, the company did not pay deducted tax, social security contributions and VAT in due time.

Gothenburg, April 9,2021

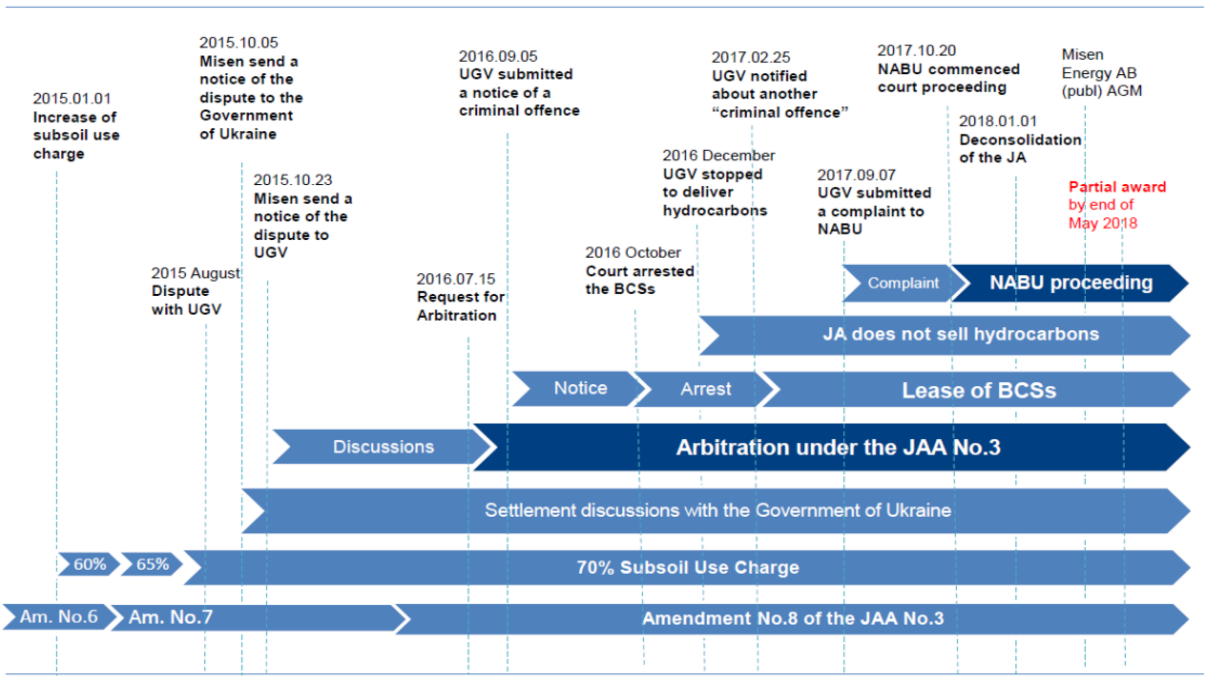
Frejs Revisorer AB

Ulf Johansson
Authorized Public Accountant

Report on Legal Proceedings

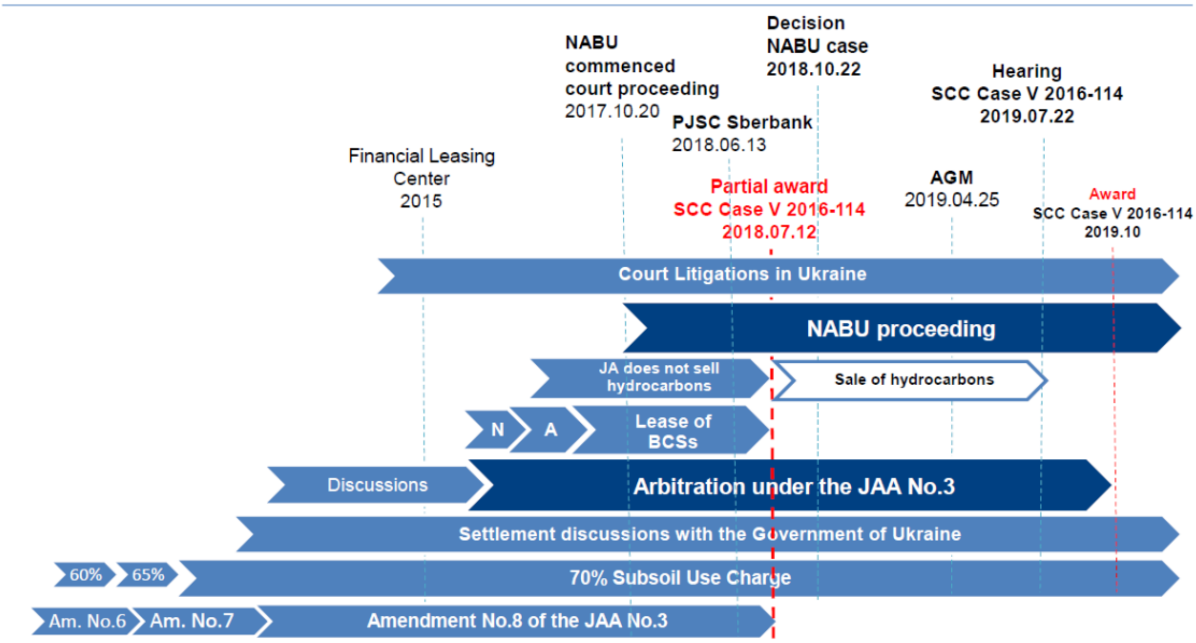
Legal Report at the AGM held on 26 April 2018

The first chart reflects chronology and a number of the most material legal proceedings initiated before the AGM held on 26 April 2018. Specifically, the first chart demonstrates that Misen Energy AB (publ) reached no amicable resolution of the dispute what regards exorbitant subsoil use charge with the Government of Ukraine. The chart further shows that Misen Enterprises AB and LLC Karpatygaz, partially owned subsidiaries of Misen Energy AB (publ) participated in the arbitration proceeding commenced by JSC Ukrgasvydobuvannya in August 2016 under JAA No.3 and vigorously defend the legitimate interests of their investors. Finally, the first chart shows that pending the arbitration proceeding, Misen Enterprises AB and LLC Karpatygaz could not properly implement the JAA No.3: JSC Ukrgasvydobuvannya refused to deliver hydrocarbons produced by JA since December 2016 and initiated a number of pre-trial investigations in criminal cases in relation to implementation of JAA No.3.



Report on Legal Proceedings at the AGM held on 25 April 2019

The chart reflects chronology and a number of the most material legal proceedings ongoing after the AGM held on 26 April 2018 and until this Annual Report. The material event affecting the ongoing legal proceedings was the Final Partial Award issued by the Arbitral Tribunal in the arbitration proceeding commenced by JSC Ukrgasvydobuvannya in August 2016. The Arbitral Tribunal, among other issues, concluded that 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 Joint Activity, JAA No.3 must be terminated as of 11 July 2018. Given this, Misen Enterprises AB and LLC Karpatygaz stopped to produce hydrocarbons in Ukraine. The parties are taking all steps necessary and appropriate to give practical effect to termination of JAA No.3: performed inventory in the regions, handled (or are handling) the legal proceedings concerning the JA's activities, continue discussions in relation to what other matters are necessary to enforce termination of JAA No.3 and etc. All pre-trial investigations in criminal cases are ongoing. In the next stage of the arbitration proceeding, the Arbitral Tribunal shall decide on compensation for the assets of Misen Enterprises AB and LLC Karpatygaz in the Joint Activity. Misen Energy AB (publ) reached no amicable resolution of the dispute what regards exorbitant subsoil use charge with the Government of Ukraine.



MISEN ENERGY AB (publ.)

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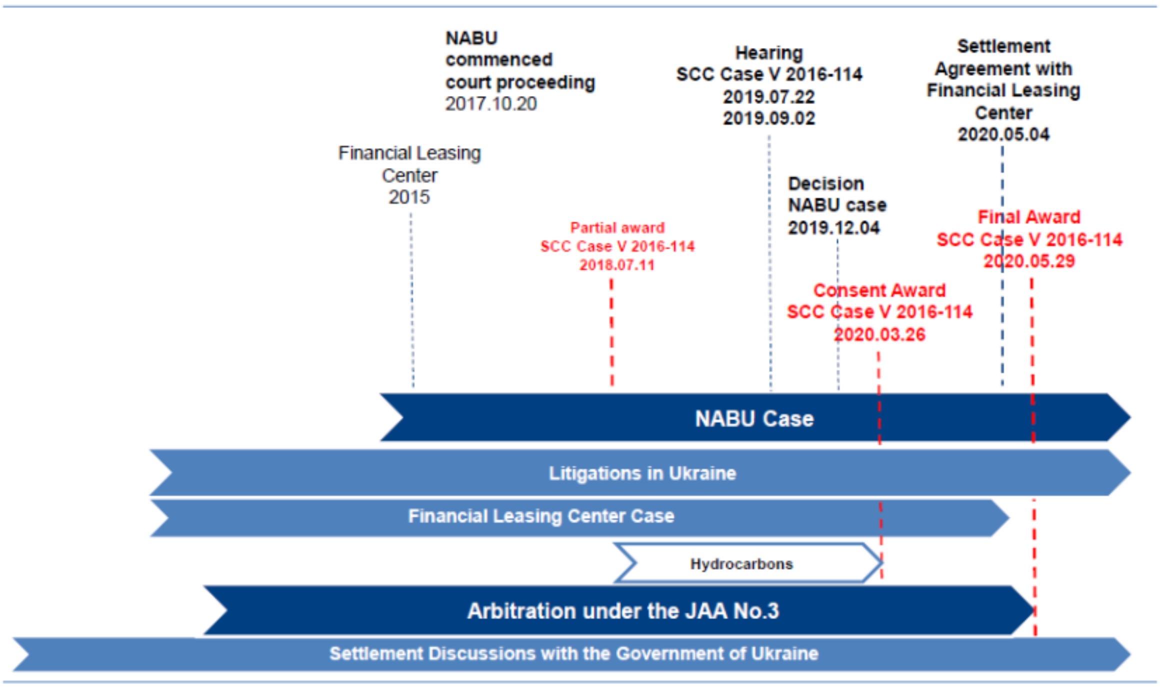
Report on Legal Proceedings at the AGM held on 4 June 2020

This chart reflects chronology and a number of the most material legal proceedings ongoing at the time of publishing this report.

On 26 March 2020, the Arbitral Tribunal issued a Consent Award whereby it confirmed the Settlement Agreement regarding the settlement of certain legal relations concluded between JSC Ukrgasvydobuvannya, Misen Enterprises AB and LLC Karpatygaz (the "Parties") on 23 July 2019. Pursuant to the Settlement Agreement, JSC Ukrgasvydobuvannya shall pay a compensation to Misen Enterprises AB and LLC Karpatygaz for their share of total costs for the use of the joint property. As a result of that, the Parties settled all the cases in relation to the hydrocarbons produced since December 2016.

Furthermore, at the Final Award to be rendered by 29 May 2020, the Arbitral Tribunal shall decide on compensation for the assets of Misen Enterprises AB and LLC Karpatygaz in the Joint Activity. Finally, Misen Energy AB (publ) reached no amicable resolution of the dispute what regards exorbitant subsoil use charge with the Government of Ukraine.



Board of Directors, Auditor Group and Management

Board of Directors

Dr. Andrius Smaliukas, Chairman of the Board of Directors (since 2013)

Dr. Smaliukas is a Managing Partner at the boutique law firm MMSP (Lithuania) that focuses on strategic dispute resolution and corporate advisory services. Prior to that, he was a Partner at Valiunas Ellex, the leading Pan - Baltic law firm.

For nearly 20 years, Dr. Smaliukas has been an arbitrator and a lead counsel at numerous international arbitration proceedings. Dr. Smaliukas has extensive corporate governance experience including experience serving as a board member and advising companies on strategic and legal compliance issues.

Other assignments include:

- Board Member at UAB "Kesko Senukai Lithuania"
- Chairman of the Board at Staticus
- Executive Chairman at Minexa Ltd
- Member of Permanent Court of Arbitration at the Hague (appointed by the Government of the Republic of Lithuania)

Dr. Smaliukas holds Ph.D. and Master of Laws degrees of Vilnius University. He did postgraduate research at Oxford University and completed executive education programs at University of Cambridge Judge Business School and Harvard Law School.

Independence: independent in relation to the company and the company´s management, and in relation to major shareholders.

Dimitrios Dimitriadis, Board Member (since 2011)

Mr. Dimitriadis is a founding member and managing partner of DD Partners AG. DD Partners AG is a Zürich (Switzerland) based globally acting office offering broad wealth structuring and managing consulting services for international companies and individuals. He acts as a senior fund manager of several special opportunities funds. Prior to DD Partners AG, Mr. Dimitriadis worked for more than 15 years at various Swiss financial institutions. He shared responsibility for asset allocations and investment activities as a member of the management in mutual funds and major single portfolios. Furthermore he acted as a leading negotiation and contracting partner for financial services partners. His experience includes international relationship management of HNWI customers.

Other assignments:

- CEO HF SWISS, a global Wealth Management and Family Office Company in Switzerland;
- Advisor and representative for eastern European and Greek clients, in the energy and construction industry;
- Chairman of Sensap Swiss, a Technology Company in Switzerland;
- Chairman of Innomedis, a global medical device company;
- Chairman of AMD Telecom LLC, a global telecommunication Company.

Dimitrios Dimitriadis holds a degree in economics of the University of Zürich and AZEK, Swiss Training Centre for Investment Professionals. His earlier studies contain a Swiss federal degree in dental laboratory technique.

Independence: independent in relation to the company and the company´s management, non-independent in relation to major shareholders (Nellston Holdings Ltd.).

Oleg Batyuk, Board Member (2014-2021)

Oleg Batyuk is the Managing Partner of the Dentons Europe (formerly Salans) Ukraine practice and the Head of Corporate Practice in Ukraine. In 2011 Oleg was elected and in 2013 re-elected for a two year term to serve as a member of the Board of Salans and later Dentons Europe, the part of Dentons comprising at the timeFrance, Germany, Spain, Turkey, CEE and CIS countries. In 2012-2015 Oleg served as a member of the Dentons' Global Council.

Mr. Batyuk has substantial experience in advising international and domestic clients on foreign investments in Ukraine, joint ventures, loan arrangements, banking regulations and transactions on international capital markets. Mr. Batyuk has advised major international companies and financial institutions on key infrastructure projects in Ukraine. He has been engaged as an expert witness on Ukrainian legal matters in several high-profile litigation and arbitration proceedings in England, USA, Canada and Sweden.

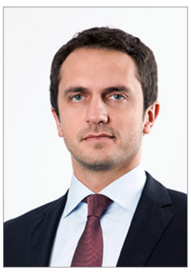
Other assignments:

- Lecturer on Ukrainian civil law at the Law faculty of Taras Shevchenko National University of Kyiv; and
- Author of numerous articles and books on Ukrainian law and practice, published in the US, UK, Netherlands, Ukraine and in other countries. Mr. Batyuk has been involved in drafting Ukrainian civil and criminal legislation

Oleg Batyuk graduated from the Centre for Commercial Law Studies, Queen Mary and Westfield College, University of London (1992). His earlier studies contain Candidate of Science degree in Law (1988) and degree in Law from Taras Shevchenko National University of Kyiv (1985).

Independence: independent in relation to the company and the company´s management, and in relation to major shareholders.

Pavel Prysiazhniuk, Board Member (2014-2021)



Mr. Prysiazhniuk is a founder and managing partner of AIM Group a financial and operational advisory consulting firm based in Ukraine. The company provides full range of financial advisory and capital markets services, advisory on alternative and individual investments for companies based in Ukraine and CEE. Prior to this appointment he served as Strategy and Business development director in leading Ukrainian Investment firm Concorde Capital.

Mr. Prysiazhniuk previous experience include more than 12 years with international corporations such as Siemens AG, NSN and Microsoft where he held executive positions in strategy, corporate finance and sales.

Other assignments:

- Advisor for strategy and investments to several committees of Ukraine Parliament
- Board Member of „ColorTec Hungary“, Color Coated Steel Producer

Pavel Prysiazhniuk holds a Master of Science in Electronics at the National Technical University of Ukraine and diplomas from special corporate programs in finance and business administration.

Independence: independent in relation to the company, independent to the company´s management, and independent in relation to major shareholders.

Auditor

Frejs Revisorer AB, auditor-in-charge Ulf Johansson.

Board committees

Audit Committee:

- Dimitrios Dimitriadis as chair
- Pavel Prysiazhniuk as member

Remuneration Committee:

- Oleg Batyuk as chair
- Andrius Smaliukas as member
- Pavel Prysiazhniuk as member

The AGM 2017 appointed the Nomination Committee, comprising:

- Sergey Probylov as chair (representing Blankbank Investments Limited)
- Andrius Smaliukas as member, in his capacity as chairman of the Board of Directors of Misen Energy AB (publ)
- Dimitrios Dimitriadis as member (representing Nellston Holdings Limited)
- Aurimas Augustinavicius as member (representing TCT Holding AB)

Group management

At the balance sheet date, Management of the Parent Company comprises:

Göran Wolff, Managing Director and the Company's CFO

Mr. Wolff has been CFO of the Parent Company since February 2012 and became Managing Director later the same year. He has more than 30 years of experience from business administration in industrial operations. He has had a range of assignments as CFO and controller in Swedish listed as well as private owned companies, most recently with Geveko, a company previously listed on a small cap list at NASDAQ OMX. Mr. Wolff holds a BA in business administration from the University of Gothenburg.

Pavel Stolayev, Group Controller, ACCA, CFA

Mr. Stolayev joined Misen Energy AB (publ) in September 2013. He is experienced in investment banking and professional consulting. Mr. Stolayev worked at Ernst & Young LLC Ukraine in Transactions Advisory Services Department as Executive.

Mr. Stolayev holds a diploma with a distinction from Donetsk University of Economics and Law. He has attended training programs at Deloitte Academy, International Business Institute, Kyiv.

Mr. Stolayev is member of ACCA since 2011 and CFA charter holder since 2016.

Raimonda Kundrotaite, Chief Legal Officer

Ms. Kundrotaite joined Misen Energy AB (publ) in November 2015. For nearly 10 years, she has been handling complex energy project development and overseeing international arbitration and court proceedings in Eastern Europe. Ms. Kundrotaite is an attorney at law in Texas, the United States of America.

Prior to joining Misen Energy AB (publ), Ms. Kundrotaite worked at the leading Pan - Baltic law firm Valiunas Ellex in Vilnius (Lithuania), where she was a member of team representing the Government of Lithuania in a few arbitration disputes.

Ms. Kundrotaite holds LL.M degree in Global Energy Law from the University of Texas at Austin (United States of America), Master of Laws degree in International Commercial Arbitration Law from Stockholm University (Sweden) and Bachelor of Laws degree in Law and Management at Mykolas Romeris University (Lithuania).

Ms. Kundrotaite attended Paris Arbitration Academy (France). She is a recipient of a number of scholarships and awards for the successful participation in international student competitions.