

Interim report January - March 2018

1. Summary

MISEN ENERGY AB (publ)

Reg. No. 556526-3968

Results for the January-March 2018 ("Q1 2018") (within brackets same period 2017)

Consolidated operating group loss/profit	KSEK -9,295 (-26,654)
Consolidated group net turnover	KSEK 163 (3,854)
Earnings per share	SEK -0.04 (-0.13)
Parent company operating loss	KSEK -1,212 (-3,765)
Parent company net turnover	KSEK 1,394 (1,394)

Group definition

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

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

Joint Activity and Joint Activity Agreement

Misen Group together with PUL and Mr. Konstantin Guenevski has a 50.01% participation interest in the Joint Activity ("**JA**") dedicated to the hydrocarbon production and sales business in Ukraine. The remaining 49.99% interest in JA is held by the Public Joint Stock Company Ukgasvydobuvannya ("**PJSC Ukgasvydobuvannya**" or "**UGV**") (Ukraine), a wholly owned subsidiary of the National Joint Stock Company Naftogaz of Ukraine (Ukraine). JA is governed by the Joint Activity Agreement No.3, dated 10 June 2002 ("**JAA**" or "**JAA No.3**") (as further restated and amended).

2. Essential Events during the Q1 2018

Accounting treatment of the Joint Activity

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

In accordance to the procedural timetable determined by the Tribunal, the disputing parties exchanged their positions. PJSC Ukrghasvydobuvannya has requested invalidation or, alternatively, termination of JAA No.3. Misen Enterprises and LLC Karpatygaz agreed with PJSC Ukrghasvydobuvannya on termination of JAA No.3 and requested the Arbitral Tribunal to order PJSC Ukrghasvydobuvannya to compensate their share of the Joint Activity. The Arbitral Tribunal intends to rule on all issues other than quantum in a partial award before the end of May 2018. Following this, the Arbitral Tribunal will issue further directions in relation to the quantum.

Given that the parties finally confirmed their agreement to terminate the JAA No. 3, the Company believes that control over the specific assets under JA no longer exists when preparing the quarterly accounts as for 31 March 2018. Control is required to consolidate the assets as well as the future results of the JA in the Group accounts.

The claims against PJSC Ukrghasvydobuvannya may not be accounted for as an asset in the Group financial statements as the outcome of the arbitration proceeding is still uncertain at the date of this report.

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

Under JAA No.3 Misen Group operates solely in Ukraine. A partially owned subsidiary LLC Karpatygaz, in its capacity as Operator of JA, continues to perform all industrial operations until termination of JAA No.3.

Financing of the Group's Swedish operations

On 2 March 2018, the Company closed the sale of 2% of the shares and shares capital in its partially owned subsidiary Misen Enterprises AB to Mr Konstantin Guenevski, Bulgarian citizen, who is a senior trader of one of the world's leading independent commodity trading and logistics houses. The purchase sum amounts to MEUR 1.0 (KSEK 9,964).

The agreement comprises conditions that allow the Company to repurchase the sold shares from Mr Konstantin Guenevski for the purchase price multiplied by 3 (three). Misen Energy AB (publ) could exercise this right till earlier of (i) 30 April 2019 or (ii) the date of the general meeting of shareholders of Misen Enterprises AB which would consider payment of dividends. Similarly, the agreement comprises conditions that allow Mr Konstantin Guenevski to require Misen Energy AB (publ) to purchase back all or part of the shares from Mr Konstantin Guenevski within 24 months. The price of the shares would be equal to the purchase price multiplied by 3 less the amount of any dividends received by Mr Konstantin Guenevski from the shares in 24 months. The Company would be required

to repurchase the shares only if it has financial capability to pay the shares price without the need to obtain third-party funding.

As of the date of report, 49.5% of any return from the operations in Ukraine or from the claims against PJSC Ukrgasvydobuvannya will go to PUL and Mr Konstantin Guenevski. Misen Energy AB (publ) owning 50.5% of Misen Enterprises AB shares maintain full control of the company.

Criminal investigation

The pre-trial investigations in criminal cases commenced by the General Prosecutor Office of Ukraine respectively in 2014 and 2017, as supplemented with the PJSC Ukrgasvydobuvannya's criminal complaint dated 5 September 2016 and PJSC 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.

In September 2017, PJSC 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 Karpatygas concluded with PJSC Ukrgasvydobuvannya in April 2011. The court instituted a legal proceeding in October 2017. The hearing was held on 15 May 2018 and the court therein decided to postpone consideration of the case until 7 June 2018.

LLC Karpatygas and Misen Enterprises AB consider the criminal allegations to be ungrounded, deny them in their entirety, consider that all court rulings issued in this context are illegal and amount to expropriation of their assets. Misen Group has been always cooperative with the investigation authorities and ready to prove the legitimacy of JAA No.3. Misen's position is that the Arbitral Tribunal has the exclusive jurisdiction to determine validity of JAA No.3 in the ongoing arbitration proceeding.

Contribution to the JA

During Q1 2018, Misen Enterprises AB did not contribute any funds towards its commitment to JA for MUS\$ 12.5 (MSEK 104.0). The total amount contributed remains at KUSD 3,930 (KSEK 32,712).

Given that the Participants of JAA No.3 have agreed on termination, Misen Enterprises AB considers that no further contributions can be made under JAA No.3. The liability regarding the remaining contribution, previously accounted for in Misen Group, has been reversed as a part of the deconsolidation of JA.

Operations in the JA during Q1 2018

Production report

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

	Q1 2018	Q1 2017	Q1 2016	Q1 2015	Q1 2014
Natural Gas (mmcm)	-	-	164	153	174
Gas Condensate (ktons*)	-	-	7.9	6.9	8.1
Oil (ktons)	-	-	1.6	2.4	5.7
LPG (ktons)	-	-	3.9	-	-

* thousand tons

In Q1 2018, PJSC Ukrgasvydobuvannya continued, as Misen Energy AB (publ) believes, manifestly unlawful actions and refused to provide services in respect to production, collection, treatment and transportation of hydrocarbons to JA (see below "Sale of Hydrocarbons"). Due to this the production of natural gas attributable to JA was at zero level.

Loan Agreement with Sberbank of Russia, a subsidiary bank of PJSC Sberbank of Russia

In August 2012, Karpatygas in its capacity as Operator of the Joint Activity, entered into the Loan Agreement with Sberbank of Russia, a subsidiary bank of PJSC Sberbank of Russia for KUSD 16,250 (KSEK 135,260) at the interest rate of 12% per annum. In 2015, JA defaulted on its loan to Sberbank of Russia. In conjunction with this, JA agreed with Sberbank of Russia to restructure the debt with new repayment terms. However, the draft restructuring agreement was not signed as of the end of March 2018 due to agreement not having been reached between the JAA's participants. Sberbank Russia therefore could impose punitive interest on JA amounting to KUAH 29,424 (KSEK 9,202).

JA is subject to certain terms and conditions associated with its loans. As of 31 March 2018, JA had not fully satisfied these conditions in its agreement with Sberbank of Russia.

As of 31 March 2018, outstanding debt to Sberbank of Russia amounted to KUSD 6,650 (KSEK 55,353).

Agreement with Solar Turbines CIS LLC

In June 2013, Karpatygas in its capacity as Operator of the Joint Activity and Solar Turbines CIS LLC entered into the agreement for equipment maintenance services (as further amended). Solar Turbines CIS LLC rendered the agreed services, however the Joint Activity did not pay for the services mainly due to the halted operations of the Joint Activity. As of 31 March 2018, outstanding debt to Solar Turbines CIS LLC amounted to KUSD 771.7 (KSEK 6,423.4).

Operation of the Booster Compressor Stations (BCSs)

In September 2015, Khrestyschenska Booster Compressor Station (BCS) was commissioned. This BCS is one of the largest in Ukraine and provides the extraction of up to 25 per cent of the total domestic natural gas production in Ukraine. However, a dispute arose between JA and PJSC Ukrgasvydobuvannya regarding how to allocate the incremental production of gas at Khrestyschenska BCS.

In early 2016, the JAA's participants agreed that the JA would lease Khrestyschenska BCS to PJSC Ukrkazvydobuvannya. UGV has operated this BCS for its sole benefit and paid the corresponding fuel gas costs acquired during the lease period since 1 January 2016. The Lease Agreement was renewed in May 2017, although on different terms, and JA transferred Khrestyschenska BCS to PJSC Ukrkazvydobuvannya's use until 30 April 2018.

In addition, given UGV's refusal to allocate the power supply costs as well as the JA's unavailability to sell hydrocarbons, Misen Enterprises AB and LLC Karpatygaz could not properly implement the JAA No.3. Under the circumstances, in May 2017 the Joint Activity leased the remaining six BCSs to PJSC Ukrkazvydobuvannya. The following BCSs were transferred to the use until 30 April 2018 to PJSC Ukrkazvydobuvannya:

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

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

During Q1 2018, PJSC Ukrkazvydobuvannya failed to make the lease payments to JA under the signed lease agreement. The monthly lease income amounts to approximately MUAH 18 (MSEK 6) including VAT, while the outstanding receivables amounts to MUAH 188 (MSEK 59) including VAT. Despite the fact that PJSC Ukrkazvydobuvannya fails to make lease payments according to the agreements, JA bears liability to pay VAT on a monthly basis. During the term of lease agreements, PJSC Ukrkazvydobuvannya sent to LLC Karpatygaz, as the Operator of the JAA No.3, more than 100 set-off notices seeking to offset its lease payment against the alleged payments that LLC Karpatygaz should make to UGV. LLC Karpatygaz objected all the claims and initiated the court proceedings in Ukrainian courts to invalidate the set-off notices.

Subsoil use charge

The Ukrainian Government continued applying 70% subsoil use charge to the joint activities in accordance with laws adopted in 2014.

The situation has deteriorated when the Parliament of Ukraine amended tax legislation. The changes determine the subsoil use charge for private producers at 29 per cent for natural gas extracted from depths not exceeding 5,000 meters, and 14 per cent for natural gas extracted from depths exceeding 5,000 meters. The subsoil use charge applicable to the JA is much higher than the charges applicable to private producers.

At the start of October 2015, the Company submitted a notice of investment dispute to the Government of Ukraine in accordance to the Agreement between the Government of the Kingdom of Sweden and the Government of the Ukraine on the Promotion and Reciprocal Protection of Investments. During Q1 2018, the Government of Ukraine continued to impose the exorbitant subsoil charge for the Joint Activity conducted in accordance with the JAA No. 3. However, given that PJSC Ukrkazvydobuvannya continued, as the Company believes, its manifestly unlawful actions and refused to deliver the hydrocarbons from the wells attributed to the Joint Activity, the JA could not pay the subsoil use charge to the Government of Ukraine. Misen Energy AB (publ) reserves all its rights in this respect, including to commence the arbitration proceeding.

As of 31 March 2018, the Company has reached no amicable resolution of the dispute with the Government of Ukraine.

Tax payments in Ukraine

Despite being prevented from selling hydrocarbons, JA and its participants continued paying value added tax and corporate profit tax during Q1 2018. During Q1 2018, JA paid KUAH 9,030 (KSEK 2,662) as value added tax. Since 2011, JA and its participants have contributed to Ukraine KUAH 11,165,345 (adjusted KSEK 5,239,930) as subsoil use charge, value added tax and corporate profit tax.

Sale of hydrocarbons

During Q1 2018, PJSC Ukrgasvydobuvannya continued, as the Company believes, manifestly unlawful actions and refused to provide services in respect of production, collection, treatment and transportation of hydrocarbons to JA. Being prevented from selling the hydrocarbons, Misen Group could not properly implement JAA No.3.

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

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

In December 2017, the proceedings in both cases were halted until the court ruling on case initiated by NABU.

Investment program report

Due to financial constraints imposed by the increased subsoil use taxation as well as PJSC Ukrgasvydobuvannya, as the Company believes, manifestly unlawful actions, Misen Group halted investments into the development program in Q1 2018.

As of 31 March 2018, the Company has reached the following major milestones:

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

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

Court proceeding in Case No. 910/21720/15

In 2015, LLC Sberbank Leasing Ukraine ("**Sberbank Leasing**") initiated the court proceeding against PJSC Ukrgasvydobuvannya, LLC Karpatygaz and Misen Enterprises AB seeking to enforce the contract and recover penalties. Sberbank Leasing claims that JA failed to deliver the equipment within the terms of the contract and, therefore, Sberbank Leasing is entitled to recover penalties. Contrary to this, LLC Karpatygaz claims that the Joint Activity could suspend delivery of the equipment and, therefore, the Joint Activity has committed no violations. In October 2016, the Supreme Economic

Court of Ukraine voided the verdicts of lower courts. The Ukrainian courts considered the case in a new circle. In February 2017 Sberbank Leasing changed its claims seeking now to recover USD 37,219,502 (SEK 309,803,965) of advance payment and UAH 352,987,638 (SEK 110,391,942). In March 2017, Sberbank Leasing was renamed to Financial Leasing Center following by the change of owners. In September 2017, the Supreme Economic Court of Ukraine again send the case for reconsideration in a new circle. Consideration of the case is now pending at Kyiv Economic Court. In October 2017 Kyiv Economic Court engaged the SAP.

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

In December 2016, Sberbank Leasing (later as Financial Leasing Center) initiated another case against PJSC Ukrigasvydobuvannya, LLC Karpatygas and Misen Enterprises AB seeking to recover UAH 1,397,704,127 (SEK 437,112,398). Financial Leasing Center claims that the Joint Activity failed to deliver the equipment within the terms of the contract and thereby Financial Leasing Center was deprived of profit under the leaseback agreement. In June 2017, Financial Leasing Center filed additional claim to recover USD 10,170,581 (SEK 84,656,864) of lost profit. Kyiv Economic Court resolved to recover only UAH 237,507,020 (SEK 74,276,995) of lost profit.

Essential events after the end of the Q1 2018

Criminal investigations

Pre-trial investigations in criminal cases are ongoing.

Operations of the Joint Activity in 2018

Operation of the Booster Compression Stations (BCSs)

The JAA's participants discuss conditions for renewal of the lease agreements. The Management will inform the market accordingly on any development in this respect.

In addition, as of publishing of this report, PJSC Ukrgasvydobuvannya failed to make the lease payments to JA under agreements expired on 30 April 2018. PJSC Ukrgasvydobuvannya declared that it offset its lease payment against the alleged payments that LLC Karpatygas was supposed to make to PJSC Ukrgasvydobuvannya. LLC Karpatygas objected these claims and initiated the court proceedings in Ukrainian courts to invalidate the set-off notices. The court proceedings are ongoing.

Sale of hydrocarbons

As of publishing of this report, PJSC Ukrgasvydobuvannya refused to deliver to JA hydrocarbons extracted since December 2016 until April 2018.

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

Court proceeding in Case No. 910/21720/15

The court hearing will be held on 6 June 2018.

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

On 15 May 2018, Kyiv Economic Court of Appeal engaged NABU as a third party to the proceeding. The case hearing will be held on 31 May 2018.

3. Results – the Misen Group and the Company

Misen Group net turnover for Q1 2018 was KSEK 163 (KSEK 3,854) and the Parent Company net turnover for this period was KSEK 1,394 (KSEK 1,394).

In Q1 2018 loss after financial items for the Misen Group was KSEK -9,299 (KSEK -27,021) the Parent Company loss after financial items made up KSEK -729 (KSEK -3,765).

The lower amounts in the Misen Group are mainly influenced by deconsolidation of the JA from the Group's financial statements.

During Q1 2018, due to violation of JAA by PJSC Ukrigasvydobuvannya, the production of natural gas attributable to the JA was at zero level (zero level during the same period 2017).

Financial assets and liabilities

During Q1 2018, JA wrote-off KUAH 6,312 (KSEK 1,861) in bad debt. The subsidiary LLC Karpatygas as the operator of JA is engaged in constructive negotiations with the debtors. The settlement of these outstanding obligations is also sought through the legal proceedings in Ukraine.

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

Contingent liabilities

As of 31 March 2018, Misen group contingent liabilities amounted to KSEK 78,030 (KSEK 1,012,670), the change is explained by the deconsolidation of JA.

Cash position

As of 31 March 2018, the cash balance of the Misen Group was KSEK 5,059 (KSEK 4,095). The cash flow from operations after changes in working capital for Q1 2018 was KSEK -7,252 (KSEK -8,333).

Capital expenditure

The Misen Group's capital expenditure on equipment for gas production in Ukraine related to the JA activity during Q1 2018 was at zero level (KSEK 29) 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 an 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 return of Misen Enterprises for 2015 been treated as a foreign legal entity taxed by the participants (Sw. *I utlandet delägarbeskattad juridisk person*). This report has been prepared on the assumption that the income in the JA accrued before 1 January 2015 will not be subject to 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.

Expected future development of the Company and going concern

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

For the remaining operations of the Group, management continues to investigate the available finance options and will inform the market accordingly. As financing is not secured for upcoming 12 months, there is material uncertainty that may cast significant doubt on the Misen Group's ability to continue as a going concern. Therefore, the Misen Group may be unable to realize its assets and discharge its liabilities in the normal course of business. Management's view is that there are realistic alternatives available to finance the Group's future operations and the Group accounts are therefore prepared based on the going concern assumption.

Sector information - the Misen Group

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

Geographical area

	31 March 2018	31 March 2017	31 Dec 2017
<i>(All amounts in KSEK)</i>			
Net sales, external:			
Sweden	--	--	--
Ukraine	15	853	7,082
Fixed assets:			
Sweden	--	--	--
Ukraine	4	489,948	4

Transactions with related parties

	31 March 2018	31 March 2017	31 Dec 2017
<i>(All amounts in KSEK)</i>			
Ukrigasvydobuvannya*:			
Sale	--	830	35,503
Purchase	--	3	9,491
Short-term receivables	--	--	--
Short-term debts	--	37	--
Management, Board and major Shareholders:			
Purchase of services	5,621	2,840	23,282
Interest	--	--	1,439
Salaries and remunerations	1,448	980	5,029
Short-term debts	12,608	3,122	9,299
Long-term debts	--	--	--

* 100% of the transaction values.

Environmental impact

The JA operations have an impact on the environment in Ukraine, which is governed by laws and conventions, which in turn control the JA's operations as regards to the environment. Oil and natural gas operations are subject to extensive regulations with respect to the environment at both international and national levels. Environmental legislation covers the control of water and air pollution, waste, licensing requirements, restrictions on operations in environmentally sensitive and coastal areas. Environmental regulations are expected to become more stringent over time, which will most likely result in increasing costs. The JA meets the environmental requirements in order to

maintain existing licenses or obtain new ones.

Accounting principles

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

IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers are effective from 1 January 2018. As the Joint Activity participants have agreed to terminate the agreement to perform joint operations (JAA No 3) in 2018 and as the joint operations were deconsolidated as per 31 December 2017 there are no significant financial assets and liabilities or revenue to be accounted for according to IFRS 9 and IFRS 15 respectively. Therefore, the implementation of these standards did not have any material effect on the Group's financial statements.

Financial and other risks

Misen Group focuses on increasing the local hydrocarbons production in Ukraine by undertaking a large-scale investment program focused on development and modernization of gas production infrastructure. In this activity, the Group works with a complex set of industry-specific risks such as price trends for oil and gas, currency risk and interest rate risks, regulatory matters relating to investigations, processing and environment and uncertainty in the value of the completed exploration work and the subsequent field development. With operations being focused on production rather than exploration, the risk exposure could be considered as being moderate.

A more in-depth explanation of the different risk exposures in the Company's business is included in the annual report 2017.

First North

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

Publication of the January - March 2018 interim report

This January - March 2018 interim report is published at the Company's website (<http://www.misenenergy.se>), and a printed version can be ordered at info@misenergy.se.

This information is information that Misen Energy AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 11:30 CET on 31 May 2018.

Future reports

Next report, the January-June 2018 interim report, will be published on 31 August 2018.

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

Stockholm, 31 May 2018.

Misen Energy AB (publ)

The Board and Managing Director

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Misen Energy AB (publ) (formerly Svenska Capital Oil AB (publ)) is a Swedish upstream oil and gas company with operations in Ukraine. The company was founded in 2004 and its shares are traded on Nasdaq First North since 12 June 2007. In 2011, Misen Energy AB (publ) acquired Misen Enterprises AB and its Ukrainian subsidiary, LLC Karpatygas, including the rights to 50.01% of the revenue and profit from a gas production project in Ukraine. Under IFRS rules, this transaction is classified as a reverse takeover. In consideration of the acquisition, a new share issue was carried out. The gas producing assets were acquired by production cooperation via a joint activity project governed by a Joint Activity Agreement between at that time the wholly-owned direct and indirect subsidiaries of Misen Energy AB (publ), i.e. Misen Enterprises AB and LLC Karpatygas (together 50.01%) and PJSC UkrGasvydobuvannya (49.99%), a subsidiary of the National Joint Stock Company Naftogaz of Ukraine. PJSC UkrGasvydobuvannya is the largest producer of natural gas in Ukraine. The purpose of the Joint Activity Agreement is to significantly increase production of gas and oil by providing modern technologies via a large-scale investment program for the purposes of attainment of profits.

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

The registered office of Misen Energy AB (publ) is in Stockholm and the shares are traded on First North under identification ticker MISE. The Certified Adviser of the company at Nasdaq First North is Erik Penser Bank AB.

For further information, please visit our website www.misenergy.se.

CONDENSED INCOME STATEMENT-THE GROUP

	1Jan - 31 March 2018 3 months	1Jan - 31 March 2017 3 months	1 Jan - 31 Dec 2017 12 months
<i>All amounts in KSEK</i>			
Operating revenue			
Net sales	15	853	7,938
Other operating income	148	3,001	27,611
	163	3,854	35,549
Operating expenses			
Other external expenses	-6,613	-16,762	-63,598
Personnel expenses	-2,130	-3,440	-11,131
Depreciation and amortisation of tangible and intangible fixed assets	-1	-8,116	-28,562
Other operating cost	-714	-2,190	-19,718
Result from deconsolidation	-	-	-984,069
	-9,458	-30,508	-1,107,078
Operating income/loss	-9,295	-26,654	-1,071,529
Financial items	-4	-367	-262
Profit/loss after financial items	-9,299	-27,021	-1,071,791
Taxes for the period	0	151	-427
Profit for the period	-9,299	-26,870	-1,072,218
Profit is attributable to:			
Owners of Misen Energy AB (publ)	-5,300	-18,206	-573,322
Non-controlling interests	-3,999	-8,664	-498,896
	-9,299	-26,870	-1,072,218
Statement of comprehensive income - The Group			
Net profit for the period	-9,299	-26,870	-1,072,218
Other comprehensive income			
Items possible for later reclassification in income statement:			
Translation differences	-157	-3,697	-73,946
Reversed translation differences	-	-	623,033
Other comprehensive income for the period, net after taxes	-157	-3,697	549,087
Total comprehensive income for the period	-9,456	-30,567	-1,146,164
Total comprehensive income for the period is attributable to:			
Owners of Misen Energy AB (publ)	-5,457	-20,517	-286,901
Non-controlling interests	-3,999	-10,050	-236,230
	-9,456	-30,567	-523,131
Net earnings per share, attributable to the owners of Misen Energy AB's (publ) (in SEK per share)			
Net earnings for the period, before and after dilution	-0.04	-0.13	-3.95
Average number of shares for the period was 145,068,222			

CONDENSED BALANCE SHEET-THE GROUP

<i>All amounts in KSEK</i>	31 march 2018	31 March 2017	31 Dec 2017
ASSETS			
Non-current assets			
Intangible fixed assets	1	28,190	1
Tangible fixed assets	3	489,948	3
Deferred tax receivables	-	10,282	-
Total non-current assets	4	528,420	4
Current assets			
Stock	-	540	-
Accounts receivable	61	5,682	397
Other receivables	4,228	15,564	2,943
Prepaid expenses and accrued income	383	3,737	355
Total current assets	4,672	25,523	3,695
Cash and bank balances	5,059	4,095	2,181
Total current assets	9,731	29,618	5,876
TOTAL ASSETS	9,735	558,038	5,880

<i>All amounts in KSEK</i>	31 march 2018	31 March 2017	31 Dec 2017
EQUITY AND LIABILITIES			
Equity attributable to owners of Misen Energy AB (publ)	-17,170	276,444	8,659
Non-controlling interests	-2,103	157,548	-28,604
Total equity	-19,273	433,992	-19,945
Non-current liabilities			
Other long-term liabilities	-	35,942	-
Total non-current liabilities	0	35,942	0
Current liabilities			
Accounts payable	24,039	7,209	21,603
Tax debts	-	37	-
Short-term loans	-	29,404	-
Other short-term debt to JA	-	45,753	-
Other short-term debt	1,977	1,176	781
Accrued expenses and deferred income	2,992	4,525	3,441
Total current liabilities	29,008	88,104	25,825
TOTAL EQUITY AND LIABILITIES	9,735	558,038	5,880

CONDENSED STATEMENT OF CHANGES IN EQUITY - THE GROUP

	Attributable to owners of Misen Energy AB (publ)						Non-controlling interests	Total equity
	Share capital	Other equity	Other reserves	Retained earnings	Total			
<i>All amounts in KSEK</i>								
Equity brought forward 2017-01-01	290,136	-274,435	-549,324	830,544	296,921	167,637	464,558	
Net result								
Net result of the period Jan - March 2016	-	-	-	-18,206	-18,206	-8,664	-26,870	
Other comprehensive income								
Translation difference	-	-	-2,272	0	-2,272	-1,425	-3,697	
Total comprehensive income	0	0	-2,272	-18,206	-20,478	-10,089	-30,567	
Equity brought forward 2017-03-31	290,136	-274,435	-551,596	812,338	276,443	157,548	433,991	
Equity brought forward 2017-04-01	290,136	-274,435	-551,596	812,338	276,443	157,548	433,991	
Net result								
Net result of the period Apr-Dec 2017	-	-	-	-555,026	-555,026	-490,322	-1,045,348	
Other comprehensive income								
Reversed translationsdifferencies	-	-	589,848	-262,755	327,093	295,941	623,034	
Translation difference	-	-	-38,489	-	-38,489	-31,761	-70,250	
Total comprehensive income	0	0	551,359	-817,781	-266,422	-226,142	-492,564	
Transactions with non-controlling interests								
Sale of shares in subsidiary	0	0	0	-1,362	-1,362	39,990	38,628	
Total transactions with non-controlling interests	0	0	0	-1,362	-1,362	39,990	38,628	
Equity brought forward 2017-12-31	290,136	-274,435	-237	-6,805	8,659	-28,604	-19,945	
Equity brought forward 2018-01-01	290,136	-274,435	-237	-6,805	8,659	-28,604	-19,945	
Net result of the period Jan - March 2018	0	0	-5,300	-5,300	-5,300	-3,999	-9,299	
Other comprehensive income								
Translation difference	0	0	-79	0	-79	-78	-157	
Total comprehensive income	0	0	-79	-5,300	-5,379	-4,077	-9,456	
Transactions with non-controlling interests								
Sale of shares in subsidiary	-	-	-	0	0	10,128	10,128	
Other transactions with non-controlling interests	-	-	-	-20,540	-20,540	20,540	0	
Total transactions with non-controlling interests	-	-	-	-20,540	-20,540	30,668	10,128	
Equity brought forward 2018-03-31	290,136	-274,435	-316	-12,105	-17,260	-2,013	-19,273	

CONDENSED STATEMENT OF CASH FLOWS - THE GROUP

	1 Jan-31 March 2018 3 months	1 Jan-31 March 2017 3 months	1 Jan-31 Dec 2017 12 months
<i>All amounts in KSEK</i>			
Operating activities			
Operating income	-9,295	-26,654	-1,071,529
Adjustment for non-cash items	403	8,830	1,002,869
Interest and dividends received	1	111	156
Interest paid	-5	-873	-5,461
Income tax	-	-	-1,711
Cash flow from operating activities before working capital changes	-8,896	-18,586	-75,676
Decrease(+)/increase in stocks	-	35	103
Decrease(+)/increase in receivables	-21,153	12,474	2,065
Decrease(-)/increase in short-term debts	22,797	-2,256	33,298
Cash-flow from operating activities	-7,252	-8,333	-40,210
Investing activities			
Acquisition of tangible and intangible assets	-	-29	-7,654
Sale of tangible and intangible assets	-	-	583
Sale of shares in subsidiary	10,128	-	27,591
Cash flow from investing activities	10,128	-29	20,520
Financing activities			
Change in long-term debt (increase+)	-	-	9,598
Cash flow from financing activities	0	0	9,598
Cash flow for the period	2,876	-8,362	-10,092
Cash at the beginning of the period	2,181	12,498	12,498
Exchange rate difference in cash	2	-41	-225
Cash at the end of the period	5,059	4,095	2,181

CONDENSED INCOME STATEMENT - PARENT COMPANY

(Misen Energy AB (publ))

	1 Jan - March 2018 3 months	1 Jan - March 2017 3 months	1 Jan-31 Dec 2017 12 months
<i>All amounts in KSEK</i>			
Operating revenue			
Net sales	1,394	1,394	5,577
	1,394	1,394	5,577
Operating expenses			
Other external expenses	-600	-3,007	-14,465
Personnel expenses	-2,006	-2,152	-6,146
	-2,606	-5,159	-20,611
Operating result	-1,212	-3,765	-15,034
Loss on sale of subsidiary	488	-	-9,562
Interest expense	-5	-	-1,441
	483	0	-11,003
Profit/loss after financial items	-729	-3,765	-26,037
Taxes for the period	-	-	-
Net profit/loss	-729	-3,765	-26,037
Statement of comprehensive income - Parent company			
Net loss for the period	-729	-3,765	-26,037
Other comprehensive income	-	-	-
Total comprehensive income for the period	-729	-3,765	-26,037

CONDENSED BALANCE SHEET - PARENT COMPANY

(Misen Energy AB (publ))

<i>All amounts in KSEK</i>	31 March 2018	31 March 2017	31 Dec 2017
ASSETS			
Non-current assets			
Financial fixed assets			
Shares in subsidiaries	308,359	301,287	252,997
Total financial fixed assets	308,359	301,287	252,997
Total fixed assets	308,359	301,287	252,997
Total non-current assets	308,359	301,287	252,997
Current receivables			
Other receivables	1	2	177
Short-term receivables subsidiaries	12,701	20,113	69,849
Prepaid expenses and accrued income	384	141	354
	13,086	20,256	70,380
Cash and bank balances	4,988	1,653	1,644
Total current assets	18,074	21,909	72,024
TOTAL ASSETS	326,433	323,196	325,021

<i>All amounts in KSEK</i>	31 March 2018	31 March 2017	31 Dec 2017
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	290,136	290,136	290,136
Statutory reserves	345	345	345
	290,481	290,481	290,481
Non-restricted equity			
Profit/Loss brought forward	3,590	29,625	29,627
Profit/loss for the year	-729	-3,765	-26,037
	2,861	25,860	3,590
Total equity	293,342	316,341	294,071
Non-current liabilities			
Other long-term debts to group companies	88	90	90
Total non-current liabilities	88	90	90
Current liabilities			
Accounts payable	19,545	3,006	17,457
Other short-term liabilities	11,666	198	10,616
Accrued expenses and deferred income	1,792	3,561	2,787
Total current liabilities	33,003	6,765	30,860
TOTAL EQUITY AND LIABILITIES	326,433	323,196	325,021

CONDENSED STATEMENT OF CHANGES IN EQUITY - PARENT COMPANY

(Misen Energy AB (publ))

<i>All amounts in KSEK</i>	Share capital	Statutory reserves	Share Premium reserve	Retained earnings	Total equity
Equity brought forward 2017-01-01	290,136	345	714,285	-684,661	320,105
Net result					
Net result of the period Jan - March 2017	-	-	-	-3,765	-3,765
Total comprehensive income	-	-	-	-3,765	-3,765
Equity brought forward 2017-03-31	290,136	345	714,285	-688,427	316,339
Equity opening balance 2017-04-01	290,136	345	714,285	-688,427	316,339
Net result					
Net result of the period April -Dec 2017	-	-	-	-22,272	-22,272
Total comprehensive income	0	0	0	-22,272	-22,272
Equity brought forward 2017-12-31	290,136	345	714,285	-711,424	293,342
Net result					
Net result for the period Jan - March 2018	-	-	-	-729	-729
Total comprehensive income	-	-	-	-729	-729
Equity brought forward 2018-03-31	290,136	345	714,285	-711,424	293,342
Equity opening balance 2018-04-01	290,136	345	714,285	-711,424	293,342

CONDENSED STATEMENT OF CASH FLOWS - PARENT COMPANY

(Misen Energy AB (publ))

	1 Jan-31 March 2018 3 months	1 Jan-31 March 2017 3 months	1 Jan-31 Dec 2017 12 months
<i>All amounts in KSEK</i>			
Operating activities			
Operating income	-1,212	-3,765	-15,034
Interest paid	-5	-	-2
Cash flow from operating activities before working capital changes	-1,217	-3,765	-15,036
Decrease(+)/increase in receivables	-7,708	-2,722	-52,745
Decrease(-)/increase in accounts payable	2,088	2,276	16,727
Decrease(-)/increase(+) in short term debts	55	-1,168	8,476
Cash flow from operating activities	-6,782	-5,379	-42,578
Investment activities			
Sale of shares in subsidiary	10,126	-	27,590
Cash flow from investing activities	10,126	0	27,590
Financing activities			
Change in long-term debt	-	-2	9,598
Cash flow from financing activities	0	-2	9,598
Cash flow for the period	3,344	-5,381	-5,390
Cash at the beginning of the period	1,644	7,034	7,034
Cash at the end of the period	4,988	1,653	1,644

Alternative Performance Measures – Group

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

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

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

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

CONDENSED FINANCIAL AND OPERATIONAL KEY RATIOS

	1 Jan - 31March 2018 3 months	1 Jan - 31March 2017 3 months	1 Jan-31 Dec 2017 12 months
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The Group

Financial key ratios

EBITDA (KSEK)	-9,294	-18,538 Neg.	
Financial cost	5	13,017	6,900
Profit/loss per share before dilution SEK*	-0.04	-0.13	-3.95
Profit/loss per share after dilution SEK*	-0.04	-0.13	-3.95
Return on equity (ROE)	n.a.	n.a.	neg
Return on capital employed (ROCE)	n.a.	n.a.	neg
Debt/equity ratio	neg	6.8%	neg
Equity ratio	neg	77.8%	neg
Share of risk bearing capital	neg	77.8%	neg
Weighted average number of shares for the period*	145,068,222	145,068,222	145,068,222
Number of outstanding shares before dilution *	145,068,222	145,068,222	145,068,222
Number of outstanding shares after dilution *	145,068,222	145,068,222	145,068,222
Weighted average number of shares for the period after dilution*	145,068,222	145,068,222	145,068,222

The Parent Company (Misen Energy AB)

EBITDA (KSEK)	-1212	-3765	-15034
Profit/loss per share before dilution SEK*	-0.01	-0.03	-0.18
Profit/loss per share after dilution SEK*	-0.01	-0.03	-0.18
Return on equity (ROE)	n.a.	n.a.	neg
Return on capital employed (ROCE)	n.a.	n.a.	neg
Debt/equity ratio	-	30.4%	-
Equity ratio	89.9%	73.3%	90.4%
Share of risk bearing capital	89.9%	73.3%	90.4%
Weighted average number of shares for the period*	145,068,222	145,068,222	145,068,222
Number of outstanding shares before dilution *	145,068,222	145,068,222	145,068,222
Number of outstanding shares after dilution *	145,068,222	145,068,222	145,068,222
Weighted average number of shares for the period after dilution*	145,068,222	145,068,222	145,068,222

Definition of financial key ratios

1. EBITDA (profit before interest, tax, depreciation, write-downs) defined as the group and the parent company's operating profit/loss before depreciation.
2. Profit/loss per share before dilution defined as the group and the parent company's net profit/loss after tax divided by the number of outstanding shares before dilution at the end of period.
3. Profit/loss per share after dilution defined as the group and the parent company's net profit/loss after tax divided by the number of outstanding shares after dilution at the end of period.
4. Return on equity defined as the group and the parent company's profit/loss divided by total equity at the end of period.
5. Return on working capital is defined as the group and the parent company's profit/loss after financial items plus interest expense plus/minus exchange differences on financial items divided by total capital employed (average of the two latest periods balance sheet total with reduction for non-interest bearing debt).
6. Debt/equity ratio defined as the group and the parent company's interest bearing debt divided by equity.
7. Equity ratio defined as the group and the parent company's equity including minority owner shares divided by balance sheet total.

Share capital information

8. On the 12th of January 2012 an amalgamation of shares 100:1 was registered whereby the number of shares were reduced to 145,068,222 and the quota value became approximately 2 SEK.