

Interim report January - September 2018

1. Summary

MISEN ENERGY AB (publ)

Reg. No. 556526-3968

Results for the third quarter 2018 ("Q3 2018") (within brackets same period 2017)

Consolidated operating group result	KSEK 2,564 (-18,355)
Consolidated group net turnover	KSEK 5,249 (8,438)
Earnings per share	SEK -0.01 (-0.04)
Parent company operating result	KSEK -2,031 (5,490)
Parent company net turnover	KSEK 1,394 (1,394)

Results for the January-September 2018 ("9M 2018") (within brackets same period 2017)

Consolidated operating group loss	KSEK -12,661 (-64,004)
Consolidated group net turnover	KSEK 5,889 (22,471)
Earnings per share	SEK -0.07 (-0.26)
Parent company operating loss	KSEK -6,290 (-8,407)
Parent company net turnover	KSEK 4,183 (4,183)

Group definition

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

In June 2016 and in July 2017, Parent Company sold respectively 37.5% and 10% of Misen Enterprises AB shares to the Hong Kong based company Powerful United Limited ("**PUL**"). The same owners that control the shareholder TCT Holding AB also control PUL. In 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 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 by the Arbitral Tribunal in the arbitration proceeding under Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce.

2. Essential Events during the nine months 2018

Accounting treatment of the Joint Activity

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

In accordance to the procedural timetable determined by the Tribunal, the disputing parties exchanged their positions. JSC Ukrgasvydobuvannya requested invalidation or, alternatively, termination of JAA No.3. Misen Enterprises and LLC Karpatygaz agreed with JSC Ukrgasvydobuvannya on termination of JAA No.3 and requested the Arbitral Tribunal to order JSC Ukrgasvydobuvannya to compensate for their share of the Joint Activity.

On 11 July 2018, the Arbitral Tribunal rendered a final partial award in the arbitration proceeding commenced under JAA in accordance to Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. This award is a final award on those issues that were decided at this stage of the proceeding. The Arbitral Tribunal fully rejected the JAA's invalidity arguments, as well as the overwhelming majority of JSC Ukrgasvydobuvannya's arguments concerning Misen Enterprises AB and LLC Karpatygaz alleged "breaches". In specific, final partial award acknowledges the following:

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

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

2. **Performing their respective contractual obligations, Misen Enterprises AB and / or LLC Karpatygaz did not make any material breaches of the JAA, and, therefore, Arbitral Tribunal has fully, unanimously and unequivocally dismissed all the claims submitted by JSC Ukrgasvydobuvannya to terminate the JAA on the ground that Misen Enterprises AB and LLC Karpatygaz allegedly breached their contractual obligations.** Specifically, the Arbitral Tribunal found that Misen Enterprises AB made no breach of its obligation to provide additional financing to implement the Joint Activity Programs; LLC Karpatygaz made no

breaches of the JAA by entering into any of the sale of gas agreements; there was no failure to contribute know-how to the Joint Activity; there were no unjustified “threats” to stop operation of certain booster compressor stations; LLC Karpatygaz had a right to enter into settlement agreements with respect to certain debts owed to the Joint Activity; and, finally, the Arbitral Tribunal declared that LLC Karpatygaz complied with its obligations under the JAA with respect to commissioning the booster compressor stations (including the major Khrestyshchenska BCS) and conducting repair works of the wells.

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

Given that the Arbitral Tribunal rendered a final partial award to terminate the JAA No. 3, the Company believes that control over the specific assets owed by JA no longer exists when preparing the quarterly accounts as for 30 September 2018. Control is required to consolidate the assets as well as the future results of the JA in the Group accounts.

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

The accounting treatment and book value do not purport to reflect the value of the claims of Misen Enterprises AB or LLC Karpatygaz for compensation arising from the termination of JAA No.3. Nor does this accounting treatment imply in any respect any waiver of any claim submitted by Misen

Enterprises AB and LLC Karpatygaz in the arbitration proceeding under JAA No.3 or any other right of Misen Group. Misen Enterprises AB and LLC Karpatygaz continue to defend the legitimate interests of their shareholders and seek compensation for their share in the Joint Activity from the termination of JAA No.3.

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

Financing of the Group's Swedish operations

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 amounted to KEUR 1,000 (KSEK 9,964).

On 16 August 2018, Misen Energy AB (publ) signed the Loan Agreement for KEUR 500 (KSEK 5,150) with Powerful United Limited. Under the Loan Agreement, Powerful United Limited is entitled to a fixed fee equal to the loan amount multiplied by 2 (two) to be paid by Misen Energy AB (publ) alongside with repayment of the loan by the earlier of (i) 1 May 2019 or (ii) the date on which Misen Energy AB (publ) receives sufficient funds in the form of business proceeds, allowing it to repay the loan and the fixed fee.

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 JSC Ukrigasvydobuvannya's criminal complaint dated 5 September 2016 and JSC Ukrigasvydobuvannya'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, JSC Ukrigasvydobuvannya 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 Ukrigasvydobuvannya in April 2011. The court instituted a legal proceeding in October 2017. The preparatory hearings were held in May-August 2018. The Court dismissed jurisdictional objections raised by Misen Enterprises AB and LLC Karpatygaz and moved the case to the consideration phase of the legal proceeding.

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

For further information please refer to chapter Essential events after the end of the 9M 2018.

Contribution to the JA

Following termination of the JAA No. 3, Misen Enterprises AB considers that no further contributions can be made under JAA No.3. The liability regarding the remaining contribution, previously

accounted for in Misen Group, has been reversed as a part of the deconsolidation of JA as of 31 December 2017.

Operations in the JA during 9M 2018

Production report

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

	9M 2018	9M 2017	9M 2016	9M 2015	9M 2014
Natural Gas (mmcm)	-	-	493.8	523.7	515.0
Gas Condensate (ktons*)	-	-	25.8	24.7	21.4
Oil (ktons)	-	-	4.7	8.0	24.4
LPG (ktons)	-	-	6.2	3.1	-

* thousand tons

During 9M 2018 and before the Arbitral Tribunal rendered a final partial award to terminate JAA No.3, JSC Ukrigasvydobuvannya continued, as Misen Energy AB (publ) believes, manifestly unlawful actions and refused to provide services in respect to production, collection, treatment and transportation of hydrocarbons to JA (see below "Sale of Hydrocarbons"). Due to this the production of hydrocarbons attributable to JA was zero. Misen Enterprises and Karpatygaz believe that they are entitled to their share of hydrocarbons attributable to JA since December 2016 until termination of JAA No.3 (since June 2017 excluding incremental production of natural gas).

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

In August 2012, Karpatygaz in its capacity as Operator of the Joint Activity, entered into the Loan Agreement with PJSC Sberbank, a subsidiary bank of OJSC Sberbank of Russia for KUSD 16,250 (KSEK 144,187) at the interest rate of 12% per annum. In 2015, JA defaulted on its loan to PJSC Sberbank. In conjunction with this, JA agreed with PJSC Sberbank to restructure the debt with new repayment terms. However, the draft restructuring agreement has not been signed since then due to agreement not having been reached between the JAA's participants.

On 13 June 2018 the settlement agreement was reached between JSC Ukrigasvydobuvannya, LLC Karpatygaz, as Operator of JA, and PJSC Sberbank. According to the agreement the principal amount of loan, interest and PJSC Sberbank court costs was repaid via the funds JSC Ukrigasvydobuvannya owed to the Joint Activity in accordance to the recently renewed agreements for lease of the booster compressor stations as well as own funds of JA. As a result of that, as of 30 September 2018, there is no outstanding liabilities to PJSC Sberbank.

Agreement with Solar Turbines CIS LLC

In June 2013, Karpatygaz 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 30 September 2018, outstanding debt to Solar Turbines CIS LLC amounted to KUSD 771.7 (KSEK 6,880.4). After termination of JAA No.3, Misen Enterprises, Karpatygaz and JSC Ukrigasvydobuvannya discuss settlement of the debt to Solar Turbines CIS LLC. Failing to agree, the parties will be entitled to bring this issue for consideration to the Arbitral Tribunal in the ongoing arbitration proceeding.

Operation of the Booster Compressor Stations (BCSs)

In early 2016, the JAA's participants agreed on a lease of the Khrestyschenska BCS to JSC Ukgazvydobuvannya. UGV had operated this BCS for its sole benefit and paid the corresponding fuel gas costs acquired during the lease period since 1 January 2016 until termination of JAA No.3.

In addition, given UGV's refusal to allocate the power supply costs as well as the JA's unavailability to sell hydrocarbons, in May 2017 the Joint Activity leased the remaining six BCSs to JSC Ukgazvydobuvannya. In May 2018 the Lease Agreements, including Khrestyschenska BCS, were renewed until 30 April 2019. In accordance to the lease agreements, JSC Ukgazvydobuvannya covered all the costs related to operation of the BCSs.

During 9M 2018 and before the Arbitral Tribunal rendered a final partial award to terminate the JAA No.3, JSC Ukgazvydobuvannya failed to make the lease payments to JA under the signed lease agreement, except the amount paid to JSC Sberbank and to be set off against future liabilities under renewed lease agreements. The monthly lease income amounted to approximately MUAH 18 (MSEK 6) including VAT, while the outstanding receivables amounts to MUAH 224 (MSEK 70) including VAT. Despite the fact that JSC Ukgazvydobuvannya failed to make lease payments according to the agreements, JA made the VAT payments until termination of JAA No.3.

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

Misen Enterprises AB and LLC Karpatygaz believe that starting from 11 July 2018, when the Arbitral Tribunal rendered a final partial award to terminate the JAA No.3, the lease agreements ceased to exist. As of 30 September 2018, Misén Enterprises, LLC Karpatygaz and JSC Ukgazvydobuvannya reached no agreement what regards operation of the booster compressor stations and the related costs.

Subsoil use charge

As previously reported, due to the 70% subsoil use charge applicable to JA, in October 2015, the Company submitted a notice of investment dispute to the Government of Ukraine in accordance 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.

The Government of Ukraine continued to impose the exorbitant subsoil charge for the Joint Activity until termination of JAA No.3 on 11 July 2018. As of 30 September 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, including to commence an arbitration proceeding.

Tax payments in Ukraine

Despite being prevented from selling hydrocarbons, JA and its participants continued paying value added tax and corporate profit tax until termination of JAA No.3. During H1 2018, JA paid KUAH 18,196 (KSEK 6,667) as value added tax. 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.

Sale of hydrocarbons

During January - September 2018, JSC Ukrgasvydobuvannya continued, as the Company believes, manifestly unlawful actions and refused to provide services in respect of production, collection, treatment and transportation of hydrocarbons to JA.

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

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

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

Investment program report

Due to financial constraints imposed by the increased subsoil use taxation as well as JSC Ukrgasvydobuvannya, as the Company believes, manifestly unlawful actions, Misen Group halted investments into the development program until termination of JAA No.3.

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

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

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

Court proceeding in Case No. 910/21720/15

In 2015, LLC Sberbank Leasing Ukraine ("**Sberbank Leasing**" later as Financial Leasing Center) initiated the court proceeding against JSC 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 Specialized Anti-Corruption Prosecutor's Office.

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

In July 2018 Kyiv Economic Court of Appeal upheld the decision taken by Kyiv Economic Court.

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

In December 2016, Sberbank Leasing initiated another case against JSC Ukrgasvydobuvannya, 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.

On 15 May 2018, Kyiv Economic Court of Appeal engaged NABU as a third party to the proceeding.

In June 2018 the judge of Kyiv Economic Court recused himself based on the request of Financial Leasing Center. The case is suspended until appointment of a judge.

On 13 August 2018, Kyiv Economic Court of Appeal upheld the decision of the first instance court and resolved to recover UAH 237,507,020 (SEK 73,945,911) of lost profit and UAH 9,856 (SEK 3,069) of court costs to Financial Leasing Center. This decision was subject to an immediate enforcement.

LLC Karpatygas challenged the decision in the Supreme Economic Court of Ukraine. On 30 August 2018 Supreme Economic Court of Ukraine ruled to halt enforcement of ruling of Kyiv Economic Court of Appeal until it will be reconsidered according to cassation procedure. The hearing is scheduled for 27 February 2019.

Essential events after the end of the 9M 2018

Ongoing arbitration under JAA No.3

Misen Enterprises AB, LLC Karpatygaz and JSC Ukrigasvydobuvannya continue to discuss a schedule for the briefing and hearing of the issues that are being reserved for the Final Award.

Financing of the Group's Swedish operations

On 8 October 2018 Misen Energy AB (publ) signed the Loan Agreement with SP Holding Limited for EUR 250,000 to be paid in several instalments by 30 November 2018. SP Holdings Limited controls Blankbank Investment Ltd, a shareholder of Misen Energy AB (publ). Similarly, on 25 October 2018 Misen Energy AB (publ) signed an amendments agreement to the Loan Agreement of 16 August 2018 with Powerful United Limited for EUR 100,000.

In November 2018, Misen Energy AB (publ) signed the Financing Agreement with Powerful United Limited (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 Ukrigasvydobuvannya under Arbitration Rules of the Arbitration Institute of Stockholm Chamber of Commerce in July 2016 against Misen Enterprises AB and LLC Karpatygaz.

Under the Financing Agreement, PUL agreed to provide financing on a non-recourse, unsecured and unguaranteed basis. Misen Energy AB (publ) agreed to pay a portion of any final settlement of the arbitration claim to PUL. Such fee shall only become payable upon a 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.

Misen Energy AB (publ) will continue to have a complete control over the arbitration proceeding and have the right to settle with JSC Ukrigasvydobuvannya, discontinue proceeding, pursue the proceeding to trial and take any action Misen Energy AB (publ) considers appropriate to enforce a final award.

Criminal investigations

The consideration phase of the legal proceeding commenced by NABU was commenced in October 2018. The hearing was held on 22 October 2018 as a result of which Kyiv Economic Court dismissed a claim what regards, among other issues, invalidation of JAA in its entirety. NABU and JSC Ukrigasvydobuvannya appealed against the decision.

Operations of the Joint Activity in 2018

Operation of the Booster Compression Stations (BCSs)

As of publishing of this report, JSC Ukrigasvydobuvannya failed to make the lease payments under lease agreements to JA for the period until 11 July 2018, except the amount paid to PJSC Sberbank and set off against future liabilities under renewed lease agreements. JSC Ukrigasvydobuvannya declared that it offset its lease payment against the alleged payments that LLC Karpatygaz was supposed to make to JSC Ukrigasvydobuvannya. LLC Karpatygaz 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, JSC Ukgazvydobuvannya refused to deliver to JA hydrocarbons extracted since December 2016 until 11 July 2018.

3. Results – the Misen Group and the Company

Misen Group net turnover for Q3 2018 was KSEK 5,249 (KSEK 8,438) and the Parent Company net turnover for this period was KSEK 1,394 (KSEK 1,394).

Misen Group net turnover for 9M 2018 was KSEK 5,889 (KSEK 22,471) and the Parent Company net turnover for this period was KSEK 4,183 (KSEK 4,183).

In Q3 2018 profit after financial items for the Misen Group was KSEK 391 (KSEK -16,907) the Parent Company loss after financial items made up KSEK -1,917 (KSEK 5,490).

For 9M 2018 loss after financial items for the Misen Group was KSEK -14,839 (KSEK -59,088) the Parent Company loss after financial items made up KSEK -5,694 (KSEK -19,661).

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

During 9M 2018, due to violation of JAA by JSC Ukrigasvydobuvannya, the production of hydrocarbons attributable to JA was zero (zero level during the same period 2017).

Financial assets and liabilities

During 9M 2018 and before termination of JAA, JA wrote-off KUAH 6,312 (KSEK 1,994) in bad debt. The subsidiary LLC Karpatygaz, 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 30 September 2018, Misen group contingent liabilities amounted to KSEK 10,991 (KSEK 72,022 as of 31 December 2017), the change is mainly explained by the repayment of PJSC Sberbank loan.

Cash position

As of 30 September 2018, the cash balance of the Misen Group was KSEK 310 (KSEK 8,476). The cash flow from operations after changes in working capital for 9M 2018 was KSEK -16,864 (KSEK -30,933).

Capital expenditure

The Misen Group's capital expenditure on equipment for gas production in Ukraine related to the JA activity during 9M 2018 was at zero level (KSEK 290) 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 and the JAA No.3 was terminated on 11 July 2018. Due to this fact, JA can no longer be considered a going concern. The value of the net assets and the size of the any compensation entitled to the Group as a consequence of the termination of JAA No.3 is uncertain at the date of this report. To account for an asset in accordance with IFRS the asset needs to be virtually certain which is not the case as the size of any compensation is dependent on the outcome of the arbitration.

For the remaining operations of the Group the long-term financing is solved through the agreement with PUL that was signed 21 November 2018. 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

	30 Sept 2018	30 Sept 2017	31 Dec 2017
<i>(All amounts in KSEK)</i>			
Net sales, external:			
Sweden	--	--	--
Ukraine	172	865	7,082
Fixed assets:			
Sweden	--	--	--
Ukraine	368	503,146	4

Transactions with related parties

	30 Sept 2018	30 Sept 2017	31 Dec 2017
<i>(All amounts in KSEK)</i>			
Ukrigasvydobuvannya*:			
Sale	--	21,799	35,503
Purchase	--	4,620	9,491
Short-term receivables	--	27,353	--
Short-term debts	--	5,076	--
Management, Board and major Shareholders*:			
Purchase of services	7,358	12,6151	23,282
Interest	--	1,439	1,439
Salaries and remunerations	4,273	3,656	5,029
Short-term debts	9,820	5,306	9,299
Long-term debts	--	--	--

* 100% of the transaction values.

Environmental impact

The JA operations has 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 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

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

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

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

This January - September 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 14:00 CET on 30 November 2018.

Future reports

Next report, the January-December 2018 year-end report, will be published on 28 February 2019.

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

Stockholm, 30 November 2018

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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 JSC Ukrgasvydobuvannya (49.99%), a subsidiary of the National Joint Stock Company Naftogaz of Ukraine. JSC Ukrgasvydobuvannya is the largest producer of natural gas in Ukraine. The purpose of the Joint Activity Agreement is to significantly increase production of gas and oil by providing modern technologies via a large-scale investment program for the purposes of attainment of profits.

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

The registered office of Misen Energy AB (publ) is in Stockholm and the shares are traded on First North 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

	1 July - 30 Sept 2018 3 months	1 July - 30 Sept 2017 3 months	1 Jan - 30 Sept 2018 9 months	1 Jan - 30 Sept 2017 9 months	1 Jan - 31 Dec 2017 12 months
<i>All amounts in KSEK</i>					
Operating revenue					
Net sales	114	-9	286	856	7,938
Other operating income	5,135	8,447	5,603	21,615	27,611
	5,249	8,438	5,889	22,471	35,549
Operating expenses					
Other external expenses	-2,847	-13,755	-12,483	-45,519	-63,598
Personnel expenses	-2,014	-1,339	-6,043	-8,027	-11,131
Depreciation and amortisation of tangible and intangible fixed assets	-9	-7,754	-24	-24,055	-28,562
Other operating cost	2,185	-3,945	0	-8,874	-19,718
Result from deconsolidation	-	-	-	-	-
	-2,685	-26,793	-18,550	-86,475	-123,009
Operating income/loss	2,564	-18,355	-12,661	-64,004	-87,460
Financial items	-2,173	1,448	-2,178	4,916	-262
Profit/loss after financial items	391	-16,907	-14,839	-59,088	-87,722
Taxes for the period	0	1,331	0	1,141	-427
Profit for the period	391	-15,576	-14,839	-57,947	-88,149
Profit is attributable to:					
Owners of Misen Energy AB (publ)	-752	-5,991	-10,554	-38,225	-573,322
Non-controlling interests	1,143	-9,585	-4,285	-19,722	-498,896
	391	-15,576	-14,839	-57,947	-1,072,218
Statement of comprehensive income - The Group					
Net profit for the period	391	-15,576	-14,839	-57,947	-1,072,218
Other comprehensive income					
Items possible for later reclassification in income statement:					
Translation differences	190	-32,760	-161	-43,385	-73,946
Reversed translation differences	-	-	0	0	-
Other comprehensive income for the period, net after taxes	190	-32,760	-161	-43,385	-73,946
Total comprehensive income for the period	581	-48,336	-15,000	-101,332	-1,146,164
Total comprehensive income for the period is attributable to:					
Owners of Misen Energy AB (publ)	-656	-23,905	-10,637	-62,735	-286,901
Non-controlling interests	1,237	-24,431	-4,363	-38,597	-236,230
	581	-48,336	-15,000	-101,332	-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	-0.01	-0.04	-0.07	-0.26	-3.95
Average number of shares for the period was 145,068,222					

CONDENSED BALANCE SHEET-THE GROUP

<i>All amounts in KSEK</i>	30 Sept 2018	30 Sept 2017	31 Dec 2017
ASSETS			
Non-current assets			
Intangible fixed assets	1	26,653	1
Tangible fixed assets	336	436,626	3
Deferred tax receivables	-	10,371	-
Total non-current assets	337	473,650	4
Current assets			
Stock	91	432	-
Accounts receivable	8,212	79	397
Other receivables	2,328	24,471	2,943
Prepaid expenses and accrued income	309	4,902	355
Total current assets	10,940	29,884	3,695
Cash and bank balances	310	8,476	2,181
Total current assets	11,250	38,360	5,876
TOTAL ASSETS	11,587	512,010	5,880

<i>All amounts in KSEK</i>	30 Sept 2018	30 Sept 2017	31 Dec 2017
EQUITY AND LIABILITIES			
Equity attributable to owners of Misen Energy AB (publ)	-24,900	230,185	8,659
Non-controlling interests	83	161,780	-28,604
Total equity	-24,817	391,965	-19,945
Non-current liabilities			
Other long-term liabilities	-	27,434	-
Total non-current liabilities	0	27,434	0
Current liabilities			
Accounts payable	22,098	20,198	21,603
Short-term loans	5,150	26,560	-
Other short-term debt to JA	-	40,433	-
Other short-term debt	2,029	1,348	781
Accrued expenses and deferred income	7,127	4,072	3,441
Total current liabilities	36,404	92,611	25,825
TOTAL EQUITY AND LIABILITIES	11,587	512,010	5,880

CONDENSED STATEMENT OF CHANGES IN EQUITY - THE GROUP

	Attributable to owners of Misen Energy AB (publ)						
	Share capital	Other equity	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
<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 - Sept 2017	-	-	-	-38,225	-38,225	-19,722	-57,947
Other comprehensive income							
Translation difference	-	-	-24,510	0	-24,510	-18,875	-43,385
Total comprehensive income	0	0	-24,510	-38,225	-62,735	-38,597	-101,332
Equity brought forward 2017-09-30	290,136	-274,435	-573,834	788,318	230,185	161,780	391,965
Equity brought forward 2017-10-01	290,136	-274,435	-573,834	788,318	230,185	161,780	391,965
Net result							
Net result of the period Oct-Dec 2017	-	-	-	-535,007	-535,007	-479,264	-1,014,271
Other comprehensive income							
Reversed translationsdifferencies	-	-	589,848	-262,755	327,093	295,941	623,034
Translation difference	-	-	-16,251	-	-16,251	-14,310	-30,561
Total comprehensive income	0	0	573,597	-797,762	-224,165	-197,633	-421,798
Transactions with non-controlling interests							
Sale of shares in subsidiary	0	0	0	2,639	2,639	7,249	9,888
Total transactions with non-controlling interests	0	0	0	2,639	2,639	7,249	9,888
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							
Net result of the period Jan - Sept 2018	0	0	-10,554	-10,554	-10,554	-4,285	-14,839
Other comprehensive income							
Translation difference	0	0	0	-83	-83	-78	-161
Total comprehensive income	0	0	0	-10,637	-10,637	-4,363	-15,000
Transactions with non-controlling interests							
Sale of shares in subsidiary	-	-	-	0	0	10,128	10,128
Other transactions with non-controlling interests	-	-	-	-22,922	-22,922	22,922	0
Total transactions with non-controlling interests	-	-	-	-22,922	-22,922	33,050	10,128
Equity brought forward 2018-09-30	290,136	-274,435	-237	-17,442	-24,900	83	-24,817

CONDENSED STATEMENT OF CASH FLOWS - THE GROUP

	1 Jan-30 Sept 2018 9 months	1 Jan-30 Sept 2017 9 months	1 Jan-31 Dec 2017 12 months
<i>All amounts in KSEK</i>			
Operating activities			
Operating income	-12,661	-64,004	-1,071,529
Adjustment for non-cash items	3,544	2,704	1,002,869
Interest and dividends received	3	153	156
Interest paid	-53	-2,562	-5,461
Income tax	-7	-1,711	-1,711
Cash flow from operating activities before working capital changes	-9,174	-65,420	-75,676
Decrease(+)/increase in stocks	-92	103	103
Decrease(+)/increase in receivables	-10,624	1,562	2,065
Decrease(-)/increase in short-term debts	3,026	32,822	33,298
Cash-flow from operating activities	-16,864	-30,933	-40,210
Investing activities			
Acquisition of tangible and intangible assets	-536	-290	-7,654
Sale of tangible and intangible assets	245	-	583
Sale of shares in subsidiary	10,128	17,701	27,591
Cash flow from investing activities	9,837	17,411	20,520
Financing activities			
Change in long-term debt (increase+)	5,150	9,598	9,598
Cash flow from financing activities	5,150	9,598	9,598
Cash flow for the period	-1,877	-3,924	-10,092
Cash at the beginning of the period	2,181	12,498	12,498
Exchange rate difference in cash	6	-98	-225
Cash at the end of the period	310	8,476	2,181

CONDENSED INCOME STATEMENT - PARENT COMPANY

(Misen Energy AB (publ))

	1 July - 30 Sept 2018 3 months	1 July - 30 Sept 2017 3 months	1 Jan-30 Sept 2018 9 months	1 Jan-30 Sept 2017 9 months	1 Jan-31 Dec 2017 12 months
<i>All amounts in KSEK</i>					
Operating revenue					
Net sales	1,394	1,394	4,183	4,183	5,577
	1,394	1,394	4,183	4,183	5,577
Operating expenses					
Other external expenses	-1,836	4,509	-4,855	-7,991	-14,465
Personnel expenses	-1,589	-413	-5,618	-4,599	-6,146
	-3,425	4,096	-10,473	-12,590	-20,611
Operating result	-2,031	5,490	-6,290	-8,407	-15,034
Result from sale of subsidiary	-	-	488	-9,813	-9,562
Financial items net	114	0	108	-1,441	-1,441
	114	0	596	-11,254	-11,003
Profit/loss after financial items	-1,917	5,490	-5,694	-19,661	-26,037
Taxes for the period	-	-	-	-	-
Net profit/loss	-1,917	5,490	-5,694	-19,661	-26,037
Statement of comprehensive income - Parent company					
Net loss for the period	-1,917	5,490	-5,694	-19,661	-26,037
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-1,917	5,490	-5,694	-19,661	-26,037

CONDENSED BALANCE SHEET - PARENT COMPANY

(Misen Energy AB (publ))

<i>All amounts in KSEK</i>	30 Sept 2018	30 Sept 2017	31 Dec 2017
ASSETS			
Non-current assets			
Financial fixed assets			
Shares in subsidiaries	313,359	262,735	252,997
Total financial fixed assets	313,359	262,735	252,997
Total fixed assets	313,359	262,735	252,997
Total non-current assets	313,359	262,735	252,997
Current receivables			
Other receivables	-	-	177
Short-term receivables subsidiaries	2,724	42,092	69,849
Prepaid expenses and accrued income	303	250	354
	3,027	42,342	70,380
Cash and bank balances	249	8,203	1,644
Total current assets	3,276	50,545	72,024
TOTAL ASSETS	316,635	313,280	325,021

<i>All amounts in KSEK</i>	30 Sept 2018	30 Sept 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	3,588	29,625	29,627
Profit/loss for the year	-5,694	-19,661	-26,037
	-2,106	9,964	3,590
Total equity	288,375	300,445	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	17,189	9,675	17,457
Short-term loans	5,150	-	-
Other short-term liabilities	451	436	10,616
Accrued expenses and deferred income	5,382	2,634	2,787
Total current liabilities	28,172	12,745	30,860
TOTAL EQUITY AND LIABILITIES	316,635	313,280	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 - June 2017	-	-	-	-19,661	-19,661
Total comprehensive income	-	-	-	-19,661	-19,661
Equity brought forward 2017-09-30	290,136	345	714,285	-704,322	300,445
Equity opening balance 2017-10-01	290,136	345	714,285	-704,322	300,445
Net result					
Net result of the period Oct - Dec 2017	-	-	-	-6,376	-6,376
Total comprehensive income	0	0	0	-6,376	-6,376
Equity brought forward 2017-12-31	290,136	345	714,285	-716,389	288,375
Net result					
Net result for the period Jan - Sept 2018	-	-	-	-5,694	-5,694
Total comprehensive income	-	-	-	-5,694	-5,694
Equity brought forward 2018-09-30	290,136	345	714,285	-716,389	288,375

CONDENSED STATEMENT OF CASH FLOWS - PARENT COMPANY

(Misen Energy AB (publ))

	1 Jan-30 Sept 2018 9 months	1 Jan-30 Sept 2017 9 months	1 Jan-31 Dec 2017 12 months
<i>All amounts in KSEK</i>			
Operating activities			
Operating income	-6,290	-8,407	-15,034
Interest paid	-53	-1	-2
Cash flow from operating activities before working capital changes	-6,343	-8,408	-15,036
Decrease(+)/increase in receivables	-2,488	-24,808	-52,745
Decrease(-)/increase in accounts payable	-268	8,945	16,727
Decrease(-)/increase(+) in short term debts	-7,574	-1,859	8,476
Cash flow from operating activities	-16,673	-26,130	-42,578
Investment activities			
Sale of shares in subsidiary	10,128	17,701	27,590
Cash flow from investing activities	10,128	17,701	27,590
Financing activities			
Change in long-term debt	5,150	9,598	9,598
Cash flow from financing activities	5,150	9,598	9,598
Cash flow for the period	-1,395	1,169	-5,390
Cash at the beginning of the period	1,644	7,034	7,034
Cash at the end of the period	249	8,203	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 - 30 Sept 2018 9 months	1 Jan - 30 Sept 2017 9 months	1 Jan-31 Dec 2017 12 months
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The Group

Financial key ratios

EBITDA (KSEK)	-12,637	-39,949	-1,042,967
Financial cost	-2,342	-4,763	6,900
Profit/loss per share before dilution SEK*	-0.07	-0.26	-3.95
Profit/loss per share after dilution SEK*	-0.07	-0.26	-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	76.6%	neg
Share of risk bearing capital	neg	76.6%	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)	-6,290	-8,407	-15,034
Profit/loss per share before dilution SEK*	-0.04	-0.14	-0.18
Profit/loss per share after dilution SEK*	-0.04	-0.14	-0.18
Return on equity (ROE)	n.a.	n.a.	neg
Return on capital employed (ROCE)	n.a.	n.a.	neg
Debt/equity ratio	1.8%	0.0%	-
Equity ratio	91.1%	95.9%	90.4%
Share of risk bearing capital	91.1%	95.9%	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.
8. Proportion of risk-bearing capital %, 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. 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.