

Interim report January - December 2021

1. Summary

MISEN ENERGY AB (publ)

Reg. No. 556526-3968

Results for the October-December 2021 ("Q4 2021") (within brackets same period 2020)

Consolidated operating group result	KSEK -12,595 (330,272)
Consolidated group net turnover	KSEK 265 (485,822)
Earnings per share	SEK -0.08 (0.75)
Parent company operating result	KSEK 10,432 (-46,400)
Parent company net turnover	KSEK 1,389 (2,687)

Results for the January-December 2021 ("12M 2021") (within brackets same period 2020)

Consolidated operating group result	KSEK -40,824 (340,451)
Consolidated group net turnover	KSEK 33,761 (509,842)
Earnings per share	SEK -0.28 (0.82)
Parent company operating result	KSEK -34,801 (-37,936)
Parent company net turnover	KSEK 10,163 (19,543)

Group Definition

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

In June 2016 and in July 2017, Parent Company sold respectively 37.5% and 10% of Misen Enterprises AB shares to the Hong Kong based company Powerful United Limited ("**PUL**"). The same owners that control the shareholder TCT Holding AB also control PUL. In 2018, the Company sold 2% of Misen Enterprises AB shares to Mr. Konstantin Guenevski, Bulgarian citizen, who is a senior trader of one of the world's leading independent commodity trading and logistics houses. In September 2021, Misen Energy AB (publ) purchased 47.5% Misen Enterprises AB's shares from PUL. In October 2021, Misen Energy AB (publ) purchased 2% from Mr. Konstantin Guenevski. Owning 100% of Misen Enterprises AB's shares, Misen Energy AB (publ) maintains full control of Misen Enterprises AB. Misen Enterprises AB is consolidated in the Misen Group accounts.

Joint Activity and Joint Activity Agreement

Misen Group had a 50.01% participation interest in the Joint Activity ("**JA**") dedicated to the hydrocarbon production and sales business in Ukraine. The remaining 49.99% interest in JA was held by Joint Stock Company Ukgasvydobuvannya ("**JSC Ukgasvydobuvannya**" or "**UGV**") (Ukraine), a wholly owned subsidiary of National Joint Stock Company Naftogaz of Ukraine (Ukraine). JA was governed by the Joint Activity Agreement No.3, dated 10 June 2002 ("**JAA**" or "**JAA No.3**") (as further restated and amended). JAA No.3 was terminated on 11 July 2018 by the partial final award rendered by the Arbitral Tribunal in the arbitration proceeding under Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce (the "**SCC Arbitration**"). In March 2021 Misen Energy AB (publ) and Misen Enterprises AB filed a Request for Arbitration under the Washington Convention and the Rules of the International Centre for Settlement of Investment Disputes (the "**ICSID Arbitration**").

2. Essential Events during the 12M 2021

Accounting treatment of the Joint Activity

In July 2018, the Arbitral Tribunal rendered Final Partial Award in the SCC Arbitration. 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".

JSC Ukrgasvydobuvannya, Misen Enterprises AB and LLC Karpatygaz agreed that, following termination, the JA's assets should be transferred to JSC Ukrgasvydobuvannya, with Misen Enterprises AB and Karpatygaz LLC receiving compensation for their interests in those assets. The parties assigned LLC Karpatygaz, a former Operator under the JAA, to facilitate transfer of the JA's assets to JSC Ukrgasvydobuvannya.

Misen Enterprises AB, LLC Karpatygaz and JSC Ukrgasvydobuvannya went through the second phase of the arbitration proceeding. In March 2020 the Arbitral Tribunal rendered a Consent Award and confirmed the settlement agreement concluded by JSC Ukrgasvydobuvannya, Misen Enterprises AB and LLC Karpatygaz in July 2019.

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

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

The Arbitral Tribunal ordered JSC Ukrgasvydobuvannya to pay to Misen Enterprises AB and LLC Karpatygaz the majority of the legal and arbitration costs that Misen Enterprises AB and LLC Karpatygaz incurred in the SCC Arbitration.

In November 2020, Misen Enterprises AB and LLC Karpatygaz received a Final Award by Consent from the Arbitral Tribunal in the SCC Arbitration. This award provides:

- The total value to be paid by JSC Ukrgasvydobuvannya to Misen Enterprises AB and LLC Karpatygaz is UAH 1,575,093,162.86 (KSEK 516,519) for their share in the joint property under the JAA No.3 including for hydrocarbons produced using JA's assets from 1 December 2016 to 10 July 2018 (termination of JAA No.3).
- JSC Ukrgasvydobuvannya is entitled to withhold a tax on non-resident income for 15% of the specified amount to Misen Enterprises AB (UAH 236,113,788, KSEK 77,429) and pay the withheld amount to the budget of Ukraine. The Settlement Agreement does not regulate payment of tax, if any, in Sweden.
- Ownership of shares of Misen Enterprises AB and LLC Karpatygaz in the joint property under the JAA No.3 shall pass to JSC Ukrgasvydobuvannya from the date of full payment by JSC Ukrgasvydobuvannya to Misen Enterprises and LLC Karpatygaz of all amounts under the Settlement Agreement.

Given that JAA No. 3 was terminated as of 11 July 2018, the Company believes that control over the specific assets owed by JA no longer exists when preparing this interim report for the 12M 2021. Control is required to consolidate the assets as well as the future results of the JA in the Group accounts.

The accounting treatment and book value do not purport to reflect the value of the claims in the SCC Arbitration or ICISD Arbitration. Nor does this accounting treatment imply in any respect any waiver of any claim concerning JAA No.3.

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

Enforcement of the Arbitration Awards

Misen Enterprises AB, LLC Karpatygaz and JSC Ukrigasvydobuvannya sought enforcement and recognition of the arbitration awards in Ukraine under the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

In April 2020, Misen Enterprises filed a motion to enforce a Consent Award rendered by the Arbitral Tribunal on 26 March 2020. The court confirmed and recognized a Consent Award in June 2020.

In July 2020, Misen Enterprises AB filed a motion to confirm and enforce the Second Partial Final Award in Ukraine.

In September 2020 Kyiv Court of Appeal granted an application of Misen Enterprises AB whereby Misen Enterprises AB sought recognition and enforcement of the Second Partial Final Award dated 12 June 2020 (subject to the Corrections of the Second Partial Final Award dated 18 August 2020). JSC Ukrigasvydobuvannya filed a cassation appeal to the Supreme Court of Ukraine. On 14 January 2021 the Supreme Court of Ukraine issued a ruling recognizing the Second Partial Final Award dated 12 June 2020 (subject to the Corrections of the Second Partial Final Award dated 18 August 2020). Accordingly, JSC Ukrigasvydobuvannya transferred EUR 2,739,784.53 (KSEK 27,787), SEK 344,415.38, USD 7,971.59 (KSEK 68), and GBP 10,940.05 (KSEK 123) to Misen Enterprises AB for the legal costs incurred the SCC case V 2016/114.

In November 2020, Misen Enterprises AB filed a motion to confirm and enforce the Final Award by Consent granted by the Arbitral Tribunal in the SCC case V 2016/114 on 5 November 2020. On 5 January 2021 the Kiev Court of Appeal recognized Final Award by Consent dated 5 November 2020. On 10 February 2021, Misen Enterprises AB received USD 47,060,537.16 (KSEK 403,668) and LLC Karpatygaz received UAH 1,001,242.74 (KSEK 312) from JSC Ukrigasvydobuvannya. JSC Ukrigasvydobuvannya was entitled to withhold a tax on non-resident income for 15% of the compensation to Misen Enterprises AB (UAH 236,113,788, KSEK 73,629) and pay the withheld amount to the budget of Ukraine.

Misen Enterprises AB, LLC Karpatygaz and JSC Ukrigasvydobuvannya are involved in constructive negotiations to give a practical effect to the termination of JAA No.3, i.e., transfer of shares of Misen Enterprises AB and LLC Karpatygaz in the joint property to JSC Ukrigasvydobuvannya.

Given that the awarded amounts have been paid to the subsidiaries of Misen Energy AB (publ), the effect of compensation was reflected in the Misen Group's accounts for 2020.

Financing of the Group's Swedish operations

In November 2018, Misen Energy AB (publ) signed the Financing Agreement with PUL for the maximum sum of up to 12 million Euros. The Agreement obliges PUL to provide financing for the

Swedish operation and the SCC Arbitration. The contribution from PUL in accordance with the Financing Agreement is recorded as “Other operating income”.

In February 2020, Misen, PUL and SP Holdings signed an additional agreement to the Financing Agreement dated 28 November 2018 whereby from 1 October 2019 all rights and obligations of SP Holdings Limited deriving from the Loan Agreement have acquired PUL’s Capital Partner’s rights and obligations under the Financing Agreement.

In March 2020 Misen Energy AB (publ) signed the Financing Agreement with a new financial partner, the United States based international businessman Mr. Edvardas Jatautas, for up to 1 million EUR to fund the Swedish operation and the SCC Arbitration. On 2 November 2020, Misen Energy AB (publ), Misen Enterprises AB, PUL and Mr. Jatautas signed an Amendment Agreement to the Priorities and Call Option Agreement whereby, among other things, the parties reduced a fee under the Financing Agreement concluded in March 2020.

Following successful resolution of the SCC arbitration dispute under the SCC Arbitration Rules and given that Misen Enterprises AB received compensation from JSC Ukrigasvydobuvannya, Misen Energy AB (publ) and Misen Enterprises AB were obliged to execute payments to the funders under the financing agreements. Namely, under the Financing Agreement concluded in March 2020 the companies paid EUR 1,940,000.00 (SEK 19,675,567); under the Financing Agreement concluded in November 2018 the companies paid EUR 8,452,140.90 (SEK 85,721,993) and EUR 3,221,404.00 (SEK 32,671,624). In consideration of the payments, Misen Energy AB (publ) and Misen Enterprises AB consider that they met all terms satisfactorily and the financing agreements terminate.

Repurchase of the Shares

On 13 September 2021, Misen Energy AB (publ) closed the purchase of 47.5% of shares and share capital in Misen Enterprises AB with PUL. The shares’ purchase price was SEK 2,724,817 plus 47.5% of the distributable income from the compensation, if any, to be received following the completion of the investment arbitration against Ukraine in ICSID Case No. ARB/21/15 (“BIT arbitration”). Under the agreement, Misen Energy AB (publ) and PUL undertook to share the costs of the funding, if any, to finance the BIT arbitration.

On 1 October 2021, Misen Energy AB (publ) closed the purchase of 2% of shares and share capital in Misen Enterprises AB with Mr. Konstantin Guenevski, Bulgarian citizen, who is a senior trader of one of the world’s leading independent commodity trading and logistics houses. The shares’ purchase price was SEK 114,729.00 plus 2% of the distributable income from the compensation, if any, to be received following the completion of the BIT arbitration against Ukraine. Under the agreement, Misen Energy AB (publ) and Mr. Konstantin Guenevski undertook to share the costs of the funding, if any, to finance the BIT arbitration.

As a result, Misen Energy AB (publ) now owns 100% of shares in Misen Enterprises AB.

BIT arbitration against Ukraine

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

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

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

On 30 June 2021 the tribunal was constituted in ICSID arbitration against Ukraine. Professor Jan Paulsson has been appointed as president of the Arbitral Tribunal in a dispute between Misen Energy AB (publ) and Misen Enterprises AB vs. Ukraine (ICSID Case No. ARB/21/15). Earlier the Swedish companies appointed Dr. Stanimir Alexandrov and Ukraine - Professor W. Michael Reisman.

On 29 October 2021, Misen Energy AB (publ) and Misen Enterprises AB submitted a Memorial in international investment arbitration case against Ukraine (ICSID Case No. ARB/21/15). Misen requested for compensation that reflects the going concern value of Misen's share at the time exorbitant subsoil use tax was imposed on Joint Activity, which led to the termination of the JAA No.3.

Pre-trial Investigations in Criminal Cases

The pre-trial investigations in criminal cases commenced by the General Prosecutor Office of Ukraine respectively in 2014 and 2017, as supplemented with the JSC 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, to the best knowledge and understanding of Misen Enterprises and LLC Karpatygaz. Any pre-trial investigations in criminal cases are not public under the laws of Ukraine.

In September 2017, JSC Ukrigasvydobuvannya submitted another criminal complaint to the National Anticorruption Bureau of Ukraine (thereafter as "NABU"). In September 2017, NABU 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. The Court did not provide reasons for that dismissal.

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

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

Disregarding the above decision of the Constitutional Court of Ukraine, as well as the awards dismissing any allegations concerning illegality of the JAA No.3 rendered in the SCC Arbitration, NABU and JSC Ukrigasvydobuvannya continue legal proceedings in Ukraine.

At any event, LLC Karpatygas and Misen Enterprises AB consider the criminal and civil allegations to be ungrounded and deny them in their entirety.

Termination of the JAA No.493

On 31 December 2021 the subsidiary LLC Karpatygas and LLC Tekhhproekt signed settlement agreement with JSC Ukrigasvydobuvannya according to which the Joint Activity Agreement #493 was to be terminated on 1 January 2022. According to the settlement agreement the total value to be paid by JSC Ukrigasvydobuvannya to LLC Karpatygas is UAH 165,617,516 (KSEK 54,311) for their share in the joint property under the JAA No.493 including for hydrocarbons produced using JA's assets from 1 January 2017. 50% of the amount shall be paid on the date of termination of the mentioned settlement agreement and 50% shall be paid on the date of deregistering of the JAA from tax authorities in Ukraine.

For further information, please also refer to chapter Essential events after the end of the 12M 2021.

Operations of the JA during 12M 2021 and Sale of hydrocarbons

Given that the Arbitral Tribunal terminated the JAA No.3 in July 2018, during 9M 2021 the Joint Activity did not conduct any operations in relation to the production of hydrocarbons in Ukraine.

Tax payments in Ukraine

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

Investment program report

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

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

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

Misen Energy AB (publ) and Misen Enterprises AB defend the legitimate expectations of their shareholders at BIT arbitration against Ukraine. Misen seeks to receive compensation that reflects the going concern value of Misen's share at the time exorbitant subsoil use tax was imposed on Joint Activity, which led to the termination of the JAA No.3.

Essential events after the end of the 12M 2021

Termination of the JAA No.493

On 1 January 2022 the Joint Activity Agreement No.493 between the subsidiary LLC Karpatygaz, LLC Tekhhproekt and JSC Ukrgasvydobuvannya was terminated according to settlement agreement dated 31 December 2021. On 13 January 2022 JSC Ukrgasvydobuvannya transferred to LLC Karpatygaz UAH 82,808,758 (KSEK 27,155) which amounts to 50% of total compensation. The remainder of compensation is to be received by LLC Karpatygaz after deregistering of JAA from tax authorities in Ukraine.

Transfer of LLC Karpatygaz for liquidation purposes

Given the extraordinary circumstances in Ukraine, on 25 February 2022 the board of Misen Enterprises AB decided to transfer LLC Karpatygaz to a local law firm "Victoria Legis" for liquidation purposes without bankruptcy proceedings. The transfer is expected to happen when possible without unreasonable delays. Misen Energy AB (publ) will inform the market accordingly.

BIT Arbitration against Ukraine

On 27 January 2022, Ukraine proposed to disqualify Dr. Stanimir Alexandrov, an arbitrator appointed by Misen Energy AB (publ) and Misen Enterprises AB in ICSID Case No ARB/21/15. On 7 February 2022, Misen Energy AB (publ) and Misen Enterprises AB submitted their objections. The proceeding was suspended until the Chairman of the Administrative Council of ICSID will decide on the Ukraine's proposal to disqualify Dr. Stanimir Alexandrov. Misen Energy AB (publ) and Misen Enterprises AB anticipate to receive a decision by the end of March 2022. However, if the situation in Ukraine does not materially improve by the mentioned decision, considering the exceptional circumstances, Ukraine may apply for the arbitration to be stayed.

Despite the legal troubles that Misen Energy AB (publ) has had with its investments in Ukraine, the Board of Directors and the Management unconditionally and wholeheartedly support Ukraine and its people in their fight against the Russian aggression.

After Ukraine emerges victorious from this heinous war, Misen Energy AB (publ) and Misen Enterprises AB intend to propose amicable settlement to Ukraine on the fair terms that shall fully take in to account those atrocious current developments on Ukrainian soil. Misen Energy AB (publ) will inform the market accordingly.

3. Results – the Misen Group and the Company

Misen Group net turnover for Q4 2021 was KSEK 265 (KSEK 485,822) and the Parent Company net turnover for this period was KSEK 1,389 (KSEK 2,687).

Misen Group net turnover for 12M 2021 was KSEK 33,761 (KSEK 509,842) and the Parent Company net turnover for this period was KSEK 10,163 (KSEK 19,543).

After receiving compensation, the operating income was influenced by currency rate fluctuations in Q4 2021 and 12M 2021.

In Q4 2021 loss after financial items for the Misen Group was KSEK -12,585 (profit KSEK 330,272) the Parent Company profit after financial items made up KSEK 10,432 (KSEK 66,140). The loss is mainly explained by writing-off of receivables by LLC Karpatygas as well as costs associated with BIT arbitration.

In 12M 2020 loss after financial items for the Misen Group was KSEK -40,837 (profit KSEK 340,314) the Parent Company loss after financial items made up KSEK -34,827 (profit KSEK 74,464). The loss is mainly explained by the bonuses to personnel paid in Q1 2021 upon receiving compensation from JSC Ukrgasvydobuvannya as well as by paying compensation under financing agreements and costs associated with BIT arbitration.

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.

Financial assets and liabilities

As of date of termination JAA, JA has KUAH 168,779 (KSEK 55,348) of written off bad debts. The subsidiary LLC Karpatygas, as the Operator of JA, is engaged in constructive negotiations with the debtors. The settlement of these outstanding obligations is also sought through the court proceedings in Ukraine.

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

Contingent liabilities

As of 31 December 2021, Misen group does not have contingent liabilities (KSEK 31,210), the change is explained by the transfer of shares of Misen Enterprises AB and LLC Karpatygas in the joint assets and Liabilities of JA to JSC Ukrgasvydobuvannya.

Cash position

As of 31 September 2021, the cash balance of the Misen Group was KSEK 27,511 (KSEK 934). The cash flow from operations after changes in working capital for 12M 2021 was KSEK 88,108 (KSEK 806).

In January 2021 the Kiev Court of Appeal recognized Final Award by Consent dated 5 November 2020. In February 2021, Misen Enterprises AB received USD 47,060,537.16 (KSEK 403,668) and LLC Karpatygas received UAH 1,001,242.74 (KSEK 312) from JSC Ukrgasvydobuvannya. JSC Ukrgasvydobuvannya was entitled to withhold a tax on non-resident income for 15% of the compensation to Misen Enterprises AB (UAH 236,113,788, KSEK 73,629) and pay the withheld amount to the budget of Ukraine.

Following successful resolution of the SCC arbitration dispute under the SCC Arbitration Rules and given that Misen Enterprises AB received compensation from JSC Ukrgasvydobuvannya, Misen

Energy AB (publ) and Misen Enterprises AB were obliged to execute payments to the funders under the financing agreements. Namely, under the Financing Agreement concluded in March 2020 the companies paid EUR 1,940,000.00 (SEK 19,675,567); under the Financing Agreement concluded in November 2018 the companies paid EUR 8,452,140.90 (SEK 85,721,993) and EUR 3,221,404.00 (SEK 32,671,624). In consideration of the payments, Misen Energy AB (publ) and Misen Enterprises AB consider that they met all terms satisfactorily and the financing agreements terminate.

Capital expenditure

The Misen Group's capital expenditure on equipment for gas production in Ukraine related to the JA activity during the 12M 2021 was at zero level due to deconsolidation as described above.

Amendments to the tax code

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

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

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

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

Expected future development of the Company and going concern

As described earlier in this report, the JAA No.3 was terminated on 11 July 2018. Due to this fact, JA ceased to exist and hence can no longer be considered a going concern.

The BIT arbitration costs and operating expenses in the Swedish Group will be covered from compensation received in the SCC Arbitration.

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

Sector information - the Misen Group

The Misen Group operations are in Ukraine. Administrative and management operations are in Sweden.

Geographical area

	31 Dec 2021	31 Dec 2020
<i>(All amounts in KSEK)</i>		
Net sales, external:		
Sweden	--	--
Ukraine	35	38
Fixed assets:		
Sweden	--	--
Ukraine	50	60

Transactions with related parties

	31 Dec 2021	31 Dec 2020
<i>(All amounts in KSEK)</i>		
Management, Board and major Shareholders:		
Purchase of services, cost	738	5,651
Interest and fees, cost	4,715	117,605
Capital contribution, income	--	14,408
Salaries and remunerations	8,218	5,980
Short-term debts	815	243,345
Long-term debts	--	--

Environmental impact

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

Accounting principles

This report is prepared according to the International Financial Reporting Standards (IFRS), as adopted by EU. This report is prepared according to IAS 34 and The Swedish Annual Accounts Act as

well as RFR 2, Accounting for legal entities. The accounting principles for the Misen Group as well as for the Company are identical to the last annual and quarterly reports, except as described below:

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

Financial and other risks

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

The current financial and other risks relate to a few outstanding court proceedings in Ukraine and other actions necessary to give a practical effect to termination of the JAA No.3.

A more in-depth explanation of the different risk exposures in the Company's business is included in the annual report 2020.

First North

Misen Energy AB (publ) is listed on First North, which is an alternative marketplace operated by Nasdaq First North Growth Market 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 interim January – December 2021 report

This January – December 2021 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 15:30 CET on 28 February 2022.

Future reports

Next report, the annual report 2021, will be published on 7 April 2022.

The AGM will be held 28 April 2022.

The interim January-March Q1 2022 report will be published 31 May 2022.

The interim January-June Q2 2022 report will be published 31 August 2022.

The interim January-September Q3 2022 report will be published 30 November 2022.

The interim January-December Q4 2022 report will be published 28 February 2023.

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

Stockholm, 28 February 2022

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The company was founded in 2004 and its shares have been traded on Nasdaq First North Growth Market since 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. Misen Energy AB (publ) acquired the rights to produce hydrocarbons under Joint Activity Agreement No.3 ("JAA No.3") between Misen Enterprises AB and LLC Karpatygas (together 50.01%) and JSC Ukrgasvydobuvannya (49.99%), a subsidiary of the NJSC Naftogaz of Ukraine. The purpose of the JAA No.3 was to significantly increase production of hydrocarbons by providing modern technologies via a large-scale investment program for the purposes of attainment of profits.

The JAA No.3 (as amended and restated) was terminated in June 2018. As a result, Misen Energy AB (publ) received compensation that reflected its share of the replacement costs of the equipment subject to the joint ownership under the JAA No.3. In March 2021, Misen Energy AB (publ) and Misen Enterprises AB initiated an investment arbitration against Ukraine (ICSID Case No. ARB/21/15) concerning Ukraine's breaches of the investor's rights resulting from the imposition of a 70% subsoil use charge.

The registered office of Misen Energy AB (publ) is in Stockholm. Misen Energy AB (publ) is listed on Nasdaq First North Growth Market and the Company adheres to the rules and regulations for First North. The Certified Adviser of the Company is Erik Penser Bank AB, tel.: +46 8 463 80 00, email: certifiedadviser@penser.se.

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

CONDENSED INCOME STATEMENT-THE GROUP

	1 Oct - 31 Dec 2021 3 months	1 Oct - 31 Dec 2020 3 months	1 Jan - 31 Dec 2021 12 months	1 Jan - 31 Dec 2020 12 months
<i>All amounts in KSEK</i>				
Operating revenue				
Net sales	2	0	35	38
Other operating income	263	485,822	33,726	509,804
	265	485,822	33,761	509,842
Operating expenses				
Other external expenses	-9,519	-673	-44,875	-7,326
Personnel expenses	-3,524	-3,698	-28,732	-10,855
Depreciation and amortisation of tangible and intangible fixed assets	-1	-2	-7	-33
Other operating cost	184	-151,177	-971	-151,177
	-12,860	-155,550	-74,585	-169,391
Operating income/loss	-12,595	330,272	-40,824	340,451
Financial items	10	0	-13	-137
Profit/loss after financial items	-12,585	330,272	-40,837	340,314
Taxes for the period	0	-68,012	0	-68,012
Profit/loss for the period	-12,585	262,260	-40,837	272,302
Profit is attributable to:				
Owners of Misen Energy AB (publ)	-12,245	109,473	-40,837	118,665
Non-controlling interests	-340	152,787	0	153,637
	-12,585	262,260	-40,837	272,302
Statement of comprehensive income - The Group				
Net profit for the period	-12,585	262,260	-40,837	272,302
Other comprehensive income				
Items possible for later reclassification in income statement:				
Translation differences	-83	239	-193	472
Other comprehensive income for the period, net after taxes	-83	239	-193	472
Total comprehensive income for the period	-12,668	262,499	-41,030	272,774
Total comprehensive income for the period is attributable to:				
Owners of Misen Energy AB (publ)	-12,330	109,594	-41,030	118,904
Non-controlling interests	-338	152,905	0	153,870
	-12,668	262,499	-41,030	272,774
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	-0.08	0.75	-0.28	0.82
Average number of shares for the period was 145,068,222				

CONDENSED BALANCE SHEET-THE GROUP

<i>All amounts in KSEK</i>	31 Dec 2021	31 Dec 2020
ASSETS		
Non-current assets		
Tangible fixed assets	50	60
Total non-current assets	50	60
Current assets		
Stock	2	30
Accounts receivable	1,138	2,241
Other receivables	3,612	2,502
Prepaid expenses and accrued income	1,712	481,576
Total current assets	6,464	486,349
Cash and bank balances	27,511	934
Total current assets	33,975	487,283
TOTAL ASSETS	34,025	487,343

<i>All amounts in KSEK</i>	31 Dec 2021	31 Dec 2020
EQUITY AND LIABILITIES		
Equity attributable to owners of Misen Energy AB (publ)	24,883	125,996
Non-controlling interests	0	1,499
Total equity	24,883	127,495
Current liabilities		
Accounts payable	5,931	24,946
Tax debts	0	68,012
Other short-term debt	1,275	113,570
Accrued expenses and deferred income	1,936	153,320
Total current liabilities	9,142	359,848
TOTAL EQUITY AND LIABILITIES	34,025	487,343

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 2020-01-01	290,136	-274,435	-237	-52,428	-36,964	1,995	-34,968
Net result							
Result for the year 2020				118,665	118,665	153,637	272,302
Other comprehensive income							
Translation difference			0	239	239	233	472
Total comprehensive income	0	0	0	118,904	118,904	153,870	272,774
Total comprehensive income	0	0	0	66,476	81,940	155,865	237,806
Transactions with non-controlling interests							
Other transactions with non-controlling interests				44,055	44,055	-44,055	0
Anticipated dividends to non-controlling interests						-110,311	-110,311
Equity brought forward 2020-12-31	290,136	-274,435	-237	110,531	125,995	1,499	127,495
Net result							
Net result for the year 2021	0	0	0	-40,837	-40,837	0	-40,837
Other comprehensive income							
Translation difference	0	0	0	-193	-193	0	-193
Total comprehensive income	0	0	0	-41,030	-41,030	0	-193
Transactions with shareholders							
Dividends paid				-58,742	-58,742		-58,742
Other transactions with non-controlling interests				-1,341	-1,341	-1,499	-2,840
Equity brought forward 2021-12-31	290,136	-274,435	-237	9,418	24,882	0	24,883

CONDENSED STATEMENT OF CASH FLOWS - THE GROUP

	1 Jan-31 Dec 2021 12 months	1 Jan-31 Dec 2020 12 months
<i>All amounts in KSEK</i>		
Operating activities		
Operating income	-40,824	340,451
Adjustment for non-cash items	-2,550	-342,457
Interest and dividends received	0	0
Interest paid	-13	-
Income tax	-68,818	-4
Cash flow from operating activities before working capital changes	-112,205	-2,010
Decrease(+)/increase in stocks	31	-
Decrease(+)/increase in receivables	479,271	-1,152
Decrease(-)/increase in short-term debts	-278,989	3,968
Cash-flow from operating activities	88,108	806
Investing activities		
Acquisition of tangible and intangible assets	-1	-20
Sale of tangible and intangible assets	17	24
Purchase of shares in subsidiary	-2,840	-
Cash flow from investing activities	-2,824	4
Financing activities		
Dividends paid	-58,742	-
Cash flow from financing activities	-58,742	0
Cash flow for the period	26,542	810
Cash at the beginning of the period	934	130
Exchange rate difference in cash	35	-6
Cash at the end of the period	27,511	934

CONDENSED INCOME STATEMENT - PARENT COMPANY

(Misen Energy AB (publ))

	1 Oct - 31 Dec 2021 3 months	1 Oct - 31 Dec 2020 3 months	1 Jan-31 Dec 2021 12 months	1 Jan-31 Dec 2020 12 months
<i>All amounts in KSEK</i>				
Operating revenue				
Other operating income	1,389	2,687	10,163	19,543
	1,389	2,687	10,163	19,543
Operating expenses				
Other external expenses	11,456	-46,398	-19,538	-50,560
Personnel expenses	-2,413	-2,689	-25,426	-6,919
	9,043	-49,087	-44,964	-57,479
Operating result	10,432	-46,400	-34,801	-37,936
Anticipated dividend from subsidiary	0	112,540	0	112,540
Financial items net	0	0	-26	-140
	0	112,540	-26	112,400
Profit/loss after financial items	10,432	66,140	-34,827	74,464
Taxes for the period	-	-	-	-
Net profit/loss	10,432	66,140	-34,827	74,464
Statement of comprehensive income - Parent company				
Net profit/ loss for the period	10,432	66,140	-34,827	74,464
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	10,432	66,140	-34,827	74,464

CONDENSED BALANCE SHEET - PARENT COMPANY

(Misen Energy AB (publ))

<i>All amounts in KSEK</i>	31 Dec 2021	31 Dec 2020
ASSETS		
Non-current assets		
Financial fixed assets		
Shares in subsidiaries	249,199	243,359
Total financial fixed assets	249,199	243,359
Total fixed assets	249,199	243,359
Total non-current assets	249,199	243,359
Current receivables		
Other receivables	83	-
Short-term receivables subsidiaries	620	193,324
Prepaid expenses and accrued income	1,688	299
	2,391	193,623
Cash and bank balances	26,818	191
Total current assets	29,209	193,814
TOTAL ASSETS	278,408	437,173

<i>All amounts in KSEK</i>	31 Dec 2021	31 Dec 2020
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	290,136	290,136
Statutory reserves	345	345
	290,481	290,481
Non-restricted equity		
Profit/Loss brought forward	18,602	2,880
Profit/loss for the year	-34,827	74,464
	-16,225	77,344
Total equity	274,256	367,825
Non-current liabilities		
Other long-term debts to group companies	88	88
Total non-current liabilities	88	88
Current liabilities		
Accounts payable	1,321	19,344
Other short-term liabilities	1,036	1,103
Accrued expenses and deferred income	1,707	48,813
Total current liabilities	4,064	69,260
TOTAL EQUITY AND LIABILITIES	278,408	437,173

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 2020-01-01	290,136	345	714,281	-711,402	293,360
Net result					
Result for the year 2020-12	-	-	-	74,464	74,464
Total comprehensive income	0	0	0	74,464	74,464
Equity brought forward 2020-12-31	290,136	345	714,281	-636,935	367,824
Equity opening balance 2021-01-01	290,136	345	714,281	-636,935	367,824
Net result					
Result for the year 2021-12	-	-	-	-34,827	-34,827
Transactions with shareholders					
Dividends paid	-	-	-58,742	-58,742	-58,742
Equity brought forward 2021-12-31	290,136	345	655,539	-730,504	274,256

CONDENSED STATEMENT OF CASH FLOWS - PARENT COMPANY

(Misen Energy AB (publ))

	1 Jan- 31 Decec 2021 12 months	1 Jan-31 Dec 2020 12 months
<i>All amounts in KSEK</i>		
Operating activities		
Operating income	-34,801	-37,936
Adjustment for non-cash items	-4,535	42,012
Interest paid	-26	-7
Cash flow from operating activities before working capital changes	-39,362	4,069
Decrease(+)/increase in receivables	188,232	17,300
Decrease(-)/increase in accounts payable	-13,488	1,331
Decrease(-)/increase(+) in short term debts	-47,173	-22,509
Cash flow from operating activities	88,209	191
Investment activities		
Purchase of shares in subsidiary	-2,840	0
Cash flow from investing activities	-2,840	0
Financing activities		
Dividends paid	-58,742	-
Cash flow from financing activities	-58,742	0
Cash flow for the period	26,627	191
Cash at the beginning of the period	191	0
Cash at the end of the period	26,818	191

Alternative Performance Measures – Group

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

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

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

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

CONDENSED FINANCIAL AND OPERATIONAL KEY RATIOS

	1 Jan - 31 Dec 2021 12 months	1 Jan-31 Dec 2020 12 months
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The Group

Financial key ratios

EBITDA (KSEK)	-40,817	340,484
Financial cost	-13	-140
Profit/loss per share before dilution SEK*	-0.28	0.82
Profit/loss per share after dilution SEK*	-0.28	0.82
Return on equity (ROE)	e.a	213.9%
Return on capital employed (ROCE)	e.a	715.7%
Debt/equity ratio	0.0%	0.0%
Equity ratio	73.1%	26.2%
Share of risk bearing capital	73.1%	26.2%
Weighted average number of shares for the period*	145,068,222	145,068,222
Number of outstanding shares before dilution *	145,068,222	145,068,222
Number of outstanding shares after dilution *	145,068,222	145,068,222
Weighted average number of shares for the period after dilution*	145,068,222	145,068,222

The Parent Company (Misen Energy AB)

EBITDA (KSEK)	-34,801	-37,936
Profit/loss per share before dilution SEK*	-0.24	0.51
Profit/loss per share after dilution SEK*	-0.24	0.51
Return on equity (ROE)	e.a.	neg
Return on capital employed (ROCE)	e.a.	neg
Debt/equity ratio	0.0%	0.0%
Equity ratio	98.5%	84.1%
Share of risk bearing capital	98.5%	84.1%
Weighted average number of shares for the period*	145,068,222	145,068,222
Number of outstanding shares before dilution *	145,068,222	145,068,222
Number of outstanding shares after dilution *	145,068,222	145,068,222
Weighted average number of shares for the period after dilution*	145,068,222	145,068,222

Definition of financial key ratios

1. EBITDA (profit before interest, tax, depreciation, write-downs) defined as the group and the parent company's operating profit/loss before depreciation.
2. Profit/loss per share before dilution defined as the group and the parent company's net profit/loss after tax divided by the number of outstanding shares before dilution at the end of period.
3. Profit/loss per share after dilution defined as the group and the parent company's net profit/loss after tax divided by the number of outstanding shares after dilution at the end of period.
4. Return on equity defined as the group and the parent company's profit/loss divided by total equity at the end of period.
5. Return on working capital is defined as the group and the parent company's profit/loss after financial items plus interest expense plus/minus exchange differences on financial items divided by total capital employed (average of the two latest periods balance sheet total with reduction for non-interest bearing debt).
6. Debt/equity ratio defined as the group and the parent company's interest bearing debt divided by equity.
7. Equity ratio defined as the group and the parent company's equity including minority owner shares divided by balance sheet total.
8. Proportion of risk-bearing capital %, defined as the sum of of the Group's and Parent Company's respective equity and deferred tax (including minority interest) divided by the balance sheet total.
9. On the 12th of January 2012 an amalgamation of shares 100:1 was registered whereby the number of shares were reduced to 145,068,222 and the quota value became approximately 2 SEK.