

## Interim report January - December 2020

### 1. Summary

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#### MISEN ENERGY AB (publ)

Reg. No. 556526-3968

#### Results for the October-December 2020 ("Q4 2020") (within brackets same period 2019)

Consolidated operating group result	KSEK 330,272 (-7,192)
Consolidated group net turnover	KSEK 485,822 (6,113)
Earnings per share	SEK 0.75 (-0.02)
Parent company operating result	KSEK -46,400 (5,616)
Parent company net turnover	KSEK 2,687 (5,969)

#### Results for the January-December 2020 ("12M 2020") (within brackets same period 2019)

Consolidated operating group result	KSEK 340,451 (-13,356)
Consolidated group net turnover	KSEK 509,842 (28,071)
Earnings per share	SEK 0.82 (-0.05)
Parent company operating result	KSEK -37,936 ( 5,636)
Parent company net turnover	KSEK 19,543 ( 20,333)

#### 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. 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 Joint Stock Company Ukrgasvydobuvannya ("**JSC Ukrgasvydobuvannya**" 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 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.

## 2. Essential Events during the 12M 2020

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### Accounting treatment of the Joint Activity

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

On 11 July 2018, the Arbitral Tribunal rendered Final Partial Award in the arbitration proceeding commenced under JAA No.3 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 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, the 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 the, Arbitral Tribunal has fully, unanimously and unequivocally dismissed all the claims submitted by JSC Ukrgasvydobuvannya to terminate the JAA on the ground that Misen Enterprises AB and LLC Karpatygaz allegedly breached their contractual obligations.** Specifically, the Arbitral Tribunal found 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 MUS\$ 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.

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. The Arbitral Tribunal shall decide on compensation for the assets of Misen Enterprises AB and LLC Karpatygaz in Joint Activity in the second phase of the ongoing arbitration proceeding.

Misen Enterprises AB, LLC Karpatygaz and JSC Ukrgasvydobuvannya went through the second phase of the arbitration proceeding. JSC Ukrgasvydobuvannya filed its submission in March 2019. JSC Ukrgasvydobuvannya requested the Arbitral Tribunal, among other issues, to significantly reduce participation share of Misen Enterprises AB and LLC Karpatygaz in JAA No.3 and to award compensation of damages that JSC Ukrgasvydobuvannya allegedly suffered due to non-fundamental breaches of JAA No.3. Misen Enterprises and LLC Karpatygaz filed their submission in June 2019. They requested the Arbitral Tribunal to dismiss all the claims submitted by JSC Ukrgasvydobuvannya in their entirety and order to Ukrgasvydobuvannya to pay to Misen Enterprises AB and LLC Karpatygaz compensation for their share of the Joint Activity.

In November 2019, JSC Ukrgasvydobuvannya, Misen Enterprises AB and LLC Karpatygaz filed their statements on costs. Misen Enterprises AB and LLC Karpatygaz claim that JSC Ukrgasvydobuvannya should at a minimum bear the full costs of the first phase of the arbitration and reimburse Misen Enterprises AB and LLC Karpatygaz all costs related thereto given that JSC Ukrgasvydobuvannya's arguments concerning alleged "fundamental breaches", "malicious arrangement" and "invalidity" under Ukrainian law unnecessarily burdened phase one of the arbitration proceeding and were rejected in their entirety in the Partial Final Award.

On 26 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 specific, the following issues were resolved:

- JSC Ukrgasvydobuvannya owns hydrocarbons produced using JA's assets from 1 December 2016 to 10 July 2018 (termination of JAA No.3).
- Total value of the produced hydrocarbons is MUAH 1,200 (MSEK 344) including VAT.
- Misen Enterprises AB and Karpatygaz LLC waive claims for any payments under the respective agreements for lease of booster compression stations.
- Misen Enterprises AB, Karpatygaz LLC and JSC Ukrgasvydobuvannya should terminate all the court proceedings in relation to the hydrocarbons produced using JA's assets from 1 December 2016 to 10 July 2018.
- JSC Ukrgasvydobuvannya is solely responsible for gas storage costs and any other charges and taxes related to the production, storage and processing costs.

On 17 June 2020, Misen Enterprises AB and LLC Karpatygaz received a second final partial award rendered by the Arbitral Tribunal. This award is a final award on those issues that were decided at this stage of the proceedings. In specific, the Arbitral Tribunal decided that JSC Ukrgasvydobuvannya should get title to the joint property only on payment in full of compensation to Misen Enterprises AB and LLC Karpatygaz. The Arbitral Tribunal fully rejected the overwhelming majority of JSC Ukrgasvydobuvannya's arguments concerning valuation of the joint property. The Arbitral Tribunal decided that:

- Joint property should be valued solely by reference to the Depreciated Replacement Cost ("DRC") methodology. In a nutshell, DRC methodology derives the replacement cost of the asset by looking at current costs of a similar property or the costs of reproducing a replica and depreciates that cost based on physical deterioration and economic obsolescence. The Arbitral Tribunal decided that in many respects (including but not limited to allocation of fuel gas costs, application of the economic obsolescence test) the DRC method should be applicable as suggested by the quantum experts of Misen Enterprises AB and LLC Karpatygaz.
- Value of the joint property shall not be reduced by the costs allegedly necessary to repair the Chervonodonetska BCS and amount for alleged penalties for maintenance of the Yulyivska BCS.

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

As a result, the Arbitral Tribunal directed JSC Ukrgasvydobuvannya, Misen Enterprises AB and LLC Karpatygaz within 60 days of the date of the second partial award, or the other date mutually agreed by the parties, to agree on the net value of the joint property in Ukrainian Hryvnia as of 11 July 2018,

based on the above determinations. The parties requested the Arbitral Tribunal an additional extension to reach an agreement.

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 this arbitration.

On 24 September 2020, Misen Enterprises AB, LLC Karpatygaz and JSC Ukrgasvydobuvannya requested the Arbitral Tribunal to record a Settlement Agreement on settlement of certain legal relations in a Final Award by Consent.

On 5 November 2020, Misen Enterprises AB and LLC Karpatygaz received a Final Award by Consent from the Arbitral Tribunal in the SCC case V 2016/114. This award records a Settlement Agreement on settlement of certain legal relations:

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

To receive compensation, Misen Enterprises AB should seek recognition and enforcement of the Final Award by Consent in Ukraine. JSC Ukrgasvydobuvannya is liable to pay compensation to Misen Enterprises AB in US dollars during five working days following the day of entry into force of the decision of the national court of Ukraine on recognition and enforcement of the Final Award by Consent.

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

Given that JAA No. 3 was terminated as of 11 July 2018, the Company believes that control over the specific assets owed by JA no longer exists when preparing this interim report for the 12M 2020. Control is required to consolidate the assets as well as the future results of the JA in the Group accounts.

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

The accounting treatment and book value do not purport to reflect the value of the claims of Misen Enterprises AB or LLC Karpatygaz for compensation arising from the termination of JAA No.3. 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.

## **Enforcement of the Arbitration Awards**

In order to fully execute the arbitration awards and obtain compensation from JSC Ukgazvydobuvannya, Misen Enterprises AB, LLC Karpatygaz and JSC Ukgazvydobuvannya should seek an enforcement and recognition of the arbitration awards in Ukraine under the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

In April 2020, Misen Enterprises filed a motion to enforce a Consent Award 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.

On 11 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 Ukgazvydobuvannya filed a cassation appeal to the Supreme Court of Ukraine. The hearing was scheduled on 14 January 2021.

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

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

## **Financing of the Group's Swedish operations**

In November 2018, Misen Energy AB (publ) signed the Financing Agreement with PUL for the maximum sum of up to 12 million Euros. The Agreement obliges PUL to provide financing for the Swedish operation and an arbitration proceeding commented by JSC Ukgazvydobuvannya 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 an amount equal to the PUL's outlay on the arbitration proceeding at the date of payment plus 20 % of any final settlement at the arbitration proceeding to PUL. Such fee shall only become payable upon any final settlement of the arbitration claim. If Misen Energy AB (publ) does not achieve success in the arbitration proceeding, PUL shall not be entitled to any fee or repayment of any outlay. The contribution from PUL in accordance with the Financing Agreement is recorded as „Other operating income“.

On 12 February 2020, Misen, PUL and SP Holdings signed an additional agreement to the Financing Agreement dated 28 November 2018 whereby from 1 October 2019 all rights and obligations of SP Holdings Limited deriving from the Loan Agreement have acquired PUL's Capital Partner's rights and obligations under the Financing Agreement. As a result of that, SP Holding Limited is not entitled to a lenders fee alongside with repayment of the loan amount. Instead, SP Holdings will be entitled to a portion of any final settlement of the arbitration claim.

On 13 March 2020 Misen Energy AB (publ) signed the Financing Agreement. A new financial partner is the United States based international businessman Mr. Edvardas Jatautas, who will fund Misen in case PUL waives its priority right to provide funding under the Financing Agreement. Under that Financing Agreement, Misen Energy AB (publ) is entitled to up to 1 million EUR to fund the Swedish

operation and the ongoing arbitration proceeding commenced by JSC Ukrkazvydobuvannya in July 2016. If Misen Energy AB decides to use the new credit facility the Company shall pay a fee equal to the funder's outlay plus an outlay multiplied by three.

On 2 November 2020, Misen Energy AB (publ), Misen Enterprises AB, PUL and Mr. Edvardas Jatautas signed an Amendment Agreement to the Priorities and Call Option Agreement whereby, among other things, the parties reduced a fee under the Financing Agreement dated 13 March 2020. Under the amended terms, the Company shall pay a fee equal to the funder's outlay plus an outlay multiplied by two.

Misen Energy AB (publ) has a complete control over the arbitration proceeding and has the right to settle with JSC Ukrkazvydobuvannya, discontinue proceeding, pursue the proceeding to trial and take any action Misen Energy AB (publ) considers appropriate to enforce the Final Award.

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

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

### **Pre-trial Investigations in Criminal Cases**

The pre-trial investigations in criminal cases commenced by the General Prosecutor Office of Ukraine respectively in 2014 and 2017, as supplemented with the JSC Ukrkazvydobuvannya's criminal complaint dated 5 September 2016 and JSC Ukrkazvydobuvannya'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 AB and LLC Karpatygas. Any pre-trial investigations in criminal cases are not public under the laws of Ukraine.

In September 2017, JSC Ukrkazvydobuvannya submitted another criminal complaint to the National Anticorruption Bureau of Ukraine (thereafter as "NABU"). In September 2017, NABU finished its pre-trial investigation and submitted a claim to the Commercial Court of Kiev. NABU requested the court to invalidate the Amendment No.4 to the JAA No.3 and the agreement for the provision of services on production, collection, treatment and transportation of natural gas, oil and gas condensate that LLC Karpatygas concluded with JSC Ukrkazvydobuvannya 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 Karpatygas 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 Economic Court dismissed a claim what regards, among other issues, invalidation of JAA in their entirety. NABU and JSC Ukrkazvydobuvannya 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 Ukrkazvydobuvannya. 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, NABU and JSC Ukrgasvydobuvannya appealed against the decision rendered by the North Economic Court of Appeal. NABU and JSC Ukrgasvydobuvannya claimed, among other issues, that the North Economic Court of Appeal had illegally upheld that Amendment No.4 of JAA No.3 was valid until its termination. In July 2019, the Supreme Court of Ukraine decided to open the cassation proceeding. The hearing was held on 4 September 2019 at which the case consideration was rescheduled to 2 October 2019. On 2 October 2019 the court postponed the hearing until 4 December 2019.

On 4 December 2019 the Supreme Court of Ukraine upheld cassation appeal of NABU and partially upheld cassation appeal of JSC Ukrgasvydobuvannya. At the same time the court cancelled rulings of Kyiv Economic Court and North Economic Court and sent the case for reconsideration in a new circle.

On 11 January 2020 the Kyiv Commercial Court resolved to open the court proceeding. The preparatory hearings were held on 19 May 2020 and 15 December 2020. The Court moved the case to consideration phase of the legal proceeding. The hearing will be held on 23 February 2021.

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

### **Contribution to the JA**

Following termination of the JAA No. 3, Misen Enterprises AB considers that no further contributions can be made under JAA No.3. At the arbitration proceeding, Misen Enterprises AB agreed that damages for the breach of clause of the JAA regarding contribution is the only available remedy, however, argued that JSC Ukrgasvydobuvannya failed to prove loss and causation.

The liability regarding the remaining contribution, previously accounted for in Misen Group, has been reversed as a part of the deconsolidation of JA as of 31 December 2017.

### **Operations of the JA during 12M 2020**

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

### ***Agreements with Solar Turbines CIS LLC and GEA Luftkuhler GmbH***

In June 2013 and in 2015, LLC Karpatygas in its capacity as Operator of the Joint Activity entered into agreements for equipment supply and maintenance services (as further amended) with Solar Turbines CIS LLC and Solar Turbines Europe S.A. respectively. Solar Turbines CIS LLC and Solar Turbines Europe S.A. rendered the agreed services and supplied equipment, however the Joint Activity did not pay for the services mainly due to the halted operations of the Joint Activity. As of 31 December 2020, outstanding debt to Solar Turbines CIS LLC and Solar Turbines Europe S.A. amounted to KUSD 969.6 (KSEK 7,946.2).

In May 2015 Karpatygas LLC in its capacity as Operator of the Joint Activity and GEA Luftkuhler GmbH entered into agreements for equipment supply (as further amended). GEA Luftkuhler GmbH supplied

agreed equipment, however the Joint Activity did not pay for the services mainly due to the halted operations of the Joint Activity. As of 31 December 2020, outstanding debt to GEA Luftkuhler GmbH amounted to KEUR 991.4 (KSEK 9,964.7).

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

### ***Operation of the Booster Compressor Stations***

Misen Enterprises AB and LLC Karpatygaz believe that starting from 11 July 2018, when the Arbitral Tribunal rendered the Final Partial Award to terminate JAA No.3, the lease agreements ceased to exist. On 26 March 2020 the Arbitral Tribunal rendered Consent Award, which confirmed settlement agreement concluded in July 2019. Based on this agreement Misen Enterprises AB and LLC Karpatygaz waived their claims for payments under the BCSs lease agreements.

### ***Subsoil use charge***

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

The Government of Ukraine continued to impose the exorbitant subsoil charge to the Joint Activity until termination of JAA No.3 on 11 July 2018. 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.

Misen Energy AB (publ) reserves all its rights in this respect.

### ***Tax payments in Ukraine***

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

### ***Sale of hydrocarbons***

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

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

### ***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, since 2017 Misen Group almost completely halted investments into the development program of JA.

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

- at 86 wells repair works using the most up-to-date technical solutions were undertaken,
- 70 wells were commissioned,
- 7 BCSs 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 and in Case No. No. 910/24412/16***

On 20 May 2020, JSC Ukrgasvydobuvannya, Misen Enterprises AB and LLC Karpatygas signed a Settlement Agreement with Financial Leasing Center LLC. Under the Agreement, JSC Ukrgasvydobuvannya should pay UAH 237,507,020.04 (KSEK 68,124) to Financial Leasing Center LLC. The settlement amount is less than 15% of the total amount that Financial Leasing Center LLC claimed in both court proceedings.

As a result, the value of the Joint Activity's assets was reduced by UAH 237,507,020.04 (SEK 74,744,884) in the Second Partial Final Award. On 21 May 2020, the Parties filed the Settlement Agreement with the Northern Commercial Court of Appeal for approval. The court approved the Settlement Agreement on 3 June 2020. JSC Ukrgasvydobuvannya executed the respective payment to Financial Leasing Center LLC. The parties terminated all the respective court proceedings in Ukraine.

## **Essential events after the end of the 12M 2020**

### ***Ongoing arbitration under JAA No.3***

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

To receive compensation, Misen Enterprises AB sought recognition and enforcement of the awards in Ukraine.

### **Enforcement of the Arbitration Awards**

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

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

On 5 January 2021 the Kiev Court of Appeal recognized Final Award by Consent dated 5 November 2020. Following that on 10 February 2021, Misen Enterprises AB received USD 47,060,537.16 (KSEK 385,677) and LLC Karpatygas received UAH 1,001,242.74 (KSEK 287) from JSC Ukrgasvydobuvannya. This compensation is after taxes applicable to Misen Enterprises AB in Ukraine.

JSC Ukrgasvydobuvannya was entitled to withhold a tax on non-resident income for 15% of the compensation to Misen Enterprises AB (UAH 236,113,788, KSEK 67,725) and pay the withheld amount to the budget of Ukraine.

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

### **Financing of the Group's Swedish operations**

On 2 November 2020, Misen Energy AB (publ), Misen Enterprises AB, PUL and Mr. Edvardas Jatautas signed an Amendment Agreement to the Priorities and Call Option Agreement whereby, among other things, the parties reduced a fee under the Financing Agreement dated 13 March 2020. Under the amended terms, the Company shall pay a fee equal to the funder's outlay plus an outlay multiplied by two.

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

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Misen Group net turnover for Q4 2020 was KSEK 485,822 (KSEK 6,113) including compensation under Final Award by Consent dated 5 November 2020 of KSEK 480,938 and the Parent Company net turnover for this period was KSEK 2,687 (KSEK 5,969) including capital contribution from PUL of KSEK 2 687 (TSEK 5 969). Misen Group net turnover for 12M 2020 was KSEK 509,842 (KSEK 28,071) and the Parent Company net turnover for this period was KSEK 19,543 (KSEK 20,333).

On 12 February 2020, Misen, PUL and SP Holdings signed an additional agreement to the Financing Agreement dated 28 November 2018 whereby from 1 October 2019 all rights and obligations of SP Holdings Limited deriving from the Loan Agreement have acquired PUL's Capital Partner's rights and obligations under the Financing Agreement. As a result of that, SP Holding Limited is not entitled to a lenders fee alongside with repayment of the loan amount. Instead, SP Holdings will be entitled to a portion of any final settlement of the arbitration claim.

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

In Q4 2020 profit after financial items for the Misen Group was KSEK 330,272 (loss KSEK -21,326) the Parent Company profit after financial items made up KSEK 66,140 (KSEK 5,675).

For 12M 2020 profit after financial items for the Misen Group was KSEK 340,314 (loss KSEK -21,326) the Parent Company profit after financial items made up KSEK 74,464 (of KSEK 5,694).

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 12M 2020, due to termination of JAA, the production of hydrocarbons attributable to JA was zero (zero level during the same period 2019 due to termination of JAA).

#### **Financial assets and liabilities**

As of date of termination JAA, JA has KUAH 168,779 (KSEK 48,411) of written off bad debts. 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 court proceedings in Ukraine.

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

#### **Contingent liabilities**

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

## **Cash position**

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

## **Capital expenditure**

The Misen Group's capital expenditure on equipment for gas production in Ukraine related to the JA activity during the 12M 2020 was at zero level due to deconsolidation as described above.

## **Amendments to the tax code**

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

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

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

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

## **Expected future development of the Company and going concern**

As described earlier in this report, the JAA No.3 was terminated on 11 July 2018. Due to this fact, JA ceased to exist and hence can no longer be considered a going concern. The claims against JSC Ukrkazvydobuvannya accounted for as an asset in the Group financial statements based on the Final Award by Consent granted by the Arbitral Tribunal in the SCC case V 2016/114 on 5 November 2020.

For the remaining operations of the Group a long-term financing agreement with PUL was signed 21 November 2018. Financing received under the financing agreement was expected to cover arbitration costs and other operating expenses in the Swedish Group. Under this agreement, Misen was entitled to up to EUR 5,5 million to fund the Swedish operation and the ongoing arbitration proceeding commenced by JSC Ukrkazvydobuvannya in July 2016.

On 13 March 2020 Misen Energy AB (publ) signed the Financing Agreement with Mr. Edvardas Jatautas. Under this agreement, Misen Energy AB (publ) was entitled to up to EUR 1 million to fund the Swedish operation and the ongoing arbitration proceeding commenced by JSC Ukgazvydobuvannya in July 2016.

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

## Sector information - the Misen Group

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

### Geographical area

	31 Dec 2020	31 Dec 2019
<i>(All amounts in KSEK)</i>		
Net sales, external:		
Sweden	--	--
Ukraine	38	347
Fixed assets:		
Sweden	--	--
Ukraine	60	123

### Transactions with related parties

	31 Dec 2020	31 Dec 2019
<i>(All amounts in KSEK)</i>		
Management, Board and major Shareholders:		
Purchase of services, cost	5,651	13,359
Interest and fees, cost	117,605	8,033
Capital contribution, income	14,408	21,877
Salaries and remunerations	5,980	6,509
Short-term debts	243,345	20,069
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 given 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 2019.

## **Dividends**

The board proposes dividend of 0.40 SEK/share.

## **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 interim January – December 2020 report**

This January – December 2020 interim report is published at the Company's website (<http://www.misenenergy.se>), and a printed version can be ordered at [info@misenergy.se](mailto: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 10:00 CET on 26 February 2021.*

## Future reports and events

Next report, the Annual Report 2020, will be published on 9 April 2021.

The AGM will be held 26 April 2021.

The interim Q1 2021 report will be published 28 May 2021.

The interim Q2 2021 report will be published 31 August 2021.

The interim Q3 2021 report will be published 30 November 2021.

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

## Stockholm, 26 February 2021

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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, Misenergy AB (publ) acquired Misenergy 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 Misenergy AB (publ), i.e. Misenergy 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 Misenergy AB (publ) sold respectively 37.5% and 10% of Misenergy Enterprises AB shares to the Hong Kong based company Powerful United Limited. In March 2018, Misenergy AB (publ) sold 2% of Misenergy Enterprises AB shares to Mr. Konstantin Guenevski. Owning (the remaining) 50.5% of Misenergy Enterprises AB shares, Misenergy 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 Misenergy AB (publ) is in Stockholm and the shares are traded on First North Growth Market under identification ticker MISE. The Certified Adviser of the company at Nasdaq First North Growth Market is Erik Penser Bank AB, tel.: +46 8 463 80 00, e-mail: [certifiedadviser@penser.se](mailto:certifiedadviser@penser.se).

For further information, please visit our website [www.misenergy.se](http://www.misenergy.se).

**CONDENSED INCOME STATEMENT-THE GROUP**

	1 Oct - 31 Dec 2020 3 months	1 Oct - 31 Dec 2019 3 months	1 Jan - 31 Dec 2020 12 months	1 Jan - 31 Dec 2019 12 months
<i>All amounts in KSEK</i>				
<b>Operating revenue</b>				
Net sales	0	102	38	347
Other operating income	485,822	6,011	509,804	27,724
	<b>485,822</b>	<b>6,113</b>	<b>509,842</b>	<b>28,071</b>
<b>Operating expenses</b>				
Other external expenses	-673	-9,726	-7,326	-23,289
Personnel expenses	-3,698	-1,830	-10,855	-13,172
Depreciation and amortisation of tangible and intangible fixed assets	-2	-30	-33	-97
Other operating cost	-151,177	-1,719	-151,177	-4,869
	<b>-155,550</b>	<b>-13,305</b>	<b>-169,391</b>	<b>-41,427</b>
<b>Operating income/loss</b>	<b>330,272</b>	<b>-7,192</b>	<b>340,451</b>	<b>-13,356</b>
<b>Financial items</b>	<b>0</b>	<b>-3,675</b>	<b>-137</b>	<b>-7,970</b>
<b>Profit/loss after financial items</b>	<b>330,272</b>	<b>-10,867</b>	<b>340,314</b>	<b>-21,326</b>
Taxes for the period	-68,012	0	-68,012	0
<b>Profit/loss for the period</b>	<b>262,260</b>	<b>-10,867</b>	<b>272,302</b>	<b>-21,326</b>
<b>Profit is attributable to:</b>				
Owners of Misen Energy AB (publ)	109,473	-2,679	118,665	-7,951
Non-controlling interests	152,787	-8,188	153,637	-13,375
	<b>262,260</b>	<b>-10,867</b>	<b>272,302</b>	<b>-21,326</b>
<b>Statement of comprehensive income - The Group</b>				
<b>Net profit for the period</b>	<b>262,260</b>	<b>-10,867</b>	<b>272,302</b>	<b>-21,326</b>
<b>Other comprehensive income</b>				
Items possible for later reclassification in income statement:				
Translation differences	239	-77	472	582
<b>Other comprehensive income for the period, net after taxes</b>	<b>239</b>	<b>-77</b>	<b>472</b>	<b>582</b>
<b>Total comprehensive income for the period</b>	<b>262,499</b>	<b>-10,944</b>	<b>272,774</b>	<b>-20,744</b>
<b>Total comprehensive income for the period is attributable to:</b>				
Owners of Misen Energy AB (publ)	109,594	-2,719	118,904	-7,658
Non-controlling interests	152,905	-8,225	153,870	-13,086
	<b>262,499</b>	<b>-10,944</b>	<b>272,774</b>	<b>-20,744</b>

**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	0.75	-0.02	0.82	-0.05
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Average number of shares for the period was 145,068,222

**CONDENSED BALANCE SHEET-THE GROUP**

<i>All amounts in KSEK</i>	31 Dec 2020	31 Dec 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Tangible fixed assets	60	123
<b>Total non-current assets</b>	<b>60</b>	<b>123</b>
<b>Current assets</b>		
Stock	30	41
Accounts receivable	2,241	5,463
Other receivables	2,502	3,358
Prepaid expenses and accrued income	481,576	281
<b>Total current assets</b>	<b>486,349</b>	<b>9,143</b>
<b>Cash and bank balances</b>	<b>934</b>	<b>130</b>
<b>Total current assets</b>	<b>487,283</b>	<b>9,273</b>
<b>TOTAL ASSETS</b>	<b>487,343</b>	<b>9,396</b>

<i>All amounts in KSEK</i>	31 Dec 2020	31 Dec 2019
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to owners of Misen Energy AB (publ)	125,996	-36,963
Non-controlling interests	1,499	1,995
<b>Total equity</b>	<b>127,495</b>	<b>-34,968</b>
<b>Current liabilities</b>		
Accounts payable	24,946	23,741
Tax debts	68,012	-
Short-term loans	-	2,618
Other short-term debt	113,570	3,375
Accrued expenses and deferred income	153,320	14,630
<b>Total current liabilities</b>	<b>359,848</b>	<b>44,364</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>487,343</b>	<b>9,396</b>

CONDENSED STATEMENT OF CHANGES IN EQUITY - THE GROUP

	Attributable to owners of Misen Energy AB (publ)				Total	Non-controlling interests	Total equity
	Share capital	Other equity	Other reserves	Retained earnings			
<i>All amounts in KSEK</i>							
<b>Equity brought forward 2019-01-01</b>	<b>290,136</b>	<b>-274,435</b>	<b>-237</b>	<b>-35,365</b>	<b>-19,901</b>	<b>5,676</b>	<b>-14,224</b>
<b>Net result</b>							
Net result for the year 2019	0	0	0	-7,951	-7,951	-13,375	-21,326
<b>Other comprehensive income</b>							
Translation difference	0	0	0	295	295	287	582
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-7,656</b>	<b>-7,656</b>	<b>-13,088</b>	<b>-20,744</b>
<b>Transactions with non-controlling interests</b>							
Other transactions with non-controlling interests				-9,407	-9,407	9,407	0
<b>Total transactions with non-controlling interests</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-9,407</b>	<b>-9,407</b>	<b>9,407</b>	<b>0</b>
<b>Equity brought forward 2019-12-31</b>	<b>290,136</b>	<b>-274,435</b>	<b>-237</b>	<b>-52,428</b>	<b>-36,964</b>	<b>1,995</b>	<b>-34,968</b>
<b>Equity opening balance 2020-12-31</b>	<b>290,136</b>	<b>-274,435</b>	<b>-237</b>	<b>-52,428</b>	<b>-36,964</b>	<b>1,995</b>	<b>-34,968</b>
<b>Total comprehensive income</b>							
Net result for the year 2020				118,665	118,665	153,637	272,302
<b>Other comprehensive income</b>							
Translation difference				239	239	233	472
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>118,904</b>	<b>118,904</b>	<b>153,870</b>	<b>272,774</b>
<b>Transactions with non-controlling interests</b>							
Other transactions with non-controlling interests				44,055	44,055	-44,055	0
Anticipated dividends to non-controlling interests						-110,311	-110,311
<b>Equity brought forward 2020-12-31</b>	<b>290,136</b>	<b>-274,435</b>	<b>-237</b>	<b>110,531</b>	<b>125,996</b>	<b>1,499</b>	<b>127,495</b>

## CONDENSED STATEMENT OF CASH FLOWS - THE GROUP

	1 Jan-31 Dec 2020 12 months	1 Jan-31 Dec 2019 12 months
<i>All amounts in KSEK</i>		
<b>Operating activities</b>		
Operating income	340,451	-13,356
Adjustment for non-cash items	-342,457	4,894
Interest and dividends received	-	5
Interest paid	-4	-5
Income tax	-	-87
<b>Cash flow from operating activities before working capital changes</b>	<b>-2,010</b>	<b>-8,549</b>
Decrease(+)/increase in stocks	-	70
Decrease(+)/increase in receivables	-1,152	-296
Decrease(-)/increase in short-term debts	3,968	8,663
<b>Cash-flow from operating activities</b>	<b>806</b>	<b>-112</b>
<b>Investing activities</b>		
Acquisition of tangible and intangible assets	-20	-54
Sale of tangible and intangible assets	24	251
<b>Cash flow from investing activities</b>	<b>4</b>	<b>197</b>
Cash flow for the period	810	85
Cash at the beginning of the period	130	42
Exchange rate difference in cash	-6	3
<b>Cash at the end of the period</b>	<b>934</b>	<b>130</b>

**CONDENSED INCOME STATEMENT - PARENT COMPANY**

(Misen Energy AB (publ))

	1 Oct - 31 Dec 2020 3 months	1 Oct - 31 Dec 2019 3 months	1 Jan-31 Dec 2020 12 months	1 Jan-31 Dec 2019 12 months
<i>All amounts in KSEK</i>				
<b>Operating revenue</b>				
Other operating income	2,687	5,969	19,543	20,333
	<b>2,687</b>	<b>5,969</b>	<b>19,543</b>	<b>20,333</b>
<b>Operating expenses</b>				
Other external expenses	-46,398	174	-50,560	-7,835
Personnel expenses	-2,689	-527	-6,919	-6,862
	<b>-49,087</b>	<b>-353</b>	<b>-57,479</b>	<b>-14,697</b>
<b>Operating result</b>	<b>-46,400</b>	<b>5,616</b>	<b>-37,936</b>	<b>5,636</b>
Anticipated dividend from subsidiary	112,540	0	112,540	0
Financial items net	0	59	-140	58
	<b>112,540</b>	<b>59</b>	<b>112,400</b>	<b>58</b>
<b>Profit/loss after financial items</b>	<b>66,140</b>	<b>5,675</b>	<b>74,464</b>	<b>5,694</b>
Taxes for the period	-	-	-	-
<b>Net profit/loss</b>	<b>66,140</b>	<b>5,675</b>	<b>74,464</b>	<b>5,694</b>
<b>Statement of comprehensive income - Parent company</b>				
Net profit/ loss for the period	66,140	5,675	74,464	5,694
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>66,140</b>	<b>5,675</b>	<b>74,464</b>	<b>5,694</b>

**CONDENSED BALANCE SHEET - PARENT COMPANY**

(Misen Energy AB (publ))

<i>All amounts in KSEK</i>	31 Dec 2020	31 Dec 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Financial fixed assets</b>		
Shares in subsidiaries	243,359	332,359
<b>Total financial fixed assets</b>	<b>243,359</b>	<b>332,359</b>
<b>Total fixed assets</b>	<b>243,359</b>	<b>332,359</b>
<b>Total non-current assets</b>	<b>243,359</b>	<b>332,359</b>
<b>Current receivables</b>		
Other receivables	-	7
Short-term receivables subsidiaries	193,324	-
Prepaid expenses and accrued income	299	305
	<b>193,623</b>	<b>312</b>
<b>Cash and bank balances</b>	<b>191</b>	<b>-</b>
<b>Total current assets</b>	<b>193,814</b>	<b>312</b>
<b>TOTAL ASSETS</b>	<b>437,173</b>	<b>332,671</b>

<i>All amounts in KSEK</i>	31 Dec 2020	31 Dec 2019
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital	290,136	290,136
Statutory reserves	345	345
	<b>290,481</b>	<b>290,481</b>
<b>Non-restricted equity</b>		
Profit/Loss brought forward	2,880	-2,815
Profit/loss for the year	74,464	5,694
	<b>77,344</b>	<b>2,879</b>
<b>Total equity</b>	<b>367,825</b>	<b>293,360</b>
<b>Non-current liabilities</b>		
Other long-term debts to group companies	88	88
<b>Total non-current liabilities</b>	<b>88</b>	<b>88</b>
<b>Current liabilities</b>		
Accounts payable	19,344	17,880
Short-term loans	-	2,618
Other short-term liabilities	1,103	452
Other short-term liabilities group	-	5,929
Accrued expenses and deferred income	48,813	12,344
<b>Total current liabilities</b>	<b>69,260</b>	<b>39,223</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>437,173</b>	<b>332,671</b>

**CONDENSED STATEMENT OF CHANGES IN EQUITY - PARENT COMPANY**  
(Misen Energy AB (publ))

<i>All amounts in KSEK</i>	Share capital	Statutory reserves	Share Premium reserve	Retained earnings	Total equity
<b>Equity brought forward 2019-01-01</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-717,099</b>	<b>287,667</b>
<b>Net result</b>					
Result for the year 2019	-	-	-	5,694	<b>5,694</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,694</b>	<b>5,694</b>
<b>Equity brought forward 2019-12-31</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-711,405</b>	<b>293,361</b>
<b>Equity opening balance 2020-10-01</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-636,938</b>	<b>293,361</b>
<b>Net result</b>					
Resultat for the year 2020	-	-	-	74,464	<b>74,464</b>
<b>Equity brought forward 2020-12-31</b>	<b>290,136</b>	<b>345</b>	<b>714,285</b>	<b>-636,938</b>	<b>367,825</b>

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

(Misen Energy AB (publ))

	1 Jan- 31 Dec 2020 12 months	1 Jan-31 Dec 2019 12 months
<i>All amounts in KSEK</i>		
Operating activities		
Operating income	-37,936	5,636
Adjustment for non-cash items	42,012	-
Interest paid	-7	-5
<b>Cash flow from operating activities before working capital changes</b>	<b>4,069</b>	<b>5,631</b>
Decrease(+)/increase in receivables	17,300	-13,043
Decrease(-)/increase in accounts payable	1,331	7,406
Decrease(-)/increase(+) in short term debts	-22,509	-29
<b>Cash flow from operating activities</b>	<b>191</b>	<b>-35</b>
Cash flow for the period	191	-35
Cash at the beginning of the period	0	35
<b>Cash at the end of the period</b>	<b>191</b>	<b>0</b>

## 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 2020 12 months	1 Jan-31 Dec 2019 12 months
<b>The Group</b>		
<b>Financial key ratios</b>		
EBITDA (KSEK)	340,484	-13,259
Financial cost	-140	-8,038
Profit/loss per share before dilution SEK*	0.82	-0.05
Profit/loss per share after dilution SEK*	0.82	-0.05
Return on equity (ROE)	214%	neg
Return on capital employed (ROCE)	716%	neg
Debt/equity ratio	0.0%	neg
Equity ratio	26.2%	neg
Share of risk bearing capital	26.2%	neg
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)	-37,936	5,636
Profit/loss per share before dilution SEK*	0.51	0.04
Profit/loss per share after dilution SEK*	0.51	0.04
Return on equity (ROE)	20.2%	neg
Return on capital employed (ROCE)	22.2%	neg
Debt/equity ratio	0.0%	-
Equity ratio	84.1%	88.2%
Share of risk bearing capital	84.1%	88.2%
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

### 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.