

YEAR-END REPORT 2018



Q4 – OCTOBER-DECEMBER 2018

- ▶ Revenue amounted to SEK 18,885 thousand (24,759).
- ▶ Operating profit amounted to SEK 4,248 thousand (21,208).
- ▶ Unrealised changes in property values amounted to SEK -33,283 thousand (8,714).
- ▶ Profit before tax was SEK 15,859 thousand (12,248), and profit after tax was SEK 16,981 thousand (8,077), corresponding to SEK 0.04 (0.02) per share.

FULL YEAR 2018

- ▶ Revenue amounted to SEK 76,633 thousand (110,483). The decrease is largely due to the Angolan currency's depreciation in value against the Swedish krona in 2018, which was 40 percent.
- ▶ Operating profit amounted to SEK 22,075 thousand (69,332).
- ▶ Operating profit after effect of reverse acquisition amounted to SEK 22,075 thousand (-105,254).
- ▶ Unrealised changes in property values amounted to SEK -82,612 thousand (35,239).
- ▶ Profit before tax was SEK 264,032 thousand (-67,619), and profit after tax was SEK 186,909 thousand (-67,275), corresponding to SEK 0.39 (-0.17) per share.

KEY EVENTS JANUARY-DECEMBER 2018

- ▶ In early 2018, the central bank of Angola stopped pegging the Angolan currency kwanza to the USD. In 2018, the devaluation resulted in considerable exchange rate effects in Crown Energy's financial statements, especially during the first two quarters, when the devaluation peaked.
- ▶ Angola is a high inflation country, and as of 1 January 2018, the Group adjusted items in both the income statement and the balance sheet for prevailing inflation in accordance with IAS 29. The inflation adjustment has offset the devaluation effects of the Angolan currency somewhat.
- ▶ From March 2018 Crown Energy has a strategic cooperation with the Italian Engineering firm Proger S.p.A. The parties have agreed to work together to seek and identify commercial projects where each company's competencies complement the other and to represent each other in each company's network.
- ▶ During the fourth quarter of 2018, an error was noted in the presentation of the Group's investment properties. The error is of accounting technical nature and has not affected the Group's operating result or liquidity. Due to a misinterpretation of IAS 40, the carrying amount of leased investment properties corresponded to the fair value without adjusting for the payments expected to be paid, which are also recognised as lease liabilities. The effect of this is that the carrying amount of the Group's leased investment properties has been too low with an amount corresponding to lease liabilities for contracted investment properties. The error was corrected retroactively from the opening balance on 1 January 2017. The 2017 opening balance for investment properties was corrected through an increase in the amount of SEK 117,324 thousand. Adjustment of the 2017 earnings relates to unrealised changes in value in investment properties and amounts to SEK -4,016 thousand. Earnings per share changed after the correction from SEK -0.16 to -0.17. For more information, see Note 10 in the Year-End Report.

CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Group	OCT-DEC	OCT-DEC	FULL	FULL
All amounts in SEK thousands	2018	2017	YEAR	YEAR
Operating income	18,885	24,759	76,847	111,294
Operating expenses	-14,637	-3,551	-54,772	-41,962
Operating profit/loss excl. effect from reverse acquisition	4,248	21,208	22,075	69,332
Earnings effect from reverse acquisition	-	-	-	-174,586
Net financial items	44,894	-247	324,569	2,395
Net profit/loss for the period, after tax	16,981	8,077	186,909	-67,275
Earnings per share	0.04	0.02	0.39	-0.17
Equity per share	1.70	1.83	1.70	1.83
Change in cash and cash equivalents	-13,534	60,990	-44,524	101,821

CEO statement

DEAR SHAREHOLDERS AND INVESTORS,

in 2018 Crown Energy had its first full year with its two fully incorporated business areas: Energy and Asset Development and Management. We have worked intensively to integrate the new property operations into Crown Energy's systems and have invested heavily in developing business within both areas. So far, we can see clear progress in attracting partners and customers for the services that we offer. The benefits we had set out before the acquisition of the Asset Development and Management business continue to take effect. Synergies between the business areas, as well as the much larger size of Crown Energy and the increased capital we currently have access to, have laid the foundation for generating new business for the Company.

The Company's financial position remains stable and the business area for properties has developed cautiously positive in local currency. However, the extensive inflation and devaluation of the Angolan kwanza (AOA) has had a negative impact on full-year 2018 earnings in the conversion to SEK, our reporting currency. Nevertheless, the Company still estimates that there is financial capacity to expand with new investments going forward. Crown Energy reports revenue of SEK 76.8 million (111.3) for the full year. Rental revenue amounted to SEK 53.3 million (67.2) and service revenue SEK 23.3 million (43.3). The Company's EBITDA margins amount to SEK 22.3 million (69.4). The main reason for this decline is that recognised revenues decreased as a result of the devaluation of the AOA. In addition, costs in the Parent Company were charged against full year 2018 earnings. In 2017, only the Parent Company's costs for the second half of the year were recognised as a result of the reverse acquisition that was completed on 30 June 2017. Increased costs for business development in 2018 were also partly responsible for constraining earnings. However, these figures must be seen in the light of the fact that this is the first full financial year in a newly reshaped business, a listed company which meets the highest international standards of reporting, and taking into account the uncontrollable effects of local currency fluctuations. We will, of course, carry on striving to improve operating profit, reduce costs and expand the revenue base.

In view of a more stable currency situation and several major new discoveries and deals in the oil and gas sector in Angola, we are encouraged that 2019 can be a better year for the Company. Increased general investments in Angola should generate greater activity in the Angola property market, where we are positioned well to offer qualitative office and housing solutions with a comprehensive service offering. In this segment, Crown Energy has a good reputation in the market.

Our oil and gas projects have generally developed well during 2018. The price of crude oil mostly fluctuated between USD 60 and USD 80 per barrel during the year. Oil prices at these levels can motivate the market to invest in Crown's projects. Investments in the energy sector in general, and in the oil and gas industry specifically, are expected to continue to increase in 2019. For several years now, the oil industry has invested considerably less than it had previously. A stable oil price at higher levels could trigger further investments in both exploration of new and development of existing discoveries.

BUSINESS DECISIONS THAT AFFECTED THE COMPANY'S PERFORMANCE

Since the acquisition of ESI Group in 2017, a lot of work has been put into incorporating the acquired businesses into Crown Energy's systems. But above all, much time and effort has been invested in establishing Crown Energy's Asset Development concept in new markets, primarily through marketing to new customer. Among other things, we entered an agreement with the Italian engineering consultancy company Proger S.p.A during the year and are pursuing new customers together.

OUTLOOK

The Company now continues its progress towards having a larger and even more stable foundation to stand on. We will make use of our contacts in the oil industry to generate business in new and existing markets, and future cash flows should ensure faster development of the Company's existing assets. In 2019, we will continue our efforts to optimise the profitability of the existing property portfolio. This can be done by signing new leases, reviewing operational costs and consolidating the portfolio if opportunities arise and the financial conditions are right. We look forward to continuing our efforts to capitalise on our assets, thus creating value for you, our shareholders.

Andreas Forssell
CEO, Crown Energy

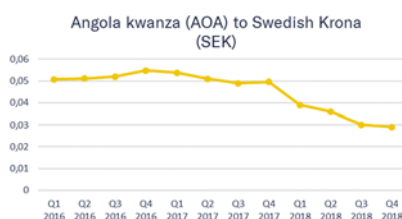
Asset Development and Management business area

16

Properties

31,683

Leasable area, sqm



THE PROPERTY MARKET AND CURRENCY IN ANGOLA

As mentioned in the last interim report (January-September 2018), Angola's economy and the property market have been significantly affected by the decline in oil prices in recent years. The decline in the price of oil in the last few years and its subsequent effects on the oil industry ultimately led the Angola central bank to unpeg the Angola currency kwanza (AOA) from the US dollar (USD) in early 2018. This resulted in a severe devaluation of the AOA. From year-end 2017 until 31 December 2018, the AOA has lost 40 per cent against the Swedish krona. (For a description of currency effects on consolidated earnings and assets, see comments on financial performance and financial position on pages 6-10.)

Due to the devaluation and the low expectations for market growth in 2018, the year can be summed up as a challenging one for the property market in Angola. Towards the end of 2018, the currency began to stabilise due to lower inflation, and unlike recent years, the oil price remained higher in 2018 and until now. In addition, the Italian oil company ENI, for example, made new oil discoveries in Angola in 2018, which means increased investments in the country, including increased demand for premises. Factors such as these suggest that 2019 could be a better year for the property market in Angola.

SUMMARY OF PROPERTY-RELATED KEY RATIOS

For definitions of key ratios please see pages 26-27.

ALL AMOUNTS IN SEK THOUSANDS	2018-12-31	2018-09-30
Revenue backlog, SEK thousand	51,222	64,347
Rent backlog, SEK thousand	32,646	44,911
Contracted annual rental and service revenues, SEK thousand	78,865	78,918
Contracted annual rental revenues, SEK thousand	60,374	60,368
Area occupancy rate, %	55%	56%
Economic occupancy rate, %	44%	46%
WAULT rent and service, months	6.7	8.9
Market value of portfolio, SEK thousand	603,703	625,344



SEK 51 M
Revenue backlog

7 months
WAULT

55%
Average area occupancy
rate

COMMENTS ON PROPERTY-RELATED KEY RATIOS

General performance, full year 2018

As for the market in general, and as expected, Crown Energy experienced that the rent levels for new and extended contracts in 2018 tended to be somewhat lower than before. This is due to developments in Angola in 2018. The Angolan property market's strong link to the oil industry has also meant that some tenants with connections to the oil industry left premises due to reductions in their own activities in the country.

Changes in the fourth quarter of 2018

Below is a list of changes in revenue backlog for the fourth quarter of 2018. As shown, it has decreased from SEK 64,347 thousand to SEK 51,222 thousand due to the circumstances described below.

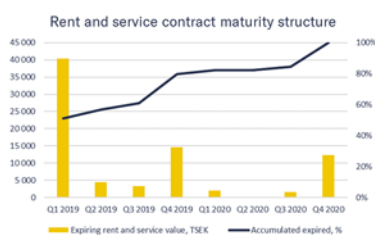
ALL AMOUNTS IN SEK THOUSANDS	REVENUE BACKLOG	RENT BACKLOG
Backlog at 30 September 2018	64,347	44,911
Changes in the fourth quarter:		
Contracted revenue	-19,156	-14,671
New/extended contracts	11,026	7,090
Contracts terminated early	-4,316	-4,272
Exchange rate effects	-680	-412
Backlog at 31 December 2018	51,222	32,646

During the last quarter of 2018, 24 contracts expired, of which 17 were extended. Also, six new contracts were signed during the quarter. Contracted rental and service value of extended and new contracts amounts to SEK 7,090 thousand and SEK 3,936 thousand, respectively, totalling SEK 11,026 thousand. The extended and updated contracts have shorter terms, which means that Crown Energy's WAULT amounts to just under 7 months as at 31 December, which is a decrease of about one month since 30 September 2018. Crown Energy has chosen to sign contracts with shorter terms to have manoeuvrability to see how the market develops in Angola. The average term for a signed lease currently amounts to roughly one year for the entire property portfolio. In general, larger contracts in terms of space and rent have been signed for somewhat longer periods – between two and three years – while smaller contracts are renewed one year at a time.

Two small contracts were terminated early in the fourth quarter, of which the larger of these was for C-View. The C-View contract ran until Q1 2023, but Crown Energy and the tenant changed the contract period, in joint consultation, to terminate in the first quarter of 2019 instead. This alteration increases Crown Energy's future flexibility with C-View. The two concluded contracts have entailed a decrease in future contracted revenues of SEK 4,316 thousand.

Since most of the contracts expiring in the fourth quarter were extended and no major areal contracts were concluded nor added, the average area occupancy rate of 55 per cent is at the same level as that of 30 September 2018. The C-View property, which represents 38 per cent of total leasable area, is 6 per cent leased, and during the last quarter of the year no new contracts were signed for this property. The average area occupancy rate in the property portfolio, excluding C-View, is 86 per cent. The average economic occupancy rate is essentially on a par with the previous quarter, which indicates that extended contracts were extended at approximately the same levels as before.

The chart to the left illustrates the value of the contracts' maturity over time and the accumulated maturity as it looks on 31 December 2018. The value of the maturity in each period represents each expiring contract's annual rental and service revenues. Compared with 30 September 2018, the maturity of the contracts has been postponed between one and two years, since expiring contracts have largely been renewed.



60-80
USD/bbl
Oil price in 2018

4

Exploration licences

Energy business area

MARKET

2018 was a generally positive year for the oil price, which ranged between 60 to 80 USD/bbl, with a brief dip in during the fourth quarter 2018. The industry appears more positive than it has been for a number of years.

The current level of oil prices, i.e. around 60 USD(bbl, continues to be supported by OPEC as well as non-OPEC producing countries jointly maintaining decreased output and by the running of the industry as a whole. The investment in the oil and gas industry have been limited in recent years, but is expected to rise as oil prices continue to firm up. Additionally, due to the US cancellation of the Iran deal, making the export of oil products more difficult for Iran, there has been a reduction of the amount of crude coming to market. However, this has to be balanced with the reality that US domestic shale oil productions remains very strong.

Up to the end of the reporting period, oil prices have remained in the low 60 USD/bbl. The probability remains that oil prices will stay at this general level in the long term as global oil consumption does continue to increase. The smaller investments, which we have referred to before, in developing new oil wells to replace fields currently in production and the inevitable depletion of existing oil fields will also affect prices.

EXPLORATION PROJECTS

At present, the Company holds four exploration licenses, located in Iraq, South Africa, Equatorial Guinea and Madagascar. No significant changes have occurred in Crown Energy's exploration projects during the reporting period.

For an up-to-date description of the assets, see the 2017 Annual Report and the Company's website.



Condensed consolidated statements of comprehensive income

INCOME STATEMENT

ALL AMOUNTS IN SEK THOUSANDS	NOTE	OCT-DEC 2018	OCT-DEC 2017	FULL YEAR 2018	FULL YEAR 2017
Revenue					
Rental revenues	2	13,128	14,845	53,349	67,160
Service revenues		5,585	9,912	23,284	43,323
Other operating income		172	2	214	811
Property-related expenses		-7,920	6,952	-23,883	-21,089
Other external costs		-4,290	-8,211	-21,919	-13,186
Employee benefit expenses		-2,491	-2,143	-8,620	-7,507
Depreciation		-1	-34	-273	-42
Other operating expenses		65	-115	-77	-138
Operating profit/loss before effect of reverse acquisition		4,248	21,208	22,075	69,332
Earnings effect from reverse acquisition	9	-	-	-	-174,586
Operating profit/loss after effect of reverse acquisition		4,248	21,208	22,075	-105,254
Financial income		45,869	375	425,060	6,482
Financial expenses		-975	-622	-100,491	-4,086
Profit/loss before tax and changes in value		49,142	20,961	346,643	-102,859
Changes in value:					
Property, unrealised	3,10	-33,283	-8,714	-82,612	35,239
Earnings before tax		15,859	12,248	264,032	-67,619
Income tax		224	-5,436	-4,874	-6,766
Deferred tax		898	1,265	-72,249	7,111
Net profit/loss for the period		16,981	8,077	186,909	-67,275
Earnings per share and share related data					
Average number of basic and diluted shares, thousands	6	477,315	450,266	477,315	401,297
Basic and diluted earnings per share, SEK	6	0.04	0.02	0.39	-0.17

COMPREHENSIVE INCOME

ALL AMOUNTS IN SEK THOUSANDS	NOTE	OCT-DEC 2018	OCT-DEC 2017	FULL YEAR 2018	FULL YEAR 2017
Net profit/loss for the period		16,981	8,077	186,909	-67,275
Other comprehensive income:					
Inflation adjustments, IAS 29	1	12,616	-	-6,857	-
Translation differences		-44,376	-6,590	-242,523	-70,245
Total items that can be reclassified to profit or loss		-31,760	-6,590	-249,380	-70,245
Other comprehensive income, net of tax		-31,760	-6,590	-249,380	-70,245
Total comprehensive income for the year		-14,779	1,487	-62,471	-137,520
Comprehensive income for the period attributable to Parent Company shareholders		-14,779	1,487	-62,471	-137,520

COMMENTS ON FINANCIAL PERFORMANCE

Accounting effects from Angolan devaluation/hyperinflation

As mentioned earlier, the central bank of Angola stopped pegging the Angolan currency kwanza to the USD during 2018. This devaluation resulted in considerable exchange rate effects in Crown Energy's financial statements, especially during the first three quarters when the devaluation peaked. Significant exchange rate effects are presented in the respective comments on financial performance below.

Operating profit/loss

During the reporting period, revenue amounted to SEK 76,633 thousand, compared with SEK 110,483 thousand for the same period last year, which is a decrease of 31 per cent. The decrease is largely due to the Angolan currency's depreciation in value against the Swedish krona in 2018, which was 40 per cent during the year.

As mentioned in the Asset Development and Management business area section, general developments in the Angolan property market also affected the Group's revenue, which also meant an impact on revenue in local currency. After adjusting for inflation (IAS 29), revenue in local currency increased by approximately six per cent, while with no adjustment for inflation it decreased by about three per cent.

Property costs for the reporting period amounted to SEK -23,883 thousand (-21,089) and include costs for maintenance, operation, purchasing external services such as administration, cleaning etc. Property-related taxes are also included in this item, which includes stamp taxes and local Angolan consumption taxes based on rental and service revenue. Property costs increased compared with the previous year by 13 per cent, which is mainly due to the inflation adjustment.

Other external costs totalled SEK -21,919 thousand (-13,186). The increase is mainly due to the reverse acquisition since costs attributable to the old Crown Energy Group were added as of 30 June 2017. 2018 also includes new types of costs that relate to project development in the Asset Development and Management business area.

Employee benefit expenses for the 2017 comparative period included the Angolan operations for the full year but only two quarters for the Parent Company in Sweden. As a result, Group employee benefit expenses increased by 15 per cent in 2018.

Net financial items

Net financial items for the reporting period amounted to SEK 324,569 thousand (2,395). The financial items consist mainly of unrealised exchange rate effects arising from the translation of assets and liabilities in foreign currency and the fact that the properties were valued in USD, booked in the Angolan kwanza and then translated to SEK. The latter constituted SEK 389,782 thousand of the financial revenue.

Interest income from investments in Angolan government bonds amounted to SEK 2,067 thousand. Interest expenses attributable to leased property assets amount to SEK -938 thousand (-559).

Changes in value

During the fourth quarter, an error was identified regarding the accounting of leases. As a result, historical comparative periods were recalculated in accordance with IAS 8. The recalculations have affected the item unrealised changes in value. For more information regarding the error correction, see Note 10 Correction of errors concerning accounting of leases.

Changes in value during 2018 include unrealised changes in value of SEK -70,257 thousand as well as lease payments to landlord of SEK -12,354 thousand.

Unrealised changes in the value of properties are attributable to updates of the property valuations as at 31 December 2018. See comments on financial position for more information.

Tax

During the reporting period, a tax expense of SEK -4,874 thousand (-6,766) and a deferred tax expense of SEK -72,249 thousand (7,111) were recognised. Tax expense for the period relates to wealth tax in Luxembourg of SEK -2,140 thousand, investment tax in Angola of SEK -3,220 thousand, adjustment of income tax in Angola for 2017 of SEK 3,869 thousand and estimated income tax in Angola of SEK -3,500 thousand. The deferred tax expense is attributable to temporary differences between the fair value of the properties and the local taxable residual value.

Inflation adjustment in income statement

As Angola is presently considered a hyperinflationary country, adjustments are made to the Angolan operations' reports taking current inflation into consideration. All items in local currency in the income statement, apart from unrealised changes in property value, were calculated with an index of 1.09 in the income statement, based on the consumer price index in Angola. The total net effect on the consolidated income statement of these adjustments amounts to SEK 23,302 thousand. See note 1 for more information on the inflation adjustment.

Other comprehensive income

Other comprehensive income includes translation differences of SEK -242,523 thousand, which arose as a result of revaluation of the subsidiaries' assets and liabilities from local currencies to SEK. Inflation adjustments in accordance with IAS 29 amount to SEK -6,857 thousand.

Condensed consolidated statements of financial position

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2018-12-31	2017-12-31
ASSETS			
Non-current assets			
Investment property	3, 10	653,073	720,597
Equipment, tools, fixtures and fittings		768	340
Intangible assets		54	90
Exploration and evaluation assets	4	204,151	188,888
Financial assets valued at amortised cost	7	7,672	-
Total non-current assets		865,718	909,915
Current assets			
Trade receivables	7	23,655	29,415
Other receivables	7	29,341	28,489
Prepaid expenses and accrued income		4,066	640
Cash and cash equivalents	7	57,659	102,183
Total current assets		114,727	160,727
TOTAL ASSETS		980,446	1,070,642
EQUITY AND LIABILITIES			
EQUITY			
Total equity attributable to Parent Company shareholders	10	811,899	874,363
LIABILITIES			
Non-current liabilities			
Finance lease liability	7	176	96,837
Deferred tax liabilities		85,407	31,929
Other provisions	7	3,272	3,361
Total non-current liabilities		88,855	132,127
Current liabilities			
Finance lease liability	7	49,194	5,416
Accounts payable	7	6,131	5,597
Tax liabilities		3,905	7,605
Other current liabilities	7	4,555	6,501
Accrued expenses and deferred income		15,907	39,033
Total current liabilities		79,692	64,152
TOTAL EQUITY AND LIABILITIES		980,446	1,070,642

COMMENTS ON CONSOLIDATED FINANCIAL POSITION

Non-current assets

The carrying amount of investment properties totalled SEK 653,073 and has decreased by SEK -67,524 SEK compared to the annual accounts for 2017. Net change consists of investments of SEK 4,400, positive exchange rate effects of SEK 10,683 and an unrealised fair value adjustment of SEK -82,612. The changes are value is mainly based on generally lower market expectations in Angola, given the prevailing Angolan economy. Assumptions about market rents and vacancy rates therefore continue to be cautious, especially in 2019 for which expectations about growth are low. See Note 3 for a summary of the period's changes.

Exploration and evaluation assets totalled SEK 204,151 thousand. The change compared with the annual accounts for 2017 consists of investments of SEK 5,975 thousand and translation and revaluation effects of SEK 9,288 thousand. See Note 4 for a summary of the changes.

Due to the uncertainty of the Angolan currency, the Angolan subsidiary invested funds in Angolan government bonds indexed against the USD, which reduces the Group's currency risk somewhat. The bonds carry an interest rate of 7-7.75 per cent. Bonds with a maturity of more than one year were recognised as financial assets.

Current assets

Other receivables primarily concern a receivable from ESI Angola Lda amounting to SEK 27,741 thousand. For more information about this receivable, see Note 5 Transactions with related parties.

Non-current liabilities

The financial lease liability refers to leased properties. Reductions in the total lease liability since the 2017 annual accounts are explained by regular rent payments to landowners. The total lease liability is divided into current and non-current parts.

Deferred tax liabilities amounted to SEK 85,407 thousand and are attributable to surplus values in properties of SEK 69,834 thousand as well as to surplus values in exploration and evaluation assets of SEK 15,572 thousand.

Current liabilities

Other current liabilities primarily concern a liability to the Parent Company's former shareholder and CEO. During the fourth quarter of 2018, an agreement was reached with the counterparty, which means that the debt is to be paid off over a three-year period, and the total amount of SEK 5,054 thousand was renegotiated to SEK 4,700 thousand. SEK 354 thousand of the liability was recognised as a write-off of debt under financial income. The first instalment of SEK 1,567 thousand was paid in the fourth quarter, which means that outstanding debt amounts to SEK 3,133 thousand.

Accrued expenses and deferred income amount to SEK 15,907 thousand. This is a decrease of SEK 23,126 thousand since the 2017 annual accounts. The change is attributable to currency revaluations as well as to larger reserves in the Parent Company in the 2017 annual accounts regarding the reverse acquisition, which is now dissolved.

Condensed consolidated statement of changes in equity

ALL AMOUNTS IN SEK THOUSANDS	NOTE	Share capital	Other contributed capital	Reserves	Accumulated earnings including profit/loss for the year	Total equity
Previously reported opening balance at 1 Jan 2017		-	357,339	26,439	78,812	462,590
Error correction	10			-7,970	125,294	117,324
Adjusted opening balance at 1 Jan 2017		-	357,339	18,469	204,106	579,914
Comprehensive income						
Net profit/loss for the year					-67,275	-67,275
Other comprehensive income:						
Exchange differences				-70,245		-70,245
Total comprehensive income		-	-	-70,245	-67,275	-137,520
Transactions with shareholders						
Contributed capital from shareholders			61,629			61,629
Business combination (reverse acquisition)	9	13,107	356,307			369,414
Warrant issue, December 2017		926				926
Closing balance at 31 Dec 2017		14,033	775,275	-51,776	136,831	874,363
Previously reported opening balance at 1 Jan 2018		14,033	775,275	-32,753	15,555	772,110
Error correction	10			-19,023	121,277	102,254
Adjusted opening balance at 1 Jan 2018		14,033	775,275	-51,776	136,832	874,364
Comprehensive income						
Net profit/loss for the year					186,909	186,909
Other comprehensive income:						
Exchange differences				-242,523		-242,523
Inflation adjustments, IAS 29	1		41,448		-48,305	-6,857
Total comprehensive income		-	41,448	-242,523	138,604	-62,471
Transactions with shareholders						
Issue expenses			7			7
Closing balance at 31 Dec 2018		14,033	816,730	-294,299	275,435	811,899

COMMENTS ON CHANGES IN EQUITY

During the fourth quarter, an error was identified regarding the accounting of the Group's leases. This error was corrected retroactively in equity. For a detailed description of the error and its correction, see Note 10.

In 2018, the Group applied inflation adjustments in accordance with IAS 29 regarding the operations in Angola. The inflation adjustments affect both other paid-in capital and accumulated earnings. See Note 1 for a description of IAS 29.

Consolidated statements of cash flows

ALL AMOUNTS IN SEK THOUSANDS	OCT-DEC 2018	OCT-DEC 2017	FULL YEAR 2018	FULL YEAR 2017
Cash flow from operating activities				
Operating profit/loss before financial items	4,084	21,208	22,191	-105,254
Adjustments for items not included in cash flow:				
Earnings effect from reverse acquisition	-	-	-	174,586
Depreciation	1	34	273	42
Other non-cash items	65	-	-3,194	-
Interest received	-	1	1,936	-
Interest paid	-54	-1	-212	-
Tax paid	-	-	-	-5
Cash flow from operating activities before change in working capital	4,096	21,242	20,994	69,369
Changes in working capital	-3,668	-13,574	-14,564	-26,739
Cash flow from operating activities	429	7,668	6,430	42,630
Cash flow from investing activities				
Acquisition of subsidiaries, less acquired cash and cash equivalents	-	-	-	19,925
Capital expenditures on investment properties	-740	-1	-4,404	-6,075
Capital expenditures on exploration and evaluation assets	-1,490	-2,718	-5,975	-8,415
Capital expenditures on other fixed assets	-	-354	-848	-354
Investments in financial assets (government bonds)	-7,783	-	-7,783	-
Cash flow from investing activities	-10,013	-3,073	-19,011	5,081
Other contributed capital	-	56,101	-7	59,300
Payments for finance leases (rent to landowners)	-2,752	-40	-13,292	-4,575
Cash flow from financing activities	-2,752	56,061	-13,300	54,725
Cash flow for the period	-12,337	60,655	-25,881	102,436
Cash and cash equivalents at start of period	71,193	41,193	102,183	363
Cash flow for the period	-12,337	60,655	-25,881	102,436
Exchange losses on cash and cash equivalents	-1,197	335	-18,643	-615
Cash and cash equivalents at end of period	57,659	102,183	57,659	102,183

COMMENTS ON CASH FLOWS

Cash flow from operating activities in 2018 amounted to SEK -25,881 thousand (102,436). Comparisons with 2017 are not relevant as the reverse acquisition occurred in 2017 and the business grew in 2018 with more ongoing costs attributable to new projects etc.

Expenditures on investment properties are entirely attributable to the completion of the C-View property.

The exchange loss on cash and cash equivalents amounts to SEK -18,643 thousand, which is mainly attributable to the translation of cash and cash equivalents in the Angolan operations and the fact that a sharp devaluation of the Angolan kwanza occurred in 2018.

Consolidated key ratios

For definitions of key ratios, see pages 26-27.

QUARTERLY SUMMARY – GROUP

ALL AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED								
	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
EARNINGS								
Rental and service revenues	18,713	18,260	19,060	20,599	24,757	27,392	30,618	27,716
Other operating income	172	-134	146	30	2	54	687	67
Operating profit/loss	4,248	5,468	5,329	7,029	21,208	12,689	-157,455	18,303
Operating profit/loss before items affecting comparability	4,248	5,468	5,329	7,029	21,208	12,689	17,131	18,303
Net profit/loss for the period after tax	16,981	-3,759	164,320	9,367	8,077	52,281	-155,640	28,008
PROPERTY-RELATED KEY RATIOS								
Rental revenues	13,128	13,050	14,163	13,007	14,845	15,764	18,419	18,132
Service revenues	5,585	5,211	4,897	7,592	9,912	11,628	12,199	9,584
Property-related expenses	-7,920	-5,082	-4,893	-5,987	6,952	-8,580	-11,913	-7,549
Operating net	10,793	13,178	14,167	14,612	31,709	18,812	18,705	20,167
Operating surplus, property portfolio, %	58%	72%	74%	71%	128%	69%	61%	73%
Revenue backlog	51,222	64,347	**	**	**	**	**	**
Rent backlog	32,646	44,911	**	**	**	**	**	**
Contracted annual rental and service revenues	78,865	78,918	**	**	**	**	**	**
Contracted annual rental revenues	60,374	60,368	**	**	**	**	**	**
FINANCIAL KEY RATIOS								
EBITDA	4,249	5,583	5,442	7,074	21,242	12,697	-157,455	18,303
Adjusted EBITDA	4,249	5,583	5,442	7,074	21,242	12,697	17,131	18,303
EBITDA margin, %	22%	31%	28%	17%	86%	46%	neg.	66%
Adjusted EBITDA margin, %	22%	31%	28%	17%	86%	46%	55%	66%
RATIOS PER SHARE								
Basic and diluted shares outstanding, thousand	477,315	477,315	477,315	477,315	477,315	445,815	445,815	353,268
Average number of shares, thousand	477,315	477,315	477,315	477,315	450,266	445,815	354,285	353,268
Diluted earnings per share, SEK	0.04	-0.01	0.34	0.02	0.02	0.12	-0.43	0.08
EMPLOYEES								
Average number of employees	17.0	17.0	17.0	16.0	15.0	17.0	15.0	15.0

FULL-YEAR SUMMARY – GROUP

ALL AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED	NOTE	FULL YEAR 2018	FULL YEAR 2017	FULL YEAR 2016
EARNINGS				
Rental and service revenues		76,633	110,483	150,161
Other operating income		214	811	-
Operating profit/loss		22,075	-105,254	99,191
Operating profit/loss before items affecting comparability		22,075	69,332	99,191
Net profit/loss for the period, after tax		186,909	-67,275	32,808
PROPERTY-RELATED KEY RATIOS				
Rental revenues		53,349	67,160	99,332
Service revenues		23,284	43,323	50,829
Property-related expenses		-23,883	-21,089	-39,436
Operating net		52,750	89,394	110,725
Operating surplus, property portfolio, %		69%	81%	74%
Revenue backlog		51,222	**	**
Rent backlog		32,646	**	**
Contracted annual rental and service revenues		78,865	**	**
Contracted annual rental revenues		60,374	**	**
Area occupancy rate, %		55%	73%	87%
Economic occupancy rate, %		44%	**	**
WAULT rent and service, months***		6.7	14.3	**
Market value of portfolio		603,703	618,344	631,108
Leasable area, thousands of square meters*		31.7	40.1	30.2
Number of properties at end of period		16.0	16.0	19
FINANCIAL KEY RATIOS				
Return on equity (ROE), %		22%	neg.	7%
Return on assets (ROA), %		18%	neg.	5%
EBITDA		22,348	-105,212	99,191
Adjusted EBITDA		22,348	69,374	99,191
EBITDA margin, %		19%	neg.	66%
Adjusted EBITDA margin, %		19%	62%	66%
Equity/assets ratio, %		83%	82%	72%
Total assets		980,446	1,070,642	790,320
Equity		811,900	874,363	579,913
Average equity		843,132	727,138	499,339
Average assets		1,025,544	930,481	678,763

ALL AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED	NOTE	FULL YEAR 2018	FULL YEAR 2017	FULL YEAR 2016
RATIOS PER SHARE				
Basic and diluted shares outstanding, thousand	6	477,315	477,315	353,268
Average number of basic and diluted shares, thousands	6	477,315	401,297	353,268
Basic and diluted earnings per share, SEK	6	0.39	-0.17	0.09
Equity per share, SEK	6	1.70	1.83	1.64
EMPLOYEES				
Average number of employees		16.8	15.5	15.00

*Leasable area has been calculated differently as from Q3 2018. In previously submitted reports, the total area was recognised. As from Q3 2018, only leasable area is recognised.

**In the third quarter of 2018, several new key ratios were calculated and produced. The time spent and cost of producing data for periods farther back was weighed against the added value of presenting the information. The assessment is that it is more relevant for the Group to calculate these key ratios from Q3 2018 onwards and that time spent and cost were not reasonable for calculating these key ratios.

***WAVULT stands for weighted average unexpired lease term (see more information in definitions of key ratios on pages 38-40). The average unexpired lease term was not weighted for periods before Q3 2018.

Parent Company

The Parent Company's revenue for 2018 amounted to SEK 10,545 thousand (10,966). The revenue related to re-invoicing of expenses totalling SEK 5,658 thousand and subsidiary management fees of SEK 4,897 thousand.

Other external expenses increased slightly to SEK -17,432 thousand from the previous year's SEK -16,303 thousand. The increase is attributable to increased administrative expenses. Of these expenses, SEK -5,658 thousand was re-invoiced to the companies that work within the Asset Development and Management business area. Adjusted for these expenses, external expenses decreased by SEK 4,528 thousand and this is mainly because in 2017 the Parent Company had many expenses attributable to the reverse acquisition, such as expenses for adapting the new Group to IFRS, valuations, legal representatives etc.

Interest income from Group companies decreased by 59 per cent due to the terms of the internal loan agreements being re-written in the fourth quarter of 2017.

There were 4 persons (3) employed by the Parent Company at the end of the year.

INCOME STATEMENT – PARENT COMPANY

ALL AMOUNTS IN SEK THOUSANDS	NOTE	OCT-DEC 2018	OCT-DEC 2017	FULL YEAR 2018	FULL YEAR 2017
Revenue	2	2,985	6,636	10,545	10,966
Other operating income		3	0	31	22
Other external costs		-5,224	-8,136	-17,432	-16,303
Employee benefit expenses		-1,474	-1,601	-5,821	-5,558
Depreciation/amortisation		-9	-26	-36	-51
Other operating expenses		-32	-98	-149	-149
Operating profit/loss		-3,751	-3,225	-12,862	-11,072
Interest income and similar items		674	144	1,596	-1,467
Interest income, intercompany	5	934	696	3,274	7,902
Interest expenses and similar items		-31	0	-120	0
Earnings before tax		-2,174	-2,385	-8,112	-4,637
Tax		-	-	-	-
Net profit/loss for the period		-2,174	-2,385	-8,112	-4,637

CONDENSED BALANCE SHEET – PARENT COMPANY

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2018-12-31	2017-12-31
ASSETS			
Non-current assets			
Participations in Group companies		1,385,798	1,384,483
Intangible assets		54	90
Receivables from Group companies		213,060	184,805
Total non-current assets		1,598,912	1,569,378
Current assets			
Receivables from Group companies		2,911	11,928
Current receivables		901	333
Cash and bank balances		22,648	60,929
Total current assets		26,460	73,191
TOTAL ASSETS		1,625,372	1,642,569
EQUITY AND LIABILITIES			
Total equity		1,618,440	1,626,545
Current liabilities			
Other current liabilities		6,932	16,024
Total current liabilities		6,932	16,024
TOTAL EQUITY AND LIABILITIES		1,625,372	1,642,569

CONDENSED STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2018-12-31	2017-12-31
Opening equity		1,626,545	216,177
Net profit/loss for the period		-8,112	-4,637
Other comprehensive income for the period		-	-
Comprehensive income for the period		-8,112	-4,637
Acquisition of ESI Group SA – conversion of C shares to ordinary shares, June 2017		-	1,360,082
Warrant issue, December 2017		-	63,000
Issue expenses		7	-8,077
Total equity		1,618,440	1,626,545

Other information

COMPANY INFORMATION

The Parent Company, Crown Energy AB (publ), with corporate ID 556804-8598, is a limited company registered in Sweden and domiciled in Stockholm. The Parent Company's ordinary shares are listed on NGM Equity. The street address of the main office is Norrlandsgatan 18, 111 43 Stockholm.

The number of employees in the Group at the end of the reporting period is 17: 13 linked to the operations in Angola and four employed in the Parent Company in Sweden.

OWNERSHIP STRUCTURE

The number of shares registered in Crown Energy AB's share register (as per Euroclear) as of publication of this report is 477,315,350 with a quotient value of SEK 0.03 per share.

The Company's ordinary shares are listed on NGM Equity and are traded under the ticker name CRWN with ISN code SE0004210854.

SHAREHOLDERS	NUMBER OF SHARES	SHARES (%)	NUMBER OF VOTES	VOTES (%)
Yoav Ben-Eli, via company 1)	343,817,971	72.0%	343,817,971	72.0%
Cement Fund SCSp	63,000,000	13.2%	63,000,000	13.2%
Andreas Forssell, privately and via companies	8,404,609	1.8%	8,404,609	1.8%
Alan Simonian, privately and via family	3,429,521	0.7%	3,429,521	0.7%
Other shareholders	58,663,249	12.3%	58,663,249	12.3%
Total number of shares	477,315,350	100.0%	477,315,350	100.0%

1) The shares are owned by YBE Ventures Ltd, which is controlled by Yoav Ben-Eli.

SEASONAL VARIATIONS

We estimate that there are not any significant seasonal variations in any of the Group's business areas or in Crown Energy as an individual company.

RISKS AND UNCERTAINTIES

A detailed description of the Group's and Parent Company's risks and risk management can be found in Crown Energy's 2017 Annual Report. During 2018 and until this interim report is released, no decisive changes to significant risks or uncertainties have occurred compared with that stated in the annual report.

Sensitivity analysis

In connection with preparation of the valuation of the properties, a sensitivity analysis was carried out. According to the most recent valuation, the value range of the Company's property portfolio is SEK 553,869-656,766 thousand. The parameters used to produce the value range for the sensitivity analysis are ± 0.5 per cent for yield requirements and WACC and ± 5 per cent for current market rents.

DIVIDEND

The Board will not propose any dividend at the Annual General Meeting (AGM) on 14 May 2019.

Notes

1 ACCOUNTING POLICIES

This interim report was prepared pursuant to IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act, and RFR 1 Supplementary Accounting Regulations for Groups. As with the 2017 annual accounts, the consolidated accounts were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act. The financial statements of the Parent Company were prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's RFR 2 Accounting for Legal Entities.

The same accounting policies were used during the period as were used for the 2017 financial year and as described in the 2017 Annual Report. New or revised standards, interpretations, or amendments adopted by the EU which influenced the Group's earnings or position, have been described below.

This interim report does not contain all the information and disclosures contained in the Annual Report, so the interim report should be read alongside the 2017 Annual Report.

ADDITIONAL ACCOUNTING POLICIES IN 2018

The International Accounting Standards Board (IASB) issued new standards that took effect in 2018: IFRS 9 Financial Instruments and IFRS 15 Revenues from Contracts with Customers. In addition, the Company applied the rules in IAS 29 Financial Reporting in Hyperinflationary Economies to the operations in Angola as from 1 January 2018.

New standards that came into force in 2018

IFRS 9 Financial Instruments

Briefly, the standard includes changes to the principles of hedge accounting and an impairment model based on expected loan losses instead of losses incurred. The Group's financial assets consist essentially of current receivables and cash and cash equivalents. Financial liabilities consist mainly of interest-bearing liabilities in the form of lease liabilities and other current liabilities. The Group does not currently use hedge accounting.

The Group has applied the standard retroactively with application from 1 January 2018 and has adjusted comparative information from the period that started 1 January 2017. The transition to IFRS 9 has not entailed any adjustment to the classification and valuation of the Group's financial assets and liabilities.

The transition to IFRS 9 has changed the Group's accounting for impairment losses on financial assets by replacing the IAS 39 method based on previous losses with a method based on expected credit losses. The Group has applied the standard's simplified method and has calculated expected credit losses based on expected credit loss for the remaining term. The Group has established an impairment model based on the Group's historical credit losses adjusted for factors specific to the customer/tenant and the financial situation. Our assessment is that the introduction of expected credit losses with the adoption of IFRS 9 has not had any significant impact on the Group's impairment of financial assets. Comparative figures have therefore not been recalculated, that is, the transition has had no effect on equity.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 shall apply to all revenue that arises as a result of contracts with customers, apart from the contracts that are covered by other standards (e.g. leases). The new standard introduces a five-step model for reporting revenues arising from contracts with customers. According to IFRS 15, revenue must be recognised at an amount that reflects the compensation that the company is expected to be entitled to in exchange for goods and services to a customer. The standard requires that companies consider all relevant facts and circumstances when assessing each step of the model for its customer contracts. The standard also specifies the accounting of contract costs for acquiring the contracts and costs directly attributable to the fulfilment of a contract.

The Group has applied IFRS 15 by using a modified retroactive method.

The Group has two revenue streams: rental revenue from leases and revenue from separate service contracts with tenants. Rental revenue covered by IAS 17 is excluded from IFRS 15. Most revenue streams are attributable to leases. Although service is linked to the lease, it is not a lease component and must be recognised separately from the lease. This distinction had already been made in the consolidated income statement before the application of IFRS 15.

Service revenues are recognised in the same period as the service is performed, which is why the introduction of IFRS 15 has not had any impact on the Group's total revenue.

The transition to IFRS 15 has not had any significant impact on the Group's recognised revenue, but will entail increased disclosure requirements in the 2018 annual report such as information on contract balances and changes to these, qualitative information on performance commitments, disclosure of significant estimates, etc. See Note 2 Revenue categories for more information.

IAS 29 Financial Reporting in High Inflation Countries

The Group has a foreign operation in Angola, YBE Imobiliária Angola Lda, whose functional currency is the kwanza. As mentioned in the 2017 annual report, the Company has followed economic developments in Angola closely and made the assessment that this standard must be applied as from 1 January 2018 to the operations in Angola. The Group's consolidated financial statements for the January-September 2018 period therefore reflect adjustments to YBE Imobiliária Angola Lda's financial statements regarding units of measure at the end of the reporting period. No translation of comparative figures was made; the recalculations for 2017 were recognised directly in equity. The net effects of the translation in 2018 totalled SEK 34,302 thousand in the income statement and SEK -6,857 thousand in other comprehensive income.

When calculating the inflation adjustment, an index based on the consumer price index in Angola is used. The consumer price index in Angola was 241.08 (base: December 2014) at the end of December 2018 compared with 204.79 at 31 December 2017. Inflation from 31 December 2017 to 31 December 2018 was 17.7 per cent, compared with 26.3 per cent for the same period in the previous year. For income statement items and 2018 changes in the balance sheet, an adjustment index of 1.09 has been used. Adjustment index for balance sheet items varies depending on, for example when an acquisition or a capital injection was made.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS THAT HAVE NOT YET COME INTO FORCE

IFRS 16 Leases

The new standard, which comes into force 1 January 2019, means that a leaseholder's previous operating leases will be recognised in the balance sheet. The Group will apply the standard from 1 January 2019. Crown Energy will apply the new standard going forward and thereby use the approach of recalculating retroactively with the combined effect of a first application as an adjustment of the opening balance for retained earnings at 1 January 2019. Accordingly, comparative information will not be recalculated.

The Group already recognises its rights of use regarding investment properties as an asset and a liability (in accordance with IAS 17 Leases and IAS 40 Investment Property), so the introduction of IFRS 16 will not entail any significant changes to the current accounting of the Group's property leases.

The new standard will affect the Group's property, plant, and equipment and interest-bearing liabilities as concerns the Parent Company's lease of the head office in Stockholm. As per 1 January 2019, property, plant, and equipment. Related to this lease, is expected to be approximately SEK 706 thousand and on interest-bearing liabilities about SEK 610 thousand. The effect on the consolidated income statement will not be significant. However, as the lease costs will be reversed and instead be recognised as depreciation and interest expense (using an effective interest method), profit/loss for the year before tax for the next period will increase by approximately SEK 15 thousand during 2019. There will also be some additional disclosures in 2019.

The Group does not hold any other leases that will significantly affect the consolidated accounts.

The Parent Company will not recognise the lease in accordance with IFRS 16. The Parent Company complies with RFR 2 and uses the exception there in respect of IFRS 16, instead recognising leases in accordance with RFR 2, which will not affect current accounting.

2 REVENUE CATEGORIES

The Group has two revenue streams: rental revenue from leases and revenue from service contracts with tenants. Rental revenue, which makes up most of the Group's revenue, is covered by IAS 17, which is why it is excluded from IFRS 15 and its disclosure requirements. Other operating income is not significant and refers primarily to exchange rate effects attributable to the business.

Service revenue derives from separate contracts with tenants and is recognised in the income statement separately from the rental revenue. The service is strongly linked to the leases but is not deemed to be a lease component. All service revenues are recognised at the same time as the service is performed.

All (service) revenues recognised in accordance with IFRS 15 are attributable to the Asset Development and Management segment. At present, this segment only covers the Group's operations in Angola. Since revenues come entirely from Angola, service revenues are linked to a currency risk due to the very high inflation Angola has suffered from in recent years (see description of currency effects under the Asset Development and Management business area section and the risk sections in the 2017 Annual Report).

Revenue recognised in the income statement in accordance with IFRS 15:

	OCT-DEC 2018	OCT-DEC 2017	FULL YEAR 2018	FULL YEAR 2017
Service revenues	5,585	9,912	23,284	43,323

3 INVESTMENT PROPERTY

Changes in carrying amount:

GROUP, ALL AMOUNTS IN SEK THOUSANDS	OCT-DEC 2018	OCT-DEC 2017	FULL YEAR 2018	FULL YEAR 2017
Opening carrying amount	678,979	718,293	720,597	748,433
+ Capital expenditures for the period	740	-	4,404	6,075
+ Acquisitions for the period	-	-	-	-
- Disposals for the period	-	-	-	-
+/- Unrealised changes in value	-33,283	-8,714	-82,612	35,239
+/- Exchange rate effects*	6,637	11,017	10,683	-69,149
Closing carrying amount	653,073	720,597	653,073	720,597

The investment properties have been appraised by an external party as per 31 December 2018. Required returns were determined separately for housing and office premises and are set at 11.5 and 12.5 per cent respectively. The weighted average cost of capital (WACC) for the market was estimated at 17.7 per cent for the period, before tax.

Lease costs for rights of use are included in the fair value, which means that the lease liability is reversed to avoid double counting these costs:

GROUP, ALL AMOUNTS IN SEK THOUSANDS	FULL YEAR 2018	FULL YEAR 2017
Fair value, investment properties	603,703	618,344
Reversal of lease liabilities recognised as lease liabilities	49,370	102,253
Carrying amount at end of reporting period	653,073	720,597

4 EXPLORATION AND EVALUATION ASSETS

Changes in carrying amount:

GROUP, ALL AMOUNTS IN SEK THOUSANDS	OCT-DEC 2018	OCT-DEC 2017	FULL YEAR 2018	FULL YEAR 2017
Opening carrying amount	201,230	184,444	188,888	-
Capital expenditures for the period	1,490	2,932	5,975	8,629
Increase through business combination	-	-	-	183,133
Translation and revaluation effects	1,431	1,512	9,288	-2,874
Closing accumulated cost of acquisition	204,151	188,888	204,151	188,888

5 TRANSACTIONS WITH RELATED PARTIES

PURCHASES AND SALES WITHIN THE GROUP

Of the Parent Company's revenue for the January-December 2018 period, 100 per cent (100) represents re-invoicing and management fees to other companies within the Group. Of the Parent Company's total interest income, 100 per cent (100) relates to other entities within the Group.

PURCHASE OF SERVICES

Peter Mikkelsen works in his management position under a consultancy agreement. The services are purchased on normal commercial terms and work performed is invoiced regularly.

Crown Energy also purchases technical consulting services from Simco Petroleum Ltd. ("Simco"). Alan Simonian, Board member and Company employee, currently owns 33 per cent of Simco, privately and via related parties. Services from Simco are purchased on normal commercial terms.

Yoav Ben-Eli, Board member and largest shareholder in the Parent Company, performs business development consulting services for the Group. Invoicing is via the Israeli company Betco Trading Services International Limited.

INVOICED SERVICES	Total invoiced, 2018	Total invoiced, 2018, SEK*
Peter Mikkelsen	GBP 9,375	SEK 108,683
Simco Petroleum Ltd	USD 121,504	SEK 1,055,956
Betco Trading Services International Limited	USD 336,000	SEK 2,920,078
ESI Angola Lda	AOA 519,731,977	SEK 18,604,602

*Based on average exchange rate during the period January-December 2018.

ESI ANGOLA

The Company's principal shareholder owns 100 per cent of ESI Angola Lda and according to a service contract, ESI Angola Lda provides property management and other services to YBE Imobiliária Angola Lda. On the other hand, ESI Angola Lda rents premises from YBE Imobiliária Angola Lda.

In accordance with the acquisition agreement for ESI Group SA, all financial rights and obligations from properties and leases would be passed on to YBE Imobiliária Angola Lda as from 1 January 2017. Owing mainly to prepaid rent in 2016 for 2017, this resulted in YBE Imobiliária Angola Lda acquiring a receivable from ESI Angola Lda, which has not yet been paid. At 31 December 2018, this receivable amounted to the equivalent of SEK 27,741 thousand and carries a market interest rate.

6 EARNINGS PER SHARE

At 31 December 2018, the Parent Company's number of outstanding shares totalled 477,315,350. There are no outstanding warrants or derivatives, why there is no dilutive effect. The average number of shares during 2018 amounts to 477,315,350.

7 ACCOUNTING FOR FINANCIAL INSTRUMENTS

CARRYING AMOUNT AND FAIR VALUE

There have not been any changes to the Group's policies regarding carrying amount and fair value. During the reporting period, financial assets in the form of Angolan government bonds have been added. These assets are recognised at amortised cost and amount to SEK 7,672 thousand. Fair value of the government bonds amounts as per 31 December 2018 to SEK 9,024 thousand.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The fair value of the Group's financial assets and liabilities is estimated to be equal to its carrying amount. There were no transfers between levels or valuation categories during the period.

8 OPERATING SEGMENTS

OPERATING SEGMENTS, SEK THOUSANDS	Energy Q4 2018	Asset Development and Management Q4 2018	Other and eliminations Q4 2018	Total Q4 2018
Revenue	5	18,719	3	18,727
Operating expenses	-459	-9,304	-4,874	-14,637
Operating profit/loss	-454	9,415	-4,871	4,091
Net financial items	1,264	43,151	636	45,052
Profit/loss before tax and changes in value	811	52,567	-4,235	49,143
Changes in value				
Property, unrealised	-	-33,283	-	-33,283
Earnings before tax	811	19,284	-4,235	15,859
Income tax	-	224	-	224
Deferred tax	-	898	-	898
Net profit/loss for the period	811	20,405	-4,235	16,981
Non-current assets at end of period	204,151	661,514	54	865,718

OPERATING SEGMENTS, SEK THOUSANDS	Energy FULL YEAR 2018	Asset Development and Management FULL YEAR 2018	Other and eliminations FULL YEAR 2018	Total FULL YEAR 2018
Revenue	19	76,639	31	76,689
Operating expenses	-938	-36,187	-17,647	-54,772
Operating profit/loss	-919	40,453	-17,616	21,917
Net financial items	5,353	317,898	1,475	324,726
Profit/loss before tax and changes in value	4,434	358,350	-16,141	346,643

Changes in value:				
Property, unrealised	-	-82,612	-	-82,612
Earnings before tax	4,434	275,739	-16,141	264,032
Income tax	-1	-4,873	-	-4,874
Deferred tax	-	-72,249	-	-72,249
Net profit/loss for the period	4,433	198,617	-16,141	186,909
<hr/>				
Non-current assets at end of period	204,151	661,514	54	865,718

In the Asset Development and Management operating segment, the Company has two customers, each of which accounts for more than 10 per cent of revenue. Together, these two customers represent approximately 47 per cent of total revenue.

9 REVERSE ACQUISITION/COMPARATIVE FIGURES

In June 2017, the Parent Company acquired all shares in ESI Group SA (ESI Group). The sale entailed that the seller of the business, YBE Ventures Ltd, would receive newly issued shares in the Parent Company. Since the acquired company's (ESI Group) previous owner acquired a controlling interest in the new Group, the transaction was recognised as a reverse acquisition in accordance with the rules stipulated in IFRS 3 Business Combinations.

This interim report includes financial information for the new Crown Energy Group for the period 1 January – 31 December 2018. Since Crown Energy's acquisition of ESI Group was recognised as a reverse acquisition at 30 June 2017, the Group's comparative earnings figures for the period before 30 June 2017 are from ESI Group. The Parent Company's comparative figures are still from the legal acquirer, that is, Crown Energy AB. For more information about the reverse acquisition and the effect it had on comparative figures prior to 30 June 2017, see Note 29 in Crown Energy's 2017 Annual Report.

10 CORRECTION OF ERRORS IN ACCOUNTING OF LEASES

During the fourth quarter, it was noted that IAS 40 was misinterpreted as regards the accounting of leases. The fair value of an investment property held through a lease reflects expected cash flows. This means that if a valuation includes the payments that are expected to be paid, any recognised liabilities must be reversed so that they are not double-counted in the accounts. The Group's valuation of properties includes these payments. Due to the misinterpretation, the carrying amount of investment properties corresponded to fair value without adjustment for the lease liability, which was also recognised under liabilities on the balance sheet. The effect of this is that the carrying amount of the Group's investment properties has been too low with an amount corresponding to lease liabilities for contracted investment properties. The error occurred at 1 January 2016.

The misinterpretation has arisen as a result of an incorrect Swedish translation of IAS 40 in FAR's IFRS volume. The incorrect translation concerns the treatment of the fair value of a leased investment property and means that a specific paragraph (in IAS 40) can be interpreted quite contrary to what the original English letter states.

The error was corrected by recalculating all affected items retroactively.

BALANCE SHEET (EXCERPT), ALL AMOUNTS IN SEK THOUSANDS	2017-12-31	Correction	2017-12-31 after correction
Investment property	618,344	102,253	720,597
Total assets	968,389	102,253	1,070,642
<hr/>			
Reserves (exchange rate effects)	-32,753	-19,023	-51,776
Retained earnings	78,812	125,294	204,106
Profit/loss for the period	-63,257	-4,018	-67,275
Total equity	772,110	102,253	874,363

The total financial leasing liability amounted to SEK 102,253 thousand at 31 December 2017.

BALANCE SHEET (EXCERPT), ALL AMOUNTS IN SEK THOUSANDS	2017-01-01	Correction	2017-01-01 after correction
Investment property	631,108	117,324	748,433
Total assets	672,996	117,324	790,320
Reserves (exchange rate effects)	26,439	-7,970	18,469
Profit/loss for the period	32,803	125,294	158,097
Total equity	462,589	117,324	579,913

The total financial leasing liability amounted to SEK 117,324 thousand at 1 January 2017.

INCOME STATEMENT (EXCERPT), ALL AMOUNTS IN SEK THOUSANDS	2017	Correction	2017 after correction
Changes in value:			
Property, unrealised	39,255	-4,016*	35,239
Earnings before tax	-63,602	-4,018*	-67,619
Net profit/loss for the period	-63,257	-4,018*	-67,275

*Difference due to rounding effects.

All quarters and interim periods for 2016–2018 have been restated. Correction of errors for these periods can be found in Appendix 1 to this year-end report.

The Group has chosen to convert the key ratios that were affected for all comparative periods since 1 January 2016.

11 EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events have occurred after the end of the period.

The Board and CEO hereby certify that this interim report gives a fair overview of the Parent Company's and Group's operations, position, and earnings, and describes significant risks and uncertainty factors to which the Group and its companies are exposed.

This year-end report was not subject to review by the auditors.

Stockholm, 21 February 2019

Pierre-Emmanuel Weil
Chairman of the Board

Yoav Ben-Eli
Board member

Jean Benaim
Board member

Alan Simonian
Board member

Andreas Forssell
CEO

PUBLICATION PURSUANT TO SWEDISH LAW

This information constitutes such information as Crown Energy AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was released for publication through the agency of the contact person below on 21 February 2019 at 8:30 CET.

Glossary and definitions

ALTERNATIVE PERFORMANCE MEASURES

The Company applies the European Securities and Markets Authority's (ESMA) guidelines on alternative performance measures. The alternative key financial performance indicators are defined as financial measures of historical or future earnings trends, financial position, financial performance or cash flows that are not defined or specified in the applicable regulations for financial reporting, IFRS and the Annual Accounts Act. These measures should not be regarded as a substitute for measures defined in accordance with IFRS.

If an alternative performance measure cannot be identified directly from the financial statements, a reconciliation is required.

All indicators are alternative unless stated otherwise.

DEFINITIONS OF KEY RATIOS

Financial key ratios

Adjusted EBITDA

Earnings before financial items, tax, depreciation/amortisation and impairment, adjusted for effects of reverse acquisition. EBITDA is used to measure earnings from operating activities, independently of depreciation, amortisation and impairment losses.

Average assets

Calculated as opening balance assets + closing balance assets divided by two. Used to calculate return on capital employed.

Average capital

Calculated as opening capital employed + closing capital employed divided by two. Used to calculate return on equity.

Average equity

Calculated as opening balance equity + closing balance equity divided by two. Used to calculate return on equity.

EBITDA

Earnings before interest, taxes, depreciation and amortisation. EBITDA is used to measure earnings from operating activities, independently of depreciation, amortisation and impairment losses.

EBITDA margin

Measurement of a company's operating profitability as a percentage of its total revenue. The EBITDA margin is used to compare EBITDA in relation to revenue.

Equity, SEK

Equity at end of period.

Equity/assets ratio, %

Equity including the minority as a percentage of total assets. Used to highlight the Company's interest rate sensitivity and financial stability.

Operating profit/loss excl. effect from reverse acquisition

Earnings before financial income and expenses and taxes, adjusted for the effect of the reverse acquisition. Used to measure operating profitability.

Operating profit/loss incl. effect of reverse acquisition

Earnings before financial income and expenses and taxes. Used to measure operating profitability.

Return on assets (ROA), %

This ratio measures profitability relative to total assets. Return on assets is used to highlight a company's ability to generate profit on the group's assets, unaffected by the group's financing.

Return on equity (ROE), %

The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

Total assets

Total assets at the end of the period. Total assets are a measure of the value of assets at the end of the period.

Ratios per share

*Earnings per share, SEK**

Earnings after tax divided by average number of shares for the period. Used to show the shareholders share of the Group's earnings per share.

Equity per share, SEK

Equity at end of period divided by number of shares at end of period. Used to highlight the shareholders' portion of the company's total assets per share.

Total number of shares outstanding*

Number of shares outstanding at end of period.

Weighted average number of shares*

Weighted number of shares outstanding during the year.

Employees***Average number of employees*****

Average number of employees during the period.

PROPERTY-RELATED DEFINITIONS AND GLOSSARY***Area occupancy rate*****

Leased area in relation to total leasable area at the end of the period.

Economic occupancy rate**

Calculated by dividing contracted annual rental revenue in relation to the rental value. This figure is used to help facilitate the assessment of rental revenue in relation to the total value of available, unleased area. Note that this calculation does not include service revenues. Relates to contracted annual rent plus assessed market rent for vacant premises.

Leasable area, sqm**

Leased area plus leasable vacant area.

Operating net

Total revenue less property costs.

Rent backlog**

Outstanding rental revenues during remaining contract period. Rent backlog is used to highlight the Group's remaining contract value for rental revenues to be invoiced to the tenant, at a given point in

time. Cannot be derived from the Company's financial reporting.

Rental revenue*

Billed rents, rent surcharges and rental guarantees less rent discounts.

Revenue backlog**

Outstanding rental and service revenues during remaining contracted contract period. Revenue backlog is used to highlight the Group's total remaining contract value to be invoiced to the tenant, at a given point in time. Cannot be derived from the Company's financial reporting.

Service revenue*

Service in accordance with client contract. Service may, depending on how the contract is designed, include everything from operating costs to Internet and catering costs.

Surplus ratio**

Operating net divided by total revenue.

Weighted average unexpired lease term (WAULT)**

Used to illustrate the average lease term until expiry for the entire property portfolio, weighted after total contractually agreed rental and service revenues. Calculated by dividing contracted revenue (rent and service) until expiry by annual contracted rents and service. Normally expressed in years, but Crown Energy uses months.

**Key ratio defined by IFRS/IAS.*

***Key ratio not covered by ESMA's guidelines for alternative performance measures (physical, non-financial or not based on information from the financial reports).*

About Crown Energy

Crown Energy is an international group providing customised solutions for housing, offices and associated services, as well as oil and gas exploration in Africa and the Middle East. The Company creates value via two business areas: *Asset Development and Management* and *Energy*.

In the *Asset Development and Management* business area, the Company offers a one-stop-shop concept for housing, offices and associated services to international companies. Crown Energy's offering covers the entire chain from needs-adapted design and construction, to leasing, property management and value-added services.

The *Energy* business area focuses on exploration opportunities with high potential for recoverable reserves. Value is created by developing assets in early stages and then introducing suitable oil and gas industry players to the projects for further development and production.

VISION

To be an established player and an obvious partner in the international energy market, both in exploration and in development of customised residential and office solutions and value-added services.

GOALS

Crown Energy's objective is to generate the highest possible return for shareholders with a balanced risk awareness. The Company aims to have an established service business through property concepts in several geographic markets as well as a balanced portfolio of development and exploration assets.

STRATEGY

Crown Energy's strategy is based on the overall objective of generating the highest possible return for shareholders with a balanced risk awareness. This includes:

- ▶ Establishing service operations in more markets requiring residential and office solutions in the oil and gas industry
- ▶ Carefully selecting exploration areas where the chance of oil and gas discoveries is high
- ▶ Exploiting synergies between the two business areas and reinvesting some of the cash flow from service operations to further develop the exploration assets
- ▶ Offering exploration and production partners tailored residential premises and offices in proximity to the assets
- ▶ Pursuing farm-out opportunities as exit strategies to capitalise as much as possible on the assets
- ▶ Creating a good risk spread through several parallel projects

ADVANTAGES OF COMBINED OPERATIONS

Several advantages are created by the combination of the *Asset Development and Management* business areas, and the *Energy* business area. Together, the business becomes more diversified, which means reduced risk. The cash flow generated within the service business can be used to further develop exploration assets. Establishing customer relationships with some of the world's leading energy companies in *Asset Development and Management* also increases Crown Energy's opportunities to capitalise on existing exploration assets. Crown Energy can also offer exploration and extraction partners related services in the form of customised residential properties and offices close to the assets.

REPORTING DATES

▶ Annual Report 2018	12 April 2019
▶ Interim report, January-March 2019	9 May 2019
▶ Annual General Meeting 2019	14 May 2019
▶ Interim report, January-June 2019	9 August 2019
▶ Interim report, January-September 2019	8 November 2019

FINANCIAL INFORMATION

All financial information is posted at www.crownenergy.se as soon as it is released. Shareholders, other players in the stock market, and the public are free to subscribe to the Company's press releases and financial reports through Cision's news service, at <http://news.cision.com/se/crown-energy>.

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Appendix 1 – Error correction

As a result of the error described in Note 10, all quarters and interim periods for 2017 and the first, second and third quarters of 2018 were recalculated for presentation purposes. The corrections for these periods are found in this appendix. The correction of investment properties, correspond to the total leasing liability at each period end.

BALANCE SHEET (EXCERPT), ALL AMOUNTS IN SEK THOUSANDS	31 March	31 March after correction	30 June	30 June after correction	30 Sep	30 Sep after correction	31 Dec	31 Dec after correction
2017								
Investment property	615,488	729,886	583,492	690,114	617,733	718,293	618,344	720,597
Net assets	656,169	770,567	848,412	955,034	900,288	1,000,848	968,389	1,070,642
Reserves (exchange rate effects)	1,134	-8,954	-23,943	-39,935	-24,634	-45,187	-32,753	-51,776
Retained earnings	78,812	204,106	78,812	204,106	78,812	204,106	78,812	204,106
Profit/loss for the period	28,816	28,008	-124,952	-127,632	-71,170	-75,351	-63,257	-67,275
Total equity	482,651	597,048	663,847	770,469	699,852	800,412	772,110	874,363
2018								
Investment property	613,098	691,512	633,820	700,105	625,344	678,979	n/a	n/a
Net assets	947,013	1,025,426	972,534	1,038,819	950,878	1,004,513	n/a	n/a
Reserves (exchange rate effects)	-52,385	-93,226	-191,617	-238,665	-192,135	-249,923	n/a	n/a
Retained earnings	17,509	138,785	-9,334	111,943	-44,892	76,385	n/a	n/a
Profit/loss for the period	11,390	9,375	181,631	173,687	179,781	169,928	n/a	n/a
Total equity	762,905	841,327	789,166	855,451	773,044	826,679	n/a	n/a

INCOME STATEMENT (EXCERPT), ALL AMOUNTS IN SEK THOUSANDS	Q1	Q1 after correction	Q2	Q2 after correction	Q3	Q3 after correction	Q4	Q4 after correction
2017								
Changes in value:								
Property, unrealised	-10,288	-11,097	20	-1,852	58,402	56,902	-8,878	-8,714
Earnings before tax	8,060	7,252	-157,428	-159,301	73,681	72,181	12,084	12,248
Net profit/loss for the period	28,816	28,008	-153,767	-155,640	53,781	52,281	7,913	8,077
2018								
Changes in value:								
Property, unrealised	-16,516	-18,538	-21,912	-27,833	-1,048	-2,957	n/a	n/a
Earnings before tax	44,310	42,287	187,749	181,828	25,967	24,058	n/a	n/a
Net profit/loss for the period	11,390	9,367	170,241	164,320	-1,850	-3,759	n/a	n/a