

INTERIM REPORT JANUARY-MARCH 2019



Q1 – JANUARY-MARCH 2019

- ▶ Revenue amounted to SEK 13,046 thousand (20,599).
- ▶ Operating profit amounted to SEK 3,002 thousand (7,029).
- ▶ Unrealised changes in property values amounted to SEK -30,061 thousand (18,538).
- ▶ Profit before tax was SEK -2,865 thousand (42,287), and profit after tax was SEK -22,239 thousand (9,367), corresponding to SEK -0.05 (0.02) per share.

CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Group	JAN-MAR	JAN-MAR	FULL YEAR
All amounts in SEK thousands	2019	2018	2018
Operating income	13,453	20,629	76,847
Operating expenses	-10,450	-13,599	-54,772
Operating profit/loss	3,002	7,029	22,075
Net financial items	24,194	53,797	324,569
Net profit/loss for the period, after tax	-22,239	9,367	186,909
Earnings per share	-0.05	0.02	0.39
Equity per share	1.66	1.76	1.70
Change in cash and cash equivalents	-9,576	-21,497	-44,524

KEY EVENTS JANUARY-MARCH 2019

- ▶ On February 1, 2019, 40 per cent of the ownership in the Maria property was transferred, from being leased, to Crown Energy. The transfer was made without any consideration paid. The change of ownership means that the Company no longer reports the property in accordance with leasing accounting standards and that a deferred tax liability has been reported referring to the difference between local tax value and fair value.
- ▶ From February 10, 2019, the lease agreement was rewritten with the tenant in the Maria property. The new agreement means that the tenant now holds 47 per cent of the areas, unlike the previous 100 per cent. This change has had a negative impact on the rental income for the period. The company will now renovate those parts of the property that are not rented out.
- ▶ As a result of new market reports in March 2019 regarding the Angolan real estate market, lower expectations for 2019 in terms of market rents and growth have been used in the valuation of the Angolan properties. This means that the Company reported an unrealized change in value of SEK -30,061 thousand.
- ▶ During the first quarter of 2019, the Angolan currency kwanza has stabilized, which means that fluctuations in the exchange rate have greatly reduced and resulted in far less effects on the financial reports compared to 2018.

EVENTS AFTER THE END OF THE REPORTING PERIOD

- ▶ On 30 April 2019 Crown Energy concluded an agreement for the sale of the C-View property in Angola. Buyer is the Angolan State via the Ministry of Finance. The total expected cash flow (undiscounted) is corresponding to SEK 575 237 thousand after transaction costs and before tax and inflation compensation, and is payable over three years in a total of six equal semi-annual instalments.

The transaction is made in Angolan kwanza and the payments will be adjusted with an official inflation rate. The inflation compensation will be determined before the last instalment. The yearly expected instalments generate a positive cash-flow corresponding to an amount of SEK 191 746 thousand in local currency, with start during 2019.

The Angolan ministry of finance will gain title of the property year three (3) after having paid the full purchase price. Economic control is transferred to the buyer already after the second instalment, which is expected in December 2019.

C-View will, up until the economic control is transferred to the buyer, continue to be managed by Crown Energy, which means that it will be classified as an asset held for sale from 30 April 2018. The asset will continue to be valued at fair value and any changes in value from 31 March 2019 will be accounted for as unrealised changes of value in the second quarter of 2019. Any realised results will arise after the economic control is transferred to the buyer and C-View is derecognised as an intangible asset in the balance sheet.

The agreement is legally binding as 30 April 2019, and will now go through a formal regulatory registration process within Ministry of Finance in Angola. This process is expected to be finalised within one month from signing date.

CEO statement

DEAR SHAREHOLDERS AND INVESTORS,

Naturally, we would like to start by mentioning the sale of the C-View property in Angola, which we completed and issued a press release on in April. This transaction is very good for the Company and fundamentally changes our asset portfolio. As it was the single largest asset in the portfolio but with the lowest occupancy, the sale will have a major impact on our key figures going forward from the second quarter. Simply put, we see this transaction, given the expected payments from the buyer totalling SEK 575.3 million, as if we were to rent out C-View at full occupancy under a long lease with very good conditions. That's how good it is.

As Crown Energy is debt-free, cash will increase by the same amount, which corresponds to a cash infusion of more than SEK 1 per share in the Company over a three-year period. The buyer is the Angolan government through its Ministry of Finance.

C-View did not follow Crown Energy's business model since it did not have a tenant on completion. In the future, tenants will be secured at the start of new construction.

The agreement of the sale of C-View is expected to generate payments corresponding to 155 per cent compared to what Crown Energy paid for the property when we acquired ESI Group and its property portfolio. We see this as proof that this was a good deal with good value for us. Although currency developments in Angola have been turbulent, mainly in 2018, the value is nevertheless strongly validated by this transaction.

We have driven this sale process in parallel with attempts to rent out C-View. But when negotiations became so favourable price-wise, we instead focused on achieving the most economically effective occupancy possible in the property. This means that we actively kept occupancy low to limit costs for buying out tenants before the sale. Since new leases were limited during the first quarter, revenues decreased slightly instead of increasing.

The selling price indicates, in addition to the above, that it currently appears to be a discrepancy between the price level of rents in Angola compared to selling prices. While the rental market has gone down in 2018, prices on transfers of ownership have held at an even level with previous years. It also supports the decision to sell in this market and explains the difference between C-View's carrying value, which at year-end was SEK 421.0 million based on expected future cash flows, and the actual expected cash flow from the transaction of SEK 575.3 million. This is also positive for us as we became the owner of 40 per cent of the Maria property during the quarter, which was contracted with the landowner from the start.

Consequently, we have seen several effects during the quarter concerning the Maria property. Since the completion of construction, we had one tenant for the entire property under a long-term lease, which expired at the end of January. The lease has been renegotiated so that the tenant leases about half the property and our share follows the new 40-per cent ownership. This, as well as the reduced rentals in C-View, is the main reason for the decrease in rental revenue during the first quarter. We have started refurbishing the Maria property and are working to bring in a new tenant to fill the building later this year.

The currency situation in Angola has stabilised significantly in the first quarter of the year compared to 2018. Therefore, the Company's net financial items are not affected to the same extent as in previous periods. This is an indication that the devaluation that was carried out in the first quarter last year, as well as other market measures implemented in Angola, is starting to have positive effects on the country's economy. This development is of course good for the part of Crown Energy's business that is attributable to this market.

Crown Energy continues its efforts to generate new business. Major steps have been taken in a positive direction, leading to gains in both Energy and Asset Development and Management. We hope to capitalise on this soon. The situation has been relatively stable in the oil and gas market and the energy market and we continue to have a very positive outlook on new business and thus on the prospects for substantial growth for the Company.

Our oil and gas projects have generally developed well so far. The price of crude oil has fluctuated between USD 60 and USD 70 per barrel in the first quarter and up to today. Oil prices at such levels can stimulate the market to invest in projects that Crown Energy offers. Investments in the energy sector in general and in the oil and gas industry specifically are expected to increase going forward. For several years, the oil industry has invested considerably less than it had previously. A stable oil price at higher levels could trigger investments in both exploration of new and expansion of existing discoveries. Exactly when such investment increases will kick off is impossible to predict, but we are already reading about several oil and gas fields being put into production and general investments have been announced.

BUSINESS DECISIONS THAT AFFECTED THE COMPANY'S PERFORMANCE

The sale of a large asset after the interim period will contribute capital for future investments in Asset Development and Management. Much time and effort are being invested in establishing Crown Energy's Asset Development concept in new markets, primarily through new customer sales.

OUTLOOK

The Company now continues its progress towards 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. Our capital and organisation are and will be further adapted to accommodate an exciting continuation of Crown Energy's development efforts.

We look forward to continuing our efforts to capitalise on our assets, thus creating value for you, our shareholders.

Andreas Forssell
CEO, Crown Energy

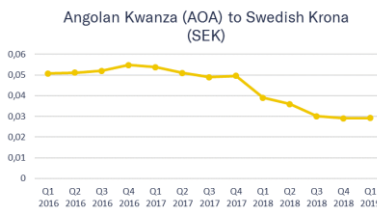
Asset Development and Management business area

16

Properties

31,683

Leasable area, sqm



THE PROPERTY MARKET AND CURRENCY IN ANGOLA

During the first quarter of 2019, the Angolan currency ("AOA") has been stable and has strengthened against the Swedish krona by 0.4 per cent, which is to be compared to a weakening during the first quarter of 2018 by -21.4 per cent. (See the development of AOA against SEK in the diagram below to the left.) Inflation in Angola is no longer at the high levels it was previously in and amounted to 3.4% in the first quarter (Source: Banco Nacional de Angola).

On March 14, 2019, the property management consultants Abacus released its market report on the Angolan real estate market, which includes both a summary of 2018 and forward-looking expectations for 2019. As far as the residential market is concerned, it has been seen that demand has generally fallen during 2017-2018. This is mainly due to the reduced activity of the international companies in the country, which in turn led to reduced demand for residential. On the other hand, it is assumed that the demand for buildings that offer total solutions (housing, parking, security, areas for leisure activities, etc.) together with ongoing and qualitative maintenance will be relatively stable (Source: Abacus / JLL Property Market Report Angola 2019).

As mentioned in the annual report, 2019 is expected to be a more stable year than 2018, as a result of more stable inflation and currency developments, combined with expected increased investments in the country (Source: Abacus / JLL Property Market Report Angola 2019). Abacus' report, on the other hand, shows that expectations of market rents in 2019 in Angola have fallen as a result of the development in 2018, which affects the valuation of properties.

SUMMARY OF PROPERTY-RELATED KEY RATIOS

For definitions of key ratios please see pages 24-25.

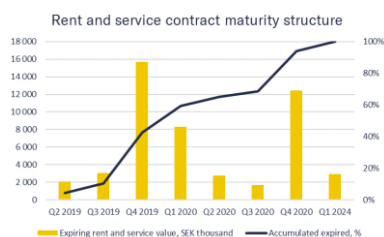
ALL AMOUNTS IN SEK THOUSANDS	2019-03-31	2018-12-31
Revenue backlog, SEK thousand	61,594	51,222
Rent backlog, SEK thousand	43,044	32,646
Contracted annual rental and service revenues, SEK thousand	45,822	78,865
Contracted annual rental revenues, SEK thousand	30,040	60,374
Area occupancy rate, %	45%	55%
Economic occupancy rate, %	27%	44%
WAULT rent and service, months	15.6	6.7
Market value of portfolio, SEK thousand	597,730	603,703



SEK 61 M
Revenue backlog

16 months
WAULT

45%
Average occupancy rate



COMMENTS ON PROPERTY-RELATED KEY RATIOS

Changes in the first quarter of 2019

From February 1, 2019, Crown Energy owns 40 per cent of the previously leased property Maria. Earlier leasing agreement with the land owner meant that Crown Energy recognised 100 per cent of the revenue, while 50 per cent was paid in leasing fees to the landowner. This change means that key ratios such as revenue backlog and contracted rental income will change with the ownership transfer. In the new revenue sharing contract, revenues are split in accordance with ownership, which means that Crown Energy now receives 40 per cent of the rental income. At the same time, Crown Energy does not pay any leasing fee for the property.

In the property Maria, the same tenant has rented 100 per cent of the building since the completion. This contract has been one of the Company's major contracts. From February 10, 2019, the lease was renewed with the tenant in the Maria property. The new agreement means that the tenant now rents only 47 per cent of the areas. The agreement was signed for five years. Due to the size of the contract, the changes in this contract affect the Company's key ratios. For example, a longer contract period contributes to a higher WAULT and higher revenue and rent backlog. Due to the fact that the tenant now only rents 47 per cent of the surfaces, this has on the other hand negatively affected area and economic occupancy rates and contracted annual rent.

In the property Carla the tenant moved out in January 2019. The tenant had a larger service agreement, which means that this change has affected the Company's key figures related to service revenue.

Below is a list of changes in revenue and rent backlog for the first quarter of 2019.

ALL AMOUNTS IN SEK THOUSANDS	REVENUE BACKLOG	RENT BACKLOG
Backlog at 31 December 2018	51,222	32,646
Changes in the fourth quarter:		
Contracted revenue	-14,045	-10,011
New/extended contracts	25,712	21,677
Contracts terminated early	-1,717	-1,534
Exchange rate effects	422	266
Backlog at 31 March 2019	61,594	43,044

During the first quarter of 2019, a total of 23 leases expired, of which 18 were extended. In addition, three new contracts were signed during the quarter. Contracted rental value and service value of extended and new contracts amount to SEK 21,677 thousand and SEK 4,035 thousand, totalling SEK 25,712 thousand. Contracts terminated early relate primarily to the C-View property, where Crown Energy signed an agreement regarding a sale of the entire property on April 30, 2019. Contract terminated early (six contracts) reduces revenue backlog by a total of SEK 1,717 thousand.

As a result of the contract changes during the quarter, the distribution between USD and AOA contracts amounts to 36 and 64 per cent, respectively.

As mentioned in earlier quarters, the Company has generally signed shorter contracts, with smaller tenants, for about one year. As a result of the changes in the rental contract for the Maria property, the Company's WAULT has increased since the year-end report 2018 from 6.7 to 15.6 months.

The area occupancy rate has decreased from 55 to 45 per cent. The majority of this decrease is attributable to the lease contract changes in the Maria and Carla properties. The property C-View, which represents 38 per cent of the total lettable area, is still leased to only 3. The average area occupancy rate in the property portfolio, excluding C-View, amounts to 67 per cent, which is a decrease from 86 per cent in the annual accounts in 2018. The average economic occupancy rate has decreased from the annual accounts for 2018 from 44 to 27 per cent. The average economic occupancy rate, excluding C-View amounts to 61 per cent. This reduction is also largely attributable to the changes in the properties Maria and Carla.

The chart on the left illustrates the value of the expiring contracts over time and the accumulated expiring in per cent, as it appears on March 31, 2019. The value of the expiration in each period represents the respective expiring contract's annual rental and service revenue. Compared to December 31, 2018, the maturity of the contracts has been postponed, as most of the expiring contracts have been renewed.

60-70
USD/bbl
Oil price in Q1 2019

4
Exploration licences

Energy business area

MARKET

The first quarter of 2019 has been positive period for the oil price, which has moved up gently over the last three months into the high \$60's per barrel. The mood of the industry also appears to be more positive than it was previously.

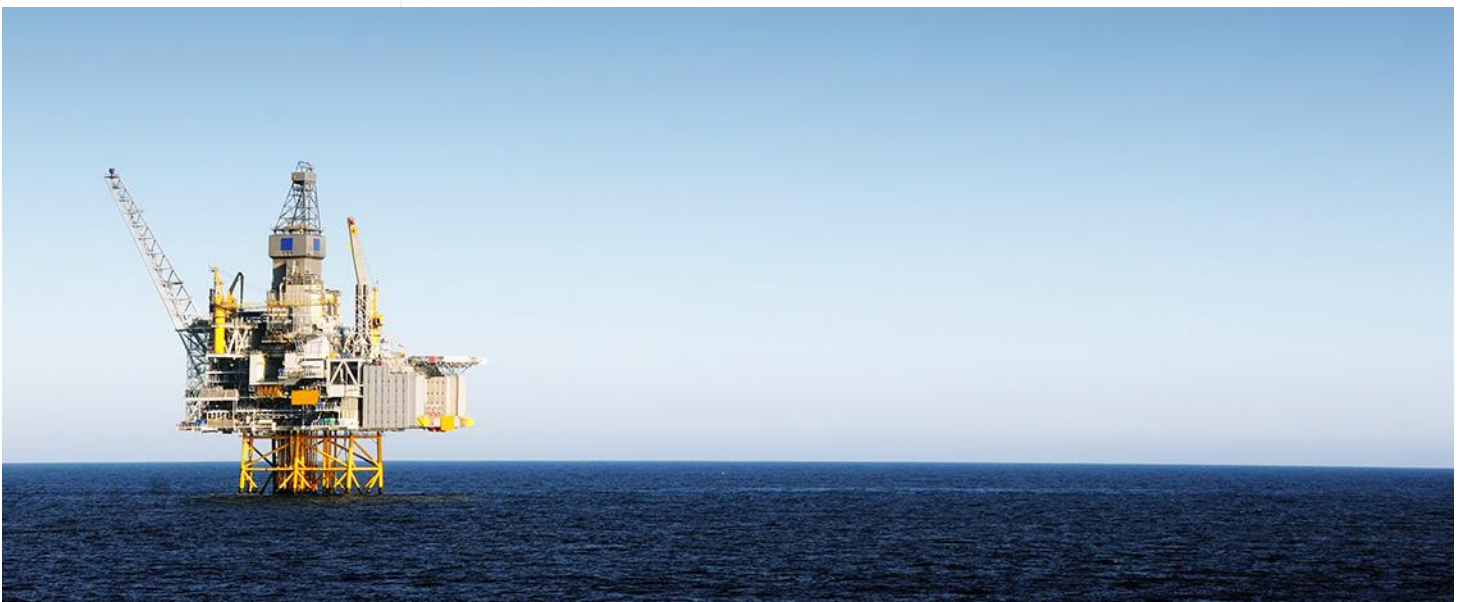
The current level of the oil price, i.e. around 65 USD/bbl, continues to be held up by a combination of generally firm demand for crude across the world plus OPEC as well as non-OPEC producing countries continuing to jointly manage production at lower levels and by the efficient running of the industry as a whole. We know that investments in the oil and gas industry have been limited in recent years, but it is beginning to rise as oil prices continue to firm up. We have also seen recent drilling successes in Africa, such as with ENI making discoveries in offshore Angola, and also with Total and Africa Energy, (who are also our partners in our South African Block) making a discovery in offshore South Africa.

Up to the end of this reporting period, oil prices have remained comfortably in the 60's USD/bbl. We continue to feel that the probability remains that oil prices will stay at this general level in the long term as global oil consumption does continue to stay firm. We also believe that there are signs now that activity is beginning to increase, which again indicates positive developments in the industry.

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 2018 Annual Report and the Company's website.



Consolidated statements of comprehensive income

INCOME STATEMENT

ALL AMOUNTS IN SEK THOUSANDS	NOTE	JAN-MARCH 2019	JAN-MARCH 2018	FULL YEAR 2018
Revenue				
Rental revenues	2	8,956	13,007	53,349
Service revenues	2	4,090	7,592	23,284
Other operating income	2	407	30	214
Property-related expenses		-3,611	-5,987	-23,883
Other external costs		-4,077	-5,322	-21,919
Employee benefit expenses		-2,557	-2,183	-8,620
Depreciation		-206	-45	-273
Other operating expenses		0	-62	-77
Operating profit/loss before effect of reverse acquisition		3,002	7,029	22,075
				,
Financial income		24,738	149,270	425,060
Financial expenses		-544	-95,473	-100,491
Net financial items		24,194	53,797	324,569
				,
Profit/loss before tax and changes in value		27,196	60,825	346,643
				,
Changes in value:				,
Property, unrealised	3	-30,061	-18,538	-82,612
Earnings before tax		-2,865	42,287	264,032
				,
Income tax		100	-2,140	-4,874
Deferred tax		-19,474	-30,779	-72,249
Net profit/loss for the period		-22,239	9,367	186,909
				,
Earnings per share and share related data				
Average number of basic and diluted shares, thousands		477,315	477,315	477,315
Basic and diluted earnings per share, SEK		-0.05	0.02	0.39

COMPREHENSIVE INCOME

ALL AMOUNTS IN SEK THOUSANDS	NOTE	JAN-MARCH 2019	JAN-MARCH 2018	FULL YEAR 2018
Net profit/loss for the period		-22,239	9,367	186,909
Other comprehensive income:				
Inflation adjustments, IAS 29		640	-970	-6,857
Translation differences		3,335	-41,449	-242,523
Total items that can be reclassified to profit or loss		3,975	-42,419	-249,380
Other comprehensive income, net of tax		3,975	-42,419	-249,380
Total comprehensive income for the year		-18,264	-33,052	-62,471
Comprehensive income for the period attributable to Parent Company shareholders		-18,264	-33,052	-62,471

COMMENTS ON FINANCIAL PERFORMANCE**Operating profit/loss**

During the reporting period, net sales amounted to SEK 13,046 thousand, compared to SEK 20,599 thousand for the same period last year, which is a decrease of 37 per cent. However, comparing the first quarter of 2019 with the first quarter of 2018 is not entirely possible, as the Angolan currency ("AOA") lost in value sharply after the first quarter of 2018. Sales per fourth quarter of 2018 amounted to SEK 18,885 thousand (see quarterly overview on page 14), which means that sales during the first quarter of 2019 decreased by 31 per cent compared to the fourth quarter. This decrease is partly attributable to the fact that the lease contract in the Maria property expired and was renewed, but with less area for both offices and housing. Furthermore, another lease contract has expired and was not renewed and this contract also came with a service agreement, which is why service revenues also have decreased.

During 2018 there was a difference in the revenue development between local currency in Angola, compared to the Group's reporting currency SEK, as a result of the high inflation in Angola. Due to the fact that inflation has now levelled out recently, this difference does no longer exist and the development in the Group and the local currency follows each other.

Property costs for the reporting period amounted to SEK -3,611 thousand (-5,987). The decrease compared to last year amounts to 40 per cent and is connected with the decrease in revenues. The property costs normally follow the development of the service revenues.

Other external costs totalled SEK -4,077 thousand (-5,322), which is a decrease of 23 per cent compared to same period previous year. The decrease refers mainly to lower consultancy costs. More consultants were hired last year for accounting and business development and in order to temporarily replace an employment in the Parent company during a parental leave.

Employee benefit expenses increased by 17 per cent compared to the comparative period 2018. This is due both to a new employment from July 2018 and that personnel costs were slightly lower than normal in the first quarter of 2018 due to a parental leave in the Parent Company.

Net financial items

Net financial items during the reporting period amounted to SEK 24,194 thousand (53,797). Financial income mainly consists of exchange rate effects of SEK 22,927 thousand (148,633). As a result of the stabilized Angolan currency, the exchange rate effects have decreased significantly compared to previous year. Other financial income of SEK 1 810 thousand consists of interest income from investments in Angolan government bonds.

Interest expenses attributable to leased property assets amount to SEK -141 thousand (-174).

Changes in value

Changes in value during first quarter amount to SEK -30,061 thousand (-18,538) and include unrealised changes in property value as well as effects due to contractual changes and lease payments relating to leased properties.

Unrealised changes in the value of properties are attributable to updates of the property valuations as at 31 March 2019. See comments on financial position for more information.

Tax

The deferred tax expense of SEK -19,474 thousand (-30,779) is mainly attributable to temporary differences between the fair value of the properties and the local taxable residual value. See comments on financial position for more information.

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 1.017 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 236 thousand.

Other comprehensive income

Other comprehensive income includes translation differences of SEK 3,335 thousand (-41,449), 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 640 thousand (-970).

Condensed consolidated statements of financial position

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2019-03-31	2018-03-31	2018-12-31
ASSETS				
Non-current assets				
Investment property	3	602,086	691,512	653,073
Equipment, tools, fixtures and fittings		750	1,118	768
Intangible assets		616	81	54
Exploration and evaluation assets	4	209,995	191,744	204,151
Financial assets valued at amortised cost		13,724	-	7,672
Deferred tax asset		9	-	-
Total non-current assets		827,181	884,455	865,718
Current assets				
Trade receivables		24,861	31,650	23,655
Other receivables	5	29,944	27,499	29,341
Prepaid expenses and accrued income		10,743	1,138	4,066
Cash and cash equivalents		48,084	80,686	57,659
Total current assets		113,633	140,972	114,727
TOTAL ASSETS		940,814	1,025,427	980,446
EQUITY AND LIABILITIES				
EQUITY				
Total equity attributable to Parent Company shareholders	1	793,598	841,319	811,899
LIABILITIES				
Non-current liabilities				
Finance lease liability		-	71,638	176
Deferred tax liabilities		105,431	59,559	85,407
Other provisions		3,435	3,455	3,272
Total non-current liabilities		108,866	134,652	88,855
Current liabilities				
Finance lease liability		4,820	6,783	49,194
Accounts payable		6,447	4,939	6,131
Tax liabilities		3,439	7,722	3,905
Other current liabilities		6,039	6,420	4,555
Accrued expenses and deferred income		5,610	23,592	15,907
Contract liabilities		11,994	-	-
Total current liabilities		38,349	49,456	79,692
TOTAL EQUITY AND LIABILITIES		940,813	1,025,427	980,446

COMMENTS ON CONSOLIDATED FINANCIAL POSITION

Non-current assets

The carrying amount of investment properties totalled SEK 602,086 thousand and has decreased by SEK -50,987 thousand compared to the annual accounts for 2018. Net change consists of investments of SEK 557 thousand, positive exchange rate effects of SEK 20,992 thousand and an unrealised fair value adjustment of SEK -30,061 thousand. In addition, the carrying amount has decreased by SEK -42,475 thousand as a result of contract changes in a number of leased properties. The decrease corresponds also on the liability side and the balance sheet item financial leasing liabilities, which is why the change has not affected the income statement.

The valuations have been adjusted after Abacus published its market report in March 2019. The report showed further low assumptions about market rents and vacancy rates for 2019, and growth expectations are also low going forward. Although cautious assumptions were used in the annual accounts for 2018, these have been further adjusted based on Abacus' report, which was not available in the preparation of the 2018 financial statements. See note 3 for a summary of the period's changes.

Intangible assets now include use of right for the head office premises. See Note 1 for a description of the transition to IFRS 16 Leasing.

Exploration and evaluation assets totalled SEK 209,995 thousand. The change compared to the annual accounts for 2018 consists of investments of SEK 1,888 thousand and translation and revaluation effects of SEK 3,956 thousand. See Note 4 for a summary of the changes.

Due to the uncertainty of the Angolan currency, the Angolan subsidiary invested further 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.

Deferred tax asset of SEK 9 thousand is referring to the fact that the head office premises since 1 January 2019 is reported in accordance with IFRS 16 Leases and is accounted for as use-of-rights-assets (intangible asset) and leasing liabilities.

Current assets

Current assets, excluding cash and cash equivalents, have increased by a total of SEK 8,482 thousand and are mainly attributable to increased accounts receivables and interest receivables on ESI Angola Lda. For more information on the Group's receivable on ESI Angola Lda, see Note 5 Transactions with related parties.

Non-current liabilities

The total lease liability is divided into current and non-current parts. As from this quarter, there is no longer a non-current part, compared to previous year.

Deferred tax liabilities amounted to SEK 105,431 thousand and has increased by SEK 20,024 thousand compared to the annual accounts for 2018 and are attributable to surplus values in properties as well as to surplus values in exploration and evaluation assets. The increase since year-end 2018 relates to the change in property values and the fact that one of the properties (Maria) went from being leased to partly owned. Due to this, the Maria property is now included in the calculation of deferred tax.

Current liabilities

The Group's financial leasing liability now amounts to SEK 4,820 thousand, which is a decrease of SEK 44,550 thousand since the annual accounts 2018 (total leasing debt in 2018). The reason for the decrease is, as mentioned above in connection with the investment property, changes in leasing contracts. The decrease has affected both the leasing liability and the leasing asset, which is why the change did not affect the income statement.

Contract liabilities relate to services to tenants, invoiced in advance.

Condensed consolidated statement of changes in equity

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2019-03-31	2018-03-31	2018-12-31
Reported opening balance		811,900	874,364	874,364
Change in accounting policies, IFRS 16 Leases	1	-37	-	-
Adjusted opening balance		811,863	874,364	874,364
Net profit/loss for the period		-22,239	9,367	186,909
Other comprehensive income, net of tax		3,975	-42,419	-249,380
Comprehensive income for the period		-18,264	-33,052	-62,471
Issue expenses		-	7	7
Closing balance attributable to parent company shareholders		793,599	841,319	811,900

COMMENTS ON CHANGES IN EQUITY

During the first quarter of 2019, an adjustment of SEK -37 thousand has been made attributable to the fact that the head office's premises in Stockholm, since January 1 2019, are reported in accordance with IFRS 16 Leases. See more information on new accounting principles in Note 1.

Condensed consolidated statements of cash flows

ALL AMOUNTS IN SEK THOUSANDS	JAN-MARCH 2019	JAN-MARCH 2018	FULL YEAR 2018
Operating profit/loss before financial items	3,002	7,029	22,075
Adjustments for items not included in cash flow	491	45	-2,921
Interest received	1,323	-	1,936
Interest paid	-	-	-212
Tax paid	-	-	-
Cash flow from operating activities before change in working capital	4,816	7,074	20,878
Changes in working capital	-3,738	-15,272	-14,454
Cash flow from operating activities	1,078	-8,198	6,423
Capital expenditures on investment properties	-557	-786	-4,404
Capital expenditures on exploration and evaluation assets	-1,888	-1,248	-5,975
Capital expenditures on other fixed assets	-	-848	-848
Investments in financial assets (government bonds)	-6,014	-	-7,783
Cash flow from investing activities	-8,460	-2,882	-19,011
Payments for finance leases	-2,331	-2,016	-13,292
Cash flow from financing activities	-2,331	-2,016	-13,293
Cash flow for the period	-9,713	-13,095	-25,881
Cash and cash equivalents at start of period	57,659	102,183	102,183
Cash flow for the period	-9,713	-13,095	-25,881
Exchange losses on cash and cash equivalents	137	-8,402	-18,643
Cash and cash equivalents at end of period	48,083	80,686	57,659

COMMENTS ON CASH FLOWS

Cash flow from investing activities amounted to SEK -8,460 thousand (-2,882) during the first quarter of 2019 (2018) and is mainly attributable to the further investments in Angolan governmental bonds. Investments in investment properties and exploration and evaluation assets are still relatively low.

During the period, a total of SEK 2,331 thousand (-2,016) was paid in rent to landowners.

The exchange rate difference in cash and cash equivalents amounts to SEK 137 thousand, which, compared to the effects in 2018, indicates that the Angolan currency has begun to stabilize.

Consolidated key ratios

For definitions of key ratios, see pages 24-25.

QUARTERLY SUMMARY – GROUP

ALL AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED								
	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
EARNINGS								
Rental and service revenues	13,046	18,713	18,260	19,060	20,599	24,757	27,392	30,618
Other operating income	407	172	-134	146	30	2	54	687
Operating profit/loss	3,002	4,248	5,468	5,329	7,029	21,208	12,689	-157,455
Operating profit/loss before items affecting comparability	3,002	4,248	5,468	5,329	7,029	21,208	12,689	17,131
Net profit/loss for the period after tax	-22,239	16,981	-3,759	164,320	9,367	8,077	52,281	-155,640
PROPERTY-RELATED KEY RATIOS								
Rental revenues	8,956	13,128	13,050	14,163	13,007	14,845	15,764	18,419
Service revenues	4,090	5,585	5,211	4,897	7,592	9,912	11,628	12,199
Property-related expenses	-3,611	-7,920	-5,082	-4,893	-5,987	6,952	-8,580	-11,913
Operating net	9,435	10,793	13,178	14,167	14,612	31,709	18,812	18,705
Operating surplus, property portfolio, %	72%	58%	72%	74%	71%	128%	69%	61%
Revenue backlog	61,594	51,222	64,347	*	*	*	*	*
Rent backlog	43,044	32,646	44,911	*	*	*	*	*
Contracted annual rental and service revenues	30,040	78,865	78,918	*	*	*	*	*
Contracted annual rental revenues	45,822	60,374	60,368	*	*	*	*	*
FINANCIAL KEY RATIOS								
EBITDA	3,208	4,249	5,583	5,442	7,074	21,242	12,697	-157,455
Adjusted EBITDA	3,208	4,249	5,583	5,442	7,074	21,242	12,697	17,131
EBITDA margin, %	24%	22%	31%	28%	17%	86%	46%	neg.
Adjusted EBITDA margin, %	24%	22%	31%	28%	17%	86%	46%	55%
RATIOS PER SHARE								
Basic and diluted shares outstanding, thousand	477,315	477,315	477,315	477,315	477,315	477,315	445,815	445,815
Average number of shares, thousand	477,315	477,315	477,315	477,315	477,315	450,266	445,815	354,285
Diluted earnings per share, SEK	-0,05	0.04	-0.01	0.34	0.02	0.02	0.12	-0.43
EMPLOYEES								
Average number of employees	18,0	17,0	17,0	17,0	16,0	15,0	17,0	15,0

FULL-YEAR SUMMARY – GROUP

ALL AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED	Q1 2019	FULL YEAR 2018	FULL YEAR 2017	FULL YEAR 2016
EARNINGS				
Rental and service revenues	13,046	76,633	110,483	150,161
Other operating income	407	214	811	-
Operating profit/loss	3,002	22,075	-105,254	99,191
Operating profit/loss before items affecting comparability	3,002	22,075	69,332	99,191
Net profit/loss for the period, after tax	-22,239	186,909	-67,275	32,808
PROPERTY-RELATED KEY RATIOS				
Rental revenues	8,956	53,349	67,160	99,332
Service revenues	4,090	23,284	43,323	50,829
Property-related expenses	-3,611	-23,883	-21,089	-39,436
Operating net	9,435	52,750	89,394	110,725
Operating surplus, property portfolio, %	72%	69%	81%	74%
Revenue backlog	61,594	51,222	*	*
Rent backlog	43,044	32,646	*	*
Contracted annual rental and service revenues	30,040	78,865	*	*
Contracted annual rental revenues	45,822	60,374	*	*
Area occupancy rate, %	45%	55%	73%	87%
Economic occupancy rate, %	27%	44%	*	*
WAULT rent and service, months	15.6	6.7	14.3	*
Market value of portfolio	597,730	603,703	618,344	631,108
Leasable area, thousands of square meters	40.1	31.7	40.1	30.2
Number of properties at end of period	16.0	16.0	16.0	19
FINANCIAL KEY RATIOS				
Return on equity (ROE), %	neg.	22%	neg.	7%
Return on assets (ROA), %	neg.	18%	neg.	5%
EBITDA	3,208	22,348	-105,212	99,191
Adjusted EBITDA	3,208	22,348	69,374	99,191
EBITDA margin, %	23.85	19%	neg.	66%
Adjusted EBITDA margin, %	24%	19%	62%	66%
Equity/assets ratio, %	84%	83%	82%	72%
RATIOS PER SHARE				
Basic and diluted shares outstanding, thousand	477,315	477,315	477,315	353,268
Average number of basic and diluted shares, thousands	477,315	477,315	401,297	353,268
Basic and diluted earnings per share, SEK	-0.05	0.39	-0.17	0.09
Equity per share, SEK	1.66	1.70	1.83	1.64
EMPLOYEES				
Average number of employees	18.0	16.8	15.5	15.00

*From 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.

Parent Company

The Parent Company's revenue for the first quarter of 2019 (2018) amounted to SEK 3,123 thousand (2,009). Revenue related to re-invoicing of costs of SEK 1,162 thousand and management fees of SEK 1,961 thousand to subsidiaries.

Other external expenses of SEK -2,616 (3,590) thousand decreased slightly from previous year. The decrease is partly attributable to lower consulting costs. More consultants were hired last year for accounting and business development and in order to temporary replace an employment in the Parent company during a parental leave.

Employee benefit expenses increased by 18 per cent compared to the comparative period 2018. This is due to both a new employment in July 2018 and that personnel costs were slightly lower than normal in the first quarter of 2018 due to a parental leave in the Parent Company.

There were 5 persons (3) employed by the Parent Company at the end of the year.

INCOME STATEMENT – PARENT COMPANY

ALL AMOUNTS IN SEK THOUSANDS	NOTE	JAN-MARCH 2019	JAN-MARCH 2018	FULL YEAR 2018
Revenue	5	3,123	2,009	10,545
Other operating income		23	22	31
Other external costs		-2,616	-3,590	-17,432
Employee benefit expenses		-1,812	-1,533	-5,821
Depreciation/amortisation		-9	-9	-36
Other operating expenses		-94	-58	-149
Operating profit/loss		-1,385	-3,160	-12,862
Interest income and similar items		530	258	1,596
Interest income, intercompany	5	997	758	3,274
Interest expenses and similar items		-16	-	-120
Earnings before tax		126	-2,145	-8,112
Tax		-	-	-
Net profit/loss for the period		126	-2,145	-8,112

CONDENSED BALANCE SHEET – PARENT COMPANY

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2019-03-31	2018-03-31	2018-12-31
ASSETS				
Non-current assets				
Participations in Group companies		1,385,798	1,384,498	1,385,798
Intangible assets		45	81	54
Receivables from Group companies		-	-	213,060
Total non-current assets		218,779	187,287	1,598,912
Current assets				
Receivables from Group companies		2,837	14,131	2,911
Current receivables		4,868	286	901
Cash and bank balances		14,209	45,152	22,648
Total current assets		21,913	59,570	26,460
TOTAL ASSETS		1,626,535	1,631,435	1,625,372
EQUITY AND LIABILITIES				
Total equity		1,618,565	1,624,408	1,618,440
Current liabilities				
Other current liabilities		7,971	7,027	6,932
Total current liabilities		7,971	7,027	6,932
TOTAL EQUITY AND LIABILITIES		1,626,535	1,631,435	1,625,372

CONDENSED STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2019-03-31	2018-03-31	2018-12-31
Opening equity		1,618,440	1,626,545	1,626,545
Net profit/loss for the period		126	-2,145	-8,112
Other comprehensive income for the period		-	-	-
Comprehensive income for the period		126	-2,145	-8,112
Issue expenses		-	7	7
Total equity		1,618,440	1,618,440	1,618,440

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 18: 13 linked to the operations in Angola and five 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 2018 Annual Report. During the first quarter 2019 and until this interim report is released, no decisive changes to significant risks or uncertainties have occurred compared to that stated in the annual report.

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 2018 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 2018 financial year and as described in the 2018 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 2018 Annual Report.

ADDITIONAL ACCOUNTING POLICIES IN 2019

New standards that came into force in 2019

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 has applied the standard from 1 January 2019 according to a simplified transition approach, which means that comparative figures are not restated and the whole effect is accounted for in equity. The adjustment of the opening balance for equity amounts to SEK -37 thousand.

For a summary of the standard and transition effects, see the 2018 Annual report, note 2 Accounting policies and note 34 Effects of changed accounting policies as of 1 January 2019.

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.

Regarding accounting principles and risks linked to these revenues, see the Annual Report 2018.

REVENUE CATEGORIES, AMOUNTS IN SEK THOUSANDS	Energy	Asset Development and Management	Other and eliminations	Total
	Q1 2019	Q1 2019	Q1 2019	Q1 2019
Rental revenue	-	8,956	-	8,956
Service revenue	-	4,090	-	4,090
Other revenue	-4	482	-71	407
Total revenue	-4	13,528	-71	13,453
Of which revenue from contracts with customers, subject to IFRS 15	-	4,090	-	4,090

REVENUE CATEGORIES, AMOUNTS IN SEK THOUSANDS	Energy Q1 2018	Asset Development and Management Q1 2018	Other and eliminations Q1 2018	Total Q1 2018
Rental revenue	-	13,007	-	13,007
Service revenue	-	7,592	-	7,592
Other revenue	7	-	23	30
Total revenue	7	20,599	23	20,629
Of which revenue from contracts with customers, subject to IFRS 15	-	7,592	-	7,592

3 INVESTMENT PROPERTY

Changes in carrying amount:

GROUP, ALL AMOUNTS IN SEK THOUSANDS	JAN-MAR 2019	JAN-MAR 2018	FULL YEAR 2018
Opening carrying amount	653,073	720,597	720,597
+ Capital expenditures for the period	557	786	4,404
+ Acquisitions for the period	-	-	-
- Disposals for the period	-	-	-
+/- Unrealised changes in value	-27,428	-16,516	-70,257
+/- Change leasing liability	-2,634	-2,016	-12,354
Changes in leasing contracts, no effect on result	-42,475	-	-
+/- Exchange rate effects*	20,992	-11,339	10,683
Closing carrying amount	602,086	691,512	653,073

The investment properties have been appraised internally as per 31 March 2019. 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	JAN-MAR 2019	JAN-MAR 2018	FULL YEAR 2018
Fair value, investment properties	597,730	613,092	603,703
Reversal of lease liabilities recognised as lease liabilities	4,355	78,421	49,370
Carrying amount at end of reporting period	602,085	691,512	653,073

4 EXPLORATION AND EVALUATION ASSETS

Changes in carrying amount:

GROUP, ALL AMOUNTS IN SEK THOUSANDS	JAN-MAR 2019	JAN-MAR 2018	FULL YEAR 2018
Opening carrying amount	204,151	188,888	188,888
Capital expenditures for the period	1,888	1,248	5,975
Translation and revaluation effects	3,956	1,608	9,288
Closing accumulated cost of acquisition	209,995	191,744	204,151

5 TRANSACTIONS WITH RELATED PARTIES

PURCHASES AND SALES WITHIN THE GROUP

Of the Parent Company's revenue for the January-March 2019 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.

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 addition to these ongoing purchases of services, Crown Energy has a receivable from ESI Angola Lda, which is attributable to the acquisition of the Angolan business in 2017. At 31 March 2019, this receivable amounted to the equivalent of SEK 28,703 thousand and carries a market interest rate.

INVOICED SERVICES	Total invoiced, Q1 2019	Total invoiced, Q1 2019, SEK*
Peter Mikkelsen	GBP 2,375	28,363
Simco Petroleum Ltd	USD 20,040	182,913
Betco Trading Services International Limited	USD 84,000	874,712
ESI Angola Lda	AOA 154,214,820	4,493,182

*Based on average exchange rate during the period January-March 2019.

6 OPERATING SEGMENTS

OPERATING SEGMENTS, SEK THOUSANDS	Energy Q1 2019	Asset Development and Management Q1 2019	Other and eliminations Q1 2019	Total Q1 2019
Revenue	-4	13,528	-71	13,453
Operating expenses	-359	-6,822	-3,269	-10,450
Operating profit/loss	-364	6,707	-3,341	3,002
Net financial items	1,996	21,613	586	24,194
Profit/loss before tax and changes in value	1,632	28,320	-2,755	27,196
Changes in value				
Property, unrealised	-	-30,061	-	-30,061
Earnings before tax	1,632	-1,742	-2,755	-2,865
Income tax	-	100	-	100
Deferred tax	-	-19,474	0	-19,474
Net profit/loss for the period	1,632	-21,115	-2,756	-22,239
Non-current assets at end of period	209,995	616,561	625	827,181

OPERATING SEGMENTS, SEK THOUSANDS	Energy Q1 2018	Asset Development and Management Q1 2018	Other and eliminations Q1 2018	Total Q1 2018
Revenue	7	20,599	22	20,629
Operating expenses	-78	-9,395	-4,128	-13,599
Operating profit/loss	-71	11,204	-4,105	7,029
Net financial items	734	52,884	179	53,797
Profit/loss before tax and changes in value	663	64,088	-3,926	60,825
Changes in value:				
Property, unrealised	-	-18,538	-	-18,538
Earnings before tax	663	45,550	-3,926	42,287
Income tax	-	-2,140	-	-2,140
Deferred tax	-	-30,779	-	-30,779
Net profit/loss for the period	663	12,630	-3,926	9,366
Non-current assets at end of period	191,744	692,629	81	884,454

7 EVENTS AFTER THE END OF THE REPORTING PERIOD

On 30 April 2019 Crown Energy concluded an agreement for the sale of the C-View property in Angola. Buyer is the Angolan State via the Ministry of Finance. The total expected cash flow (undiscounted) is corresponding to SEK 575 237 thousand after transaction costs and before tax and inflation compensation, and is payable over three years in a total of six equal semi-annual instalments.

The transaction is made in Angolan kwanza and the payments will be adjusted with an official inflation rate. The inflation compensation will be determined before the last instalment. The yearly expected instalments generate a positive cash-flow corresponding to an amount of SEK 191 746 thousand in local currency, with start during 2019.

The Angolan ministry of finance will gain title of the property year three (3) after having paid the full purchase price. Economic control is transferred to the buyer already after the second instalment, which is expected in December 2019.

C-View will, up until the economic control is transferred to the buyer, continue to be managed by Crown Energy, which means that it will be classified as an asset held for sale from 30 April 2018. The asset will continue to be valued at fair value and any changes in value from 31 March 2019 will be accounted for as unrealised changes of value in the second quarter of 2019. Any realised results will arise after the economic control is transferred to the buyer and C-View is derecognised as an asset in the balance sheet.

The agreement is legally binding as 30 April 2019, and will now go through a formal regulatory registration process within Ministry of Finance in Angola. This process is expected to be finalised within one month from signing date.

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, 9 May 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

This information constitutes such information as Crown Energy AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication on 9 May 2019 at the time stated by Crown Energy's news distributor Cision at the publication of this information.

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 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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