

INTERIM REPORT JANUARY-SEPTEMBER



THIRD QUARTER – JULY-SEPTEMBER 2019

- ▶ Revenue amounted to SEK 13,327 thousand (18,260).
- ▶ Operating profit amounted to SEK 2,528 thousand (5,468).
- ▶ Net financial items amounted to SEK 27,361 thousand (21,546).
- ▶ Unrealised changes in property values amounted to SEK 796 thousand (-2,957).
- ▶ Profit before tax amounted to SEK 30,686 thousand (24,057), and profit after tax amounted to SEK 28,569 thousand (-3,759), corresponding to SEK 0.06 (-0.01) per share.

NINE MONTH PERIOD – JANUARY-SEPTEMBER 2019

- ▶ Revenue amounted to SEK 38,865 thousand (57,920).
- ▶ Operating profit amounted to SEK 7,392 thousand (17,827).
- ▶ Net financial items amounted to SEK 66,982 thousand (279,674).
- ▶ Unrealised changes in property values amounted to SEK 104,709 thousand (-49,329), of which SEK 141,877 thousand (0) relates to unrealised changes in value of property assets held for sale.
- ▶ Profit before tax amounted to SEK 179,083 thousand (248,173), and profit after tax amounted SEK 114,902 thousand (169,928), corresponding to SEK 0.24 (0.36) per share.

KEY EVENTS DURING REPORTING PERIOD JANUARY-SEPTEMBER 2019

- ▶ 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 property is to be paid over three years in a total of six equal instalments.

The property is accounted for as an asset held for sale up until the ownership is transferred to the buyer. As per 30 September 2019, the asset is valued at fair value, which equals to the agreed purchase price, discounted over the payment period of three years. The fair value, at the end of the reporting period, amounts to corresponding SEK 514,922 thousand.

EVENTS AFTER THE END OF THE REPORTING PERIOD

- ▶ During October and November 2019, the Angolan currency kwanza depreciated, following a relatively stable first nine months 2019. At the time of the publishing of this report, the kwanza has depreciated by approx. 31 per cent since 30 September against the Swedish krona. This will likely have a significant impact on the Group's earnings and financial position during the fourth quarter. Revenues and property valuations (including the C-View asset held for sale) will be adversely affected. In addition, we expect positive effects within the financial items due to exchange rate differences.

As the currency situation has been volatile in Angola the past three years, Crown Energy has taken preventive measures in order to reduce the currency risks. For example, cash in local currency is deposited in USD indexed governmental bonds and in accordance with the sale contract for C-View the transaction has an inflation adjustment. Additionally, some rental contracts are indexed towards the USD.

Crown Energy will closely follow this development during the fourth quarter and will return with information once we are able to assess the effects in more detail.

CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Group All amounts in SEK thousands	JUL-SEP 2019	JUL-SEP 2018	JAN- SEP 2019	JAN- SEP 2018	FULL YEAR 2018
Operating income	14,016	18,260	40,334	57,962	76,847
Operating expenses	-11,487	-12,791	-32,942	-40,135	-54,772
Operating profit/loss	2,528	5,468	7,392	17,827	22,075
Net financial items	27,361	21,546	66,982	279,674	324,569
Net profit/loss for the period. after tax	28,569	-3,759	114,902	169,928	186,909
Earnings per share	0.06	-0.01	0.24	0.36	0.39
Equity per share	1.78	1.79	1.78	1.73	1.70
Change in cash and cash equivalents	4,597	-8,780	-19,828	-30,990	-44,524

CEO statement

DEAR SHAREHOLDERS AND INVESTORS,

During the period, Crown Energy has continued the efforts to generate new business. In order for these businesses to develop and for us to inform the market about this, it is required that some external factors are fulfilled. We have several tenders out there which decisionmakers at potential clients will need to take a position on and in some cases also require board approvals. The lead times are long and before we can communicate further about these processes, we can only consider ones where both parties have taken final decisions.

Since we announced the sale of the C-View property in Angola at the end of April this year, we are awaiting payment from the buyer (who is the Angolan state, via the Ministry of Finance). Some bureaucracy and registrations have since then been cleared, and therefore the first payment, in accordance with the agreement with the Angolan state, of the total six payments over three years for the property will be due shortly. At the time of publication of this report, however, we await receipt of the first payment, and will be providing further updates on this.

Within the Asset Development and Management business, as previously advised, our business development team has a number of potential projects in pipeline. As of yet, our work has not reached a status that can be communicated to the market, partly due to the counterparties' requirements for confidentiality, and partly due to the negotiation process itself.

In May, we published information that we are holding meetings with investors regarding interest-bearing instruments. As a result of the delays, mentioned above, with processes that are important to the Company, we have decided, in consultation with our financial advisor ABG Sundal Collier, to await, inter alia, receipt of the first payment for the property C-View, before continuing this exploration of the investor market.

However, the situation has been relatively stable in the energy market as a whole and we continue to have a positive outlook for new business and thus to substantial growth for the Company.

Our property operations have continued with relatively unchanged scope and earnings, when compared to the previous reporting period. After the reporting period, though, the Angolan currency kwanza has sharply fallen in value against the Swedish krona, which of course will have effects on the financial reporting in the coming reporting period. The revenues will be adversely affected, as we, so far, only have revenues from operations in Angola. In return, the depreciation will have positive effects on the net financial items. Furthermore, it is also important to mention two measures taken which affect and counteract the effects of kwanza devaluation. First, we are actively working to place cash in local currency in interest-bearing government securities, indexed to the US dollar, which actively balance negative effects. The other measure taken is in our contract regarding the sale of the property C-View, where the contract contains a clause on compensation for inflation over the payment period. This means that when we submit the final invoice, we adjust for registered inflation over the entire payment period of three years, which should provide good protection against the negative development of the local currency.

We have not disclosed anything concrete about our oil and gas projects during the period, but with a relatively stable price of crude oil, which has fluctuated around USD 60 per barrel during the quarter and until today, the market can definitely continue to be stimulated for new investments. During the next reporting period, our exploration license in Madagascar will be subject to review in accordance with the licence rights terms. Depending on whether the authorities intend to give Crown Energy a continued period to try to find a partner for the license, we will see how this asset could continue to be managed by us. Taking a longer-term perspective, there is the risk that we will face increased demands from the Madagascar authority, and we will have to decide on whether such requirements are financially justifiable for us to meet and continue to invest in the license.

BUSINESS DECISIONS THAT AFFECTED THE COMPANY'S PERFORMANCE

Crown Energy's development plan included the sale of a larger asset, which in turn would contribute to release capital for future investments in Asset Development and Management business. This is now achieved with the sale of the C-View property. A great deal of work is invested to establish Crown Energy's Asset Development concept in new markets, primarily through new customer sales.

OUTLOOK

We are now continuing our development towards a larger and more stable foundation to stand on. We will utilize our international contacts within both the oil industry and other industries to develop business in new and existing markets and future cash flows are planned to ensure faster development of our existing assets.

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

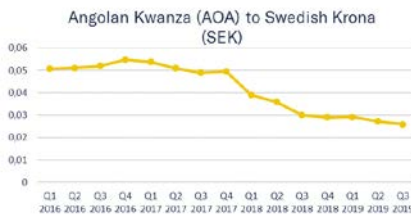
Andreas Forssell
CEO, Crown Energy

Asset Development and Management business area

15

Properties

19,623

Leasable area, sqm
(excl. C-View)

THE PROPERTY MARKET AND CURRENCY IN ANGOLA

During the first nine months, the Angolan currency ("AOA") was relatively stable compared to the same period last year, but devalued, despite this, further against the Swedish krona by -12.1 per cent. See the development, during the reporting period, of AOA against SEK in the diagram below to the left. Shortly after end of reporting period, AOA began to fall sharply depreciate against the Swedish Krona. When publishing this report, the kwanza had depreciated by approx. 31 per cent against the Swedish krona since 30 September 2019, and in total by approx. 47 per cent from January. The devaluation will have a significant impact on the Group's earnings and financial position. Crown Energy will closely follow this development during the fourth quarter.

Inflation in Angola amounted to approx. 11 per cent (13) between January-September (Source: Banco Nacional de Angola). Due to the above mentioned depreciation of the Angolan currency in the fourth quarter 2019, the inflation might be affected going forward.

After a decreasing demand, mainly for residentials, in 2017-2018, 2019 was expected to be a more stable year, as a result of among others, expected increased investments in the country (Source: Abacus / JLL Property Market Report Angola 2019). How the currency development during the fourth quarter will effect the property market remains to be seen.

SUMMARY OF PROPERTY-RELATED KEY RATIOS

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

ALL AMOUNTS IN SEK THOUSANDS	2019-09-30	2019-06-30
Revenue backlog, SEK thousand	37,829	43,795
Rent backlog, SEK thousand	31,460	34,504
Contracted annual rental and service revenues, SEK thousand	45,327	46,046
Contracted annual rental revenues, SEK thousand	33,711	30,782
Area occupancy rate (excl. C-View) %	74%	66%
Economic occupancy rate (excl. C-View), %	68%	59%
WAULT rent and service, months	11.2	13.5
Market value of portfolio (excl. C-View), SEK thousand	157,673	159,757
Market value C-View, SEK thousand	514,922	540,938



SEK 38 M

Revenue backlog

11 months

WAULT

74%

Area occupancy rate

COMMENTS ON PROPERTY-RELATED KEY RATIOS**Changes in the third quarter of 2019**

The company strives to maintain the existing customer base, while at the same time increasing the flexibility of the tenant and service agreements. Historically many agreements were signed for longer periods, but due to the current market situation in Angola, many are now instead renewed for shorter periods. These increases flexibility, but affects the company's revenue backlog negatively.

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

ALL AMOUNTS IN SEK THOUSANDS	REVENUE BACKLOG	RENT BACKLOG
Backlog at 30 June 2019	43,795	34,504
Changes in the third quarter 2019:		
Contracted revenue	-10,512	-7,396
New/extended contracts	5,338	4,873
Contracts terminated early	-555	-452
Exchange rate effects	-238	-70
Backlog at 30 September 2019	37,829	31,460

During the third quarter of 2019, 13 new contracts were signed during the quarter. Additionally, two leases were extended and two expired. Contracted rental value and service value of extended and new contracts amount to SEK 4,873 thousand and SEK 465 thousand, totalling SEK 5,338 thousand. Three contracts were terminated prematurely, which means that the revenue backlog decreased by a total of SEK 555 thousand. In total 77 lease agreements remain.

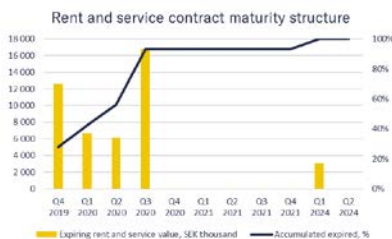
The distribution between USD and AOA contracts amounts to 39 and 61 per cent, respectively.

As a result of the changes in the rental contracts, the Company's WAULT has decreased since the second quarter 2019 from 13.5 to 11.2 months.

The area occupancy rate has increased during the third quarter from 66 to 74 per cent, excluding C-View where the current tenant contracts were terminated early. The average economic occupancy rate, excluding C-View has increased from the second quarter from 59 per cent to 68 per cent.

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 September 30, 2019. The value of the expiration in each period represents the respective expiring contract's annual rental and service revenue.

Crown Energy's view is that there is still low demand in the Luanda property market and that it is currently "the tenant's market". Although a couple of larger contracts expired without renewal during the first quarter, Crown Energy has continued to extend and renew contracts in recent quarters, which has resulted in that the occupancy rate has started to increase again. How recent exchange rate developments will affect rental levels and demand remains to be seen.



60-70
USD/bbl
Oil price in Q3 2019

4

Exploration licences

Energy business area

MARKET

The third quarter of 2019 has continued to be a positive period for the oil price, and the oil price has stayed over the last three months in the \$60's per barrel price range. The outlook of the industry also appears to continue to be positive.

The current level of the oil price, i.e. around 60-65 USD/bbl, continues to be supported by a combination of solid demand for crude across the world plus OPEC as well as non-OPEC producing countries maintaining the management of production at reasonable levels and by the efficient running of the industry as a whole. We have reported that investments in the oil and gas industry have been limited in recent years, but such investments are continuing to rise as oil prices remain fairly steady. 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 is also our partner in our South African Block 2B) making a discovery in offshore South Africa and now planning further seismic work and the drilling of further wells.

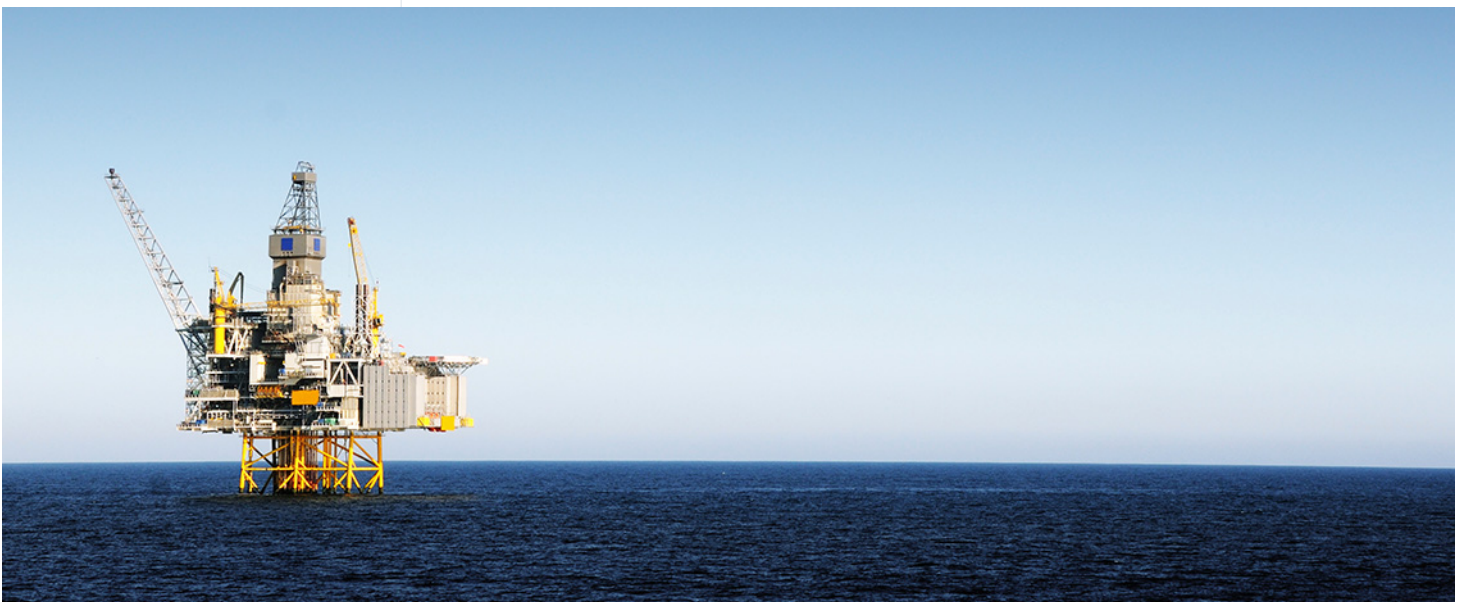
Up to the end of this reporting period, oil prices have once again remained in the 60's USD/bbl. Referencing to oil industry market publications, this appears to be a comfortable level for the industry. We continue to feel that the probability remains that oil prices will stay at this general level in the long term as global oil consumption does continue to carry on firmly. We also believe that there are indications now that activity is beginning to increase, which again shows positivity in the industry.

EXPLORATION PROJECTS

At present, the Company holds four exploration licenses, located in Iraq, South Africa, Equatorial Guinea and Madagascar. On Madagascar the current licence period comes to an end in mid-November 2019. Crown has applied to the authorities for a further extension and continues to assess the value of the licence. Crown will await feedback from the authorities before deciding on the best way forward for the Company, in relation to this licence. In the event the authorities do not approve the application of extension, the licence might be reclaimed by the authorities and this would mean that there is an impairment need of 100 per cent of the value of the asset. The value of the licence amounted, as per 30 September 2019, to SEK 101,154 thousand.

No other significant changes have occurred in Crown Energy's exploration projects during the reporting period.

For a detailed 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	JUL-SEP 2019	JUL- SEP 2018	JAN- SEP 2019	JAN- SEP 2018	FULL YEAR 2018
Revenue, of which		13,327	18,260	38,865	57,920	76,633
<i>Rental revenues</i>	2	9,407	13,050	26,860	40,220	53,349
<i>Service revenues</i>	2	3,920	5,211	12,005	17,699	23,284
Other operating income	2	689	-	1,469	42	214
Property-related expenses		-4,924	-5,082	-13,224	-15,963	-23,883
Other external costs		-4,020	-5,599	-11,396	-17,629	-21,919
Employee benefit expenses		-2,329	-1,802	-7,689	-6,128	-8,620
Depreciation		-214	-114	-633	-273	-273
Other operating expenses		-	-194	-	-142	-77
Operating profit/loss before effect of reverse acquisition		2,528	5,468	7,392	17,827	22,075
Financial income		34,337	24,044	74,340	379,191	425,060
Financial expenses		-6,975	-2,498	-7,358	-99,517	-100,491
Net financial items		27,361	21,546	66,982	279,674	324,569
Profit/loss before tax and changes in value		29,890	27,014	74,374	297,502	346,643
Changes in value, of which		796	-2,957	104,709	-49,329	-82,612
<i>Property, unrealised</i>	3	796	-2,957	-37,168	-49,329	-82,612
<i>Assets held for sale, unrealised</i>	7	-	-	141,877	-	-
Earnings before tax		30,686	24,057	179,083	248,173	264,032
Income tax		1,987	-2,942	3,112	-5,098	-4,874
Deferred tax		-4,103	-24,875	-67,293	-73,147	-72,249
Net profit/loss for the period		28,569	-3,759	114,902	169,928	186,909
Earnings per share and share related data						
Average number of basic and diluted shares, thousands		477,315	477,315	477,315	477,315	477,315
Basic and diluted earnings per share, SEK		0.06	-0.01	0.24	0.36	0.39

COMPREHENSIVE INCOME

ALL AMOUNTS IN SEK THOUSANDS	NOTE	JUL-SEP 2019	JUL-SEP 2018	JAN- SEP 2019	JAN- SEP 2018	FULL YEAR 2018
Net profit/loss for the period		28,569	-3,759	114,902	169,928	186,909
Other comprehensive income:						
Inflation adjustments, IAS 29		-3,358	-13,754	-4,265	-19,472	-6,857
Translation differences		-30,153	-11,258	-70,835	-198,147	-242,523
Total items that can be reclassified to profit or loss		-33,511	-25,012	-75,100	-217,619	-249,380
Other comprehensive income, net of tax		-33,511	-25,012	-75,100	-217,619	-249,380
Total comprehensive income for the year		-4,942	-28,771	39,802	-47,691	-62,471
Comprehensive income for the period attributable to Parent Company shareholders		-4,942	-28,771	39,802	-47,691	-62,471

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

During January-September (“the reporting period”), net sales amounted to SEK 38,865 thousand, compared to SEK 57,920 thousand for the same period last year, which is a decrease of 33 per cent. The decrease is due both to the general successive decline in the Angolan property market during 2018 and to the fact that the Angolan currency (AOA) lost in value sharply after the first quarter of 2018 and during the rest of the year.

Property costs for the reporting period amounted to SEK -13,224 thousand (-17,339). The decrease compared to last year amounts to 24 per cent and is connected with the decrease in revenues.

Other external costs totalled SEK -11,396 thousand (-17,629), which is a decrease of 35 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 25 per cent compared to the comparative period 2018, which is due to some personnel changes during 2018.

Net financial items

Net financial items during the reporting period amounted to SEK 66,982 thousand (279,674). The net exchange rate effects amount to SEK 68,239 thousand (278,126). As a result of that the Angolan currency has been relatively stable during the first nine months of the year, the exchange rate effects during the reporting period have been significantly lower compared to previous year.

Changes in value

Changes in value during the reporting period amount to SEK 104,709 thousand (-49,329) and include unrealised changes in investment property and property assets held for sale.

The changes in investment property are attributable to updates of the property valuations as at 30 September 2019. The effect from property assets held for sale derive from the fact that an agreement of a sale of the C-View property was signed during the second quarter and in connection with this the valuation was updated in accordance with the signed sales agreement. See comments on financial position for more information.

Tax

The deferred tax expense 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.

The positive income tax refers to an adjustment of previous year’s income tax in Angola.

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 1.062 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 4,760 thousand.

Other comprehensive income

Other comprehensive income includes translation differences of SEK -70,835 thousand (-198,147), 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 -4,265 thousand (-19,472).

Condensed consolidated statements of financial position

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2019-09-30	2018-09-30	2018-12-31
ASSETS				
Non-current assets				
Investment property	3	171,661	678,979	653,073
Property assets held for sale	7	514,922	-	-
Equipment, tools, fixtures and fittings		631	791	768
Intangible assets	4	325	63	54
Exploration and evaluation assets		221,468	201,230	204,151
Financial assets valued at amortised cost		16,735	-	7,672
Deferred tax asset	1	5	-	-
Total non-current assets		925,747	881,063	865,718
Current assets				
Trade receivables		19,279	23,282	23,655
Other receivables	5	31,387	28,315	29,341
Prepaid expenses and accrued income		16,502	660	4,066
Cash and cash equivalents		37,827	71,193	57,659
Total current assets		104,995	123,451	114,727
TOTAL ASSETS		1,030,742	1,004,513	980,446
EQUITY AND LIABILITIES				
EQUITY				
Total equity attributable to Parent Company shareholders	1	851,665	826,680	811,899
LIABILITIES				
Non-current liabilities				
Non-current lease liability		-	45,376	176
Deferred tax liabilities		139,905	88,550	85,407
Other provisions		3,736	3,752	3,272
Total non-current liabilities		143,641	137,678	88,855
Current liabilities				
Non-current lease liability		5,103	8,259	49,194
Accounts payable		9,552	5,545	6,131
Tax liabilities		-	5,206	3,905
Other current liabilities		7,603	5,683	4,555
Accrued expenses and deferred income		5,418	15,462	15,907
Contract liabilities		7,759	-	-
Total current liabilities		35,435	40,155	79,692
TOTAL EQUITY AND LIABILITIES		1,030,741	1,004,513	980,446

COMMENTS ON CONSOLIDATED FINANCIAL POSITION

Assets

The carrying amount of investment properties totalled SEK 171,661 thousand. Net change since year-end 2018 totalled SEK -481,412 thousand, of which SEK -435,767 thousand refers to a re-classification of C-View. (During the second quarter, the C-View property is re-classified from investment property to property assets held for sale, as a result of the sales agreement being signed during the period.) Unrealised changes in value in investment property amount to SEK -37,168 thousand during the period January-September. The valuations have been adjusted from year-end 2018 after Abacus published its market report in March 2019. The report showed lower expected market rents and vacancy rates for 2019. Also, growth expectations are reduced 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.

As mentioned above, the C-View property is classified (and separately reported) as a property asset held for sale. C-View is still reported at fair value, which corresponds to the agreed purchase price, discounted over the payment period of three years. Based on a discount rate of 7.75 per cent, the fair value amounts to AOA 19,853 million, which as per 30 September 2019 corresponds to a value of SEK 514,922 thousand. For more information about the sale and the accounting of the transaction, see note 7.

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 221,468 thousand. The change compared to the annual accounts for 2018 consists of investments of SEK 6,689 thousand and translation and revaluation effects of SEK 10,628 thousand. See Note 4 for a summary of the changes.

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

Liabilities

Deferred tax liabilities amounted to SEK 139,905 thousand and are attributable to surplus values in properties as well as to surplus values in exploration and evaluation assets. The deferred tax has increased by SEK 54,498 thousand compared to the year-end 2018 and the increase relates mainly to the fact that the C-View property was revalued during the second quarter of 2019. In addition to this, one of the properties (Maria) went in February 2019 from being leased to partly owned, which means that this property now is included in the calculation of the deferred tax.

The Group's leasing liability now amounts to SEK 5,103 thousand, of which SEK 4,942 thousand refers to leased investment property. The total leasing liability has decreased with SEK 44,267 thousand since the annual accounts 2018. The reason for the significant decrease is changes in leasing contracts in the beginning of 2019.

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

Condensed consolidated statement of changes in equity

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2019-09-30	2018-09-30	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		114,902	169,928	186,909
Other comprehensive income, net of tax		-75,100	-217,619	-249,380
Comprehensive income for the period		39,802	-47,691	-62,471
Issue expenses		-	7	7
Closing balance attributable to parent company shareholders		851,665	826,680	811,900

COMMENTS ON CHANGES IN EQUITY

During 2019, an adjustment of SEK -37 thousand has been made attributable to the fact that the head office's premises in Stockholm, since January 1st 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	JUL-SEP 2019	JUL-SEP 2018	JAN- SEP 2019	JAN- SEP 2018	FULL YEAR 2018
Operating profit/loss before financial items	2,528	5,468	7,392	17,827	22,075
Adjustments for items not included in cash flow	2,444	114	3,264	273	-2,921
Interest received	410	-360	2,093	1,942	1,936
Interest paid	-24	-141	-124	-228	-212
Tax paid	38	-	38	-	-
Cash flow from operating activities before change in working capital	5,396	5,081	12,662	19,814	20,878
Changes in working capital	-2,318	-4,525	-8,053	-15,196	-14,454
Cash flow from operating activities	3,078	556	4,610	4,617	6,423
Capital expenditures on investment properties	-1,439	104	-2,218	-3,587	-4,404
Capital expenditures on exploration and evaluation assets	-94	-1,697	-6,689	-4,485	-5,975
Capital expenditures on other fixed assets	1	-39	-10	-922	-848
Investments in financial assets (government bonds)	5,349	-	-8,116	-	-7,783
Cash flow from investing activities	3,817	-1,632	-17,033	-8,994	-19,011
Payments for finance leases	-815	-1,223	-4,069	-9,167	-13,292
Cash flow from financing activities	-815	-1,223	-4,069	-9,167	-13,293
Cash flow for the period	6,081	-2,298	-16,492	-13,544	-25,881
Cash and cash equivalents at start of period	33,234	79,973	57,659	102,183	102,183
Cash flow for the period	6,081	-2,298	-16,492	-13,544	-25,881
Exchange losses on cash and cash equivalents	-1,487	-6,481	-3,339	-17,446	-18,643
Cash and cash equivalents at end of period	37,828	71,193	37,828	71,193	57,659

COMMENTS ON CASH FLOWS

Cash flow from investing activities amounted during January-September to SEK -17,033 thousand (-8,994) 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 -4,069 thousand (-9,167) was paid in rent to landowners. The decrease refers to the fact that two properties since the beginning of 2019 are partially owned, which means that there are no lease expenses for these properties anymore.

The exchange rate difference in cash and cash equivalents amounts to SEK -3,339 thousand (-17,446), which, compared to the effects in 2018, indicates that the Angolan currency has been more stable during the period up until September 2019.

Consolidated key ratios

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

QUARTERLY SUMMARY – GROUP

ALL AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
EARNINGS								
Rental and service revenues	13,327	12,492	13,046	18,713	18,260	19,060	20,599	24,757
Other operating income	689	374	407	172	-134	146	30	2
Operating profit/loss	2,528	1,861	3,002	4,248	5,468	5,329	7,029	21,208
Net profit/loss for the period after tax	28,569	108,572	-22,239	16,981	-3,759	164,320	9,367	8,077
PROPERTY-RELATED KEY RATIOS								
Rental revenues	9,407	8,496	8,956	13,128	13,050	14,163	13,007	14,845
Service revenues	3,920	3,995	4,090	5,585	5,211	4,897	7,592	9,912
Property-related expenses	-4,924	-4,689	-3,611	-7,920	-5,082	-4,893	-5,987	6,952
Operating net	8,403	7,803	9,435	10,793	13,178	14,167	14,612	31,709
Operating surplus, property portfolio, %	63%	62%	72%	58%	72%	74%	71%	128%
Revenue backlog	37,829	43,795	61,594	51,222	64,347	*	*	*
Rent backlog	31,460	34,504	43,044	32,646	44,911	*	*	*
Contracted annual rental and service revenues	45,327	46,046	45,822	78,865	78,918	*	*	*
Contracted annual rental revenues	33,711	30,782	30,040	60,374	60,368	*	*	*
FINANCIAL KEY RATIOS								
EBITDA	2,742	2,075	3,208	4,249	5,583	5,442	7,074	21,242
EBITDA margin, %	20%	16%	24%	22%	31%	28%	34%	86%
RATIOS PER SHARE								
Basic and diluted shares outstanding, thousand	477,315	477,315	477,315	477,315	477,315	477,315	477,315	477,315
Average number of shares, thousand	477,315	477,315	477,315	477,315	477,315	477,315	477,315	450,266
Diluted earnings per share, SEK	0.06	0.23	-0.05	0.04	-0.01	0.34	0.02	0.02
EMPLOYEES								
Average number of employees	18.0	18.0	18.0	18.0	17.0	17.0	16.0	15.0

FULL-YEAR SUMMARY – GROUP

ALL AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED	JAN-SEP 2019	JAN-SEP 2018	FULL YEAR 2018	FULL YEAR 2017	FULL YEAR 2016
EARNINGS					
Rental and service revenues	38,865	57,920	76,633	110,483	150,161
Other operating income	1,469	42	214	811	-
Operating profit/loss	7,392	17,827	22,075	-105,254	99,191
Operating profit/loss before items affecting comparability	7,392	17,827	22,075	69,332	99,191
Net profit/loss for the period, after tax	114,902	169,928	186,909	-67,275	32,808
PROPERTY-RELATED KEY RATIOS					
Rental revenues	26,860	40,220	53,349	67,160	99,332
Service revenues	12,005	17,699	23,284	43,323	50,829
Property-related expenses	-13,224	-15,963	-23,883	-21,089	-39,436
Operating net	25,640	41,957	52,750	89,394	110,725
Operating surplus, property portfolio, %	66%	72%	69%	81%	74%
Revenue backlog	37,829	64,347	51,222	*	*
Rent backlog	31,460	44,911	32,646	*	*
Contracted annual rental and service revenues	45,327	78,918	78,865	*	*
Contracted annual rental revenues	33,711	60,368	60,374	*	*
Area occupancy rate, %***	74%	56%	55%	73%	87%
Economic occupancy rate, %***	68%	46%	44%	*	*
WAULT rent and service, months**	11.2	8.9	6.7	14.3	**
Market value of portfolio	166,719	625,335	603,703	618,344	631,108
Leasable area, thousands of square meters	20.0	31.7	31.7	40.1	30.2
Number of properties at end of period	15	16	16	16	19
FINANCIAL KEY RATIOS					
Return on equity (ROE), %	14%	20%	22%	neg.	7%
Return on assets (ROA), %	11%	17%	18%	neg.	5%
EBITDA	8,025	18,099	22,349	-105,212	99,191
Adjusted EBITDA	8,025	18,099	22,349	69,374	99,191
EBITDA margin, %	19%	31%	19%	neg.	66%
Adjusted EBITDA margin, %	19%	31%	19%	neg.	66%
Equity/assets ratio, %	83%	82%	83%	82%	72%
RATIOS PER SHARE					
Basic and diluted shares outstanding, thousand	477,315	477,315	477,315	477,315	353,268
Average number of basic and diluted shares, thousands	477,315	477,315	477,315	401,297	353,268
Basic and diluted earnings per share, SEK	0.24	0.36	0.39	-0.17	0.09
Equity per share, SEK	1.78	1.73	1.70	1.83	1.64
EMPLOYEES					
Average number of employees	18.0	16.7	16.8	15.5	15.0

*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.

**WAULT means a weighted average unexpired lease period. For periods before Q3 2018, the average remaining contract length is not weighted. Key ratio for 2016 has not been calculated.

*** For the period January-September 2019, the C-View property is not included in key ratios area/economic occupancy rate and leasable area.

Parent Company

The Parent Company's revenue for the period January-September 2019 amounted to SEK 7,471 thousand (7,559). Revenue related to re-invoicing of costs and management fees to subsidiaries.

Other external expenses of SEK -6,757 thousand (-12,208) 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 temporarily replace an employment in the Parent company during a parental leave.

Employee benefit expenses increased by 17 per cent compared to the same period 2018. This is due to both a new employment in July 2018 and that personnel costs were slightly lower than normal in 2018 due to above mentioned parental leave.

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

CONDENSED INCOME STATEMENT – PARENT COMPANY

ALL AMOUNTS IN SEK THOUSANDS	NOTE	JUL-SEP 2019	JUL-SEP 2018	JAN- SEP 2019	JAN- SEP 2018	FULL YEAR 2018
Revenue	5	1,578	3,280	7,471	7,559	10,545
Other operating income		108	6	202	29	31
Other external costs		-1,481	-4,143	-6,757	-12,208	-17,432
Employee benefit expenses		-1,467	-1,406	-5,073	-4,347	-5,821
Depreciation/amortisation		-9	-9	-27	-27	-36
Other operating expenses		-59	-39	-174	-115	-149
Operating profit/loss		-1,331	-2,311	-4,358	-9,110	-12,862
Interest income and similar items		933	-180	1,379	922	1,596
Interest income, intercompany	5	1,007	792	3,013	2,339	3,274
Interest expenses and similar items		-3	-40	-27	-90	-120
Earnings before tax		606	-1,739	8	-5,939	-8,112
Tax		-	-	-	-	-
Net profit/loss for the period		606	-1,739	8	-5,939	-8,112

CONDENSED BALANCE SHEET – PARENT COMPANY

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2019-09-30	2018-09-30	2018-12-31
ASSETS				
Non-current assets				
Participations in Group companies		1,385,798	1,384,498	1,385,798
Intangible assets		27	63	54
Receivables from Group companies		229,750	192,569	213,060
Total non-current assets		1,615,575	1,577,130	1,598,912
Current assets				
Receivables from Group companies		1,591	19,241	2,911
Current receivables		7,030	441	901
Cash and bank balances		2,196	31,886	22,648
Total current assets		10,816	51,567	26,460
TOTAL ASSETS		1,626,391	1,628,697	1,625,372
EQUITY AND LIABILITIES				
Total equity		1,618,447	1,620,614	1,618,440
Total current liabilities				
		7,945	8,082	6,932
Total liabilities		7,945	8,082	6,932
TOTAL EQUITY AND LIABILITIES		1,626,391	1,628,697	1,625,372

CONDENSED STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2019-09-30	2018-09-30	2018-12-31
Opening equity		1,618,440	1,626,545	1,626,545
Net profit/loss for the period		8	-5,939	-8,112
Other comprehensive income for the period		-	-	-
Comprehensive income for the period		8	-5,939	-8,112
Issue expenses		-	7	7
Total equity		1,618,448	1,620,614	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 nine-month period 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 came into force 1 January 2019, means that a leaseholder's previous operating leases are 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. The new standard has also resulted in that a deferred tax receivable of SEK 7 thousand is recognised.

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	Asset Development and Management Other and eliminations			Total JAN-SEP 2019
	Energy JAN-SEP 2019	Management JAN-SEP 2019	Other and eliminations JAN-SEP 2019	
Rental revenue	-	26,860	-	26,860
Service revenue	-	12,005	-	12,005
Other revenue	-	1,441	28	1,469
Total revenue	-	40,305	28	40,334
Of which revenue from contracts with customers, subject to IFRS 15	-	12,005	-	12,005

Note 2 Revenue categories (continued)

REVENUE CATEGORIES, AMOUNTS IN SEK THOUSANDS	Asset Development and Management and Other and eliminations				Total JAN- SEP 2018
	Energy JAN- SEP 2018	Management JAN-SEP 2018	and Other and eliminations JAN-SEP 2018		
Rental revenue	-	40,220	-	40,220	
Service revenue	-	17,699	-	17,699	
Other revenue	13	-	29	42	
Total revenue	13	57,920	29	57,962	
Of which revenue from contracts with customers, subject to IFRS 15	-	17,699	-	17,699	

3 INVESTMENT PROPERTY

Changes in carrying amount:

GROUP, ALL AMOUNTS IN SEK THOUSANDS	JUL-SEP 2019	JUL-SEP 2018	JAN-SEP 2019	JAN-SEP 2018	FULL YEAR 2018
Opening carrying amount	159,756	700,105	653,073	720,597	720,597
+ Capital expenditures for the period	1,121	13	1,899	3,665	4,404
+ Acquisitions for the period	-	-	-	-	-
- Disposals for the period	-	-	-	-	-
+/- Unrealised changes in value	1,519	-1,047	-33,108	-39,475	-70,257
+/- Change leasing liability	-723	-1,909	-4,059	-9,853	-12,354
Changes in leasing contracts, no effect on result	-	-	-43,052	-	-
Re-classification to property assets held for sale*	-	-	-435,767	-	-
+/- Exchange rate effects*	9,987	-18,183	32,675	4,045	10,683
Closing carrying amount	171,661	678,979	171,661	678,979	653,073

*Re-classification of property assets held for sale refers to C-View and the value corresponds the fair value in AOA, as per 31 March 2019 and translated into the closing balance rate as per the same date.

The valuation of the investment properties has been prepared internally as per 30 September 2019. Required returns were determined separately for housing and office premises and are set at 11.5 and 12.5 per cent respectively, before tax. The weighted average cost of capital (WACC) for the market (Luanda, Angola) was estimated at 17.7 per cent for the period, after 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-SEP 2019	JAN-SEP 2018	FULL YEAR 2018
Fair value, investment properties	166,719	625,344	603,703
Reversal of lease costs recognised as lease liabilities	4,942	53,635	49,370
Carrying amount at end of reporting period	171,661	678,979	653,073

4 EXPLORATION AND EVALUATION ASSETS

Changes in carrying amount:

GROUP, ALL AMOUNTS IN SEK THOUSANDS	JUL-SEP 2019	JUL-SEP 2018	JAN-SEP 2019	JAN-SEP 2018	FULL YEAR 2018
Opening carrying amount	214,559	200,828	204,151	188,888	188,888
Capital expenditures for the period	94	1,697	6,689	4,485	5,975
Translation and revaluation effects	6,815	-1,296	10,628	7,857	9,288
Closing accumulated cost of acquisition	221,468	201,230	221,468	201,230	204,151

5 TRANSACTIONS WITH RELATED PARTIES

PURCHASES AND SALES WITHIN THE GROUP

Of the Parent Company's revenue for the January-September 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.

Up until the first quarter of 2019, Crown Energy purchased 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 were 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 30 September 2019, this receivable amounted to the equivalent of SEK 30,319 thousand and carries a market interest rate.

INVOICED SERVICES	Total invoiced, JAN-SEP 2019	Total invoiced, JAN-SEP 2019, SEK*
Peter Mikkelsen	2,375 GBP	28,405
Simco Petroleum Ltd	20,040 USD	188,404
Betco Trading Services International Limited	252,000 USD	2,369,157
ESI Angola Lda	395,857,426 AOA	11,212,677

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

6 OPERATING SEGMENTS

OPERATING SEGMENTS, SEK THOUSANDS	Energy JUL-SEP 2019	Asset Development and Management JUL-SEP 2019	Other and eliminations JUL-SEP 2019	Total JUL-SEP 2019
Revenue	-53	14,021	48	14,015
Operating expenses	-504	-8,297	-2,686	-11,487
Operating profit/loss	-558	5,724	-2,638	2,528
Net financial items	3,556	22,905	901	27,361
Profit/loss before tax and changes in value	2,998	28,629	-1,737	29,890
Changes in value				
Property, unrealised	-	796	-	796
Earnings before tax	2,998	29,425	-1,737	30,686
Income tax	-	1,987	-	1,987
Deferred tax	-	-4,101	-2	-4,103
Net profit/loss for the period	2,998	27,310	-1,739	28,569
Non-current assets at end of period	221,468	703,949	330	925,747

OPERATING SEGMENTS, SEK THOUSANDS	Energy JUL-SEP 2018	Asset Development and Management JUL-SEP 2018	Other and eliminations JUL-SEP 2018	Total JUL-SEP 2018
Revenue	1	18,261	-135	18,126
Operating expenses	-298	-8,830	-3,530	-12,657
Operating profit/loss	-297	9,431	-3,664	5,468
Net financial items	-694	28,682	-6,443	21,546
Profit/loss before tax and changes in value	-991	38,113	-10,107	27,014
Changes in value:				
Property, unrealised	-	-2,957	-	-2,957
Earnings before tax	-991	35,156	-10,107	24,057
Income tax	-1	-357	-2,584	-2,942
Deferred tax	-	-24,876	-	-24,875
Net profit/loss for the period	-992	9,923	-12,691	-3,759
Non-current assets at end of period	201,230	679,770	63	881,063

Note 6 Operating segments (continued)

OPERATING SEGMENTS, SEK THOUSANDS	Energy JAN-SEP 2019	Asset Development and Management JAN-SEP 2019	Other and eliminations JAN-SEP 2019	Total JAN-SEP 2019
Revenue	-	40,305	28	40,333
Operating expenses	-749	-22,880	-9,313	-32,942
Operating profit/loss	-749	17,426	-9,284	7,392
Net financial items	5,386	60,269	1,327	66,982
Profit/loss before tax and changes in value	4,637	77,694	-7,956	74,374
Changes in value				
Property, unrealised	-	104,709	-	104,709
Earnings before tax	10,023	242,672	-6,629	179,083
Income tax	-	3,112	-	3,112
Deferred tax	-	-67,288	-5	-67,293
Net profit/loss for the period	10,023	178,496	-6,634	114,902
Non-current assets at end of period	221,468	703,949	330	925,747

OPERATING SEGMENTS, SEK THOUSANDS	Energy JAN-SEP 2018	Asset Development and Management JAN-SEP 2018	Other and eliminations JAN-SEP 2018	Total JAN-SEP 2018
Revenue	13	57,920	29	57,962
Operating expenses	-479	-26,883	-12,774	-40,135
Operating profit/loss	-466	31,037	-12,744	17,827
Net financial items	4,088	274,746	839	279,674
Profit/loss before tax and changes in value	3,622	305,783	-11,905	297,502
Changes in value				
Property, unrealised	-	-49,329	-	-49,329
Earnings before tax	3,622	256,454	-11,905	248,173
Income tax	-1	-5,984	887	-5,098
Deferred tax	-	-73,147	-	-73,147
Net profit/loss for the period	3,621	177,323	-11,018	169,928
Non-current assets at end of period	201,230	679,770	63	881,063

7 SALE OF THE C-VIEW PROPERTY**Background**

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 transaction is made in Angolan kwanza and will be paid over three years in a total of six equal semi-annual instalments. The payments will be adjusted with an official inflation rate. The inflation compensation will be determined before the last instalment.

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 after the second instalment.

Note 7 Sale of the C-View property (continued)

The agreement was during the summer subject to a formal regulatory registration process within the Ministry of Finance in Angola and this process was finalised in August 2019.

Due to the delay in the registration process, the first instalment has been delayed as well. At publication of this interim report, the first payment is still not received.

Accounting

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 (in accordance with IFRS 5) from 30 April 2019. The asset is valued at fair value (in accordance with IAS 40), which corresponds to the agreed purchase price, discounted over the repayment period of three years. Based on a discount rate of 7.75 per cent, this gives a fair value of AOA 19,853 million, which as per 30 September 2019 corresponds to SEK 514,922 thousand. Changes in SEK since 30 June 2019 is only referring to exchange rate differences.

During the second quarter, an unrealised result of SEK 141,877 thousand was accounted for due to the re-classification and re-valuation of the C-View property. This has not changed since then. Realised results will arise after the economic control is transferred to the buyer. When the economic control is transferred, C-View will be de-recognised as an asset held for sale and will instead be recognised as a receivable on the buyer.

Transaction costs will be accounted for as a part of the net realised result of the transaction, in connection with the transfer of the economic control.

As no advance payment from the buyer is done during the second quarter 2019, there is no contract liability.

Deferred tax liability has increased by SEK 40,152 thousand since March 2019, due to the changed valuation of the property.

8 EVENTS AFTER THE END OF THE REPORTING PERIOD

During October and November 2019, the Angolan currency kwanza depreciated, following a relatively stable first nine months 2019. At the time of the publishing of this report, the kwanza has depreciated by approx. 31 per cent since 30 September against the Swedish krona. This will likely have a significant impact on the Group's earnings and financial position during the fourth quarter. Revenues and property valuations (including the C-View asset held for sale) will be adversely affected. In addition, we expect positive effects within the financial items due to exchange rate differences.

As the currency situation has been volatile in Angola the past three years, Crown Energy has taken preventive measures in order to reduce the currency risks. For example, cash in local currency is deposited in USD indexed governmental bonds and in accordance with the sale contract for C-View the transaction has an inflation adjustment. Additionally, some rental contracts are indexed towards the USD.

Crown Energy will closely follow this development during the fourth quarter and will return with information once we are able to assess the effects in more detail.

No other significant events have occurred after the end of the reporting 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 Swedish interim report was reviewed by the Company's auditors. The English interim report is a translation of the Swedish Interim Report and was not reviewed by the auditors. See page 29 for a translation of the auditor's report.

Stockholm, 8 November 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 8 November 2019 at the time stated by Crown Energy's news distributor Cision at the publication of this information.

REPORTING DATES

▶ Year-End Report 2019	21 February 2020
▶ Annual Report 2019	31 March 2020
▶ Annual General Meeting 2020	28 April 2020
▶ Three-month report 2020	8 May 2020
▶ Half Year Report 2020	7 August 2020
▶ Nine-month report 2020	6 November 2020

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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ADDRESS

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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.

Auditor's report

Crown Energy AB (publ), reg no 556804-8598

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Crown Energy AB (publ) as of 30 September 2019 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm 8 November 2019

Öhrlings PricewaterhouseCoopers AB

Bo Lagerström
Authorized Public Accountant