

Crown Energy AB: Year-End Report January- December 2022

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FOURTH QUARTER – OCTOBER-DECEMBER 2022

- ▶ Revenue amounted to SEK 7,840 thousand (5,577).
- ▶ Exploration and evaluation impairment amounted to SEK 176,787 thousand (900).
- ▶ Operating loss amounted to SEK -184,341 thousand (-8,568).
- ▶ Net financial items amounted to SEK 62,082 thousand (28,542).
- ▶ Unrealised changes in property values amounted to SEK 3,670 thousand (13,536).
- ▶ Result before tax amounted to SEK -118,589 thousand (33,511) and result after tax amounted to SEK -107,213 thousand (33,616), corresponding to SEK -0.22 (0.07) per share.

FULL YEAR – JANUARY-DECEMBER 2022

- ▶ Revenue amounted to SEK 39,369 thousand (20,764).
- ▶ Exploration and evaluation impairment amounted to SEK 176,787 (6,091).
- ▶ Operating loss amounted to SEK -201,098 thousand (--27 089).
- ▶ Net financial items amounted to 163,555 thousand (21,589)
- ▶ Unrealised changes in property values amounted to SEK 19,921 (-32,596).
- ▶ Profit before tax amounted to SEK -17,622 thousand (-38,095), and profit after tax amounted to SEK 7,989 thousand (-30,592), corresponding to SEK -0.02 (-0.06) per share.

KEY EVENTS DURING REPORTING PERIOD JANUARY-DECEMBER 2022

- ▶ On March 3rd , Crown Energy announced that the joint venture Block 2B offshore in South Africa has signed an agreement for a semi-submersible rig, Island Innovator, to drill a well at Gazania-1 by October 2022.
- ▶ Crown Energy announced on April 21st and October 21st , that the second and the third instalment of USD 8 million has been credited to the Company's account in accordance with the agreement for the disposal of the majority of its oil and gas assets signed on October 20th 2021. The total amount received in accordance with the agreement since October 2021 amounts to USD 91 million.
- ▶ In September, the Company announced that the Island Innovator rig was mobilised and on its way to the drilling site at Gazania-1. In October, drilling activities did not encounter hydrocarbons in any commercial quantities and it was announced that the well was to be plugged and abandoned as planned.
- ▶ On November 29th, the Board of Crown Energy announced that it no longer believed it was beneficial to the Company from a commercial or environmental standpoint to try to renegotiate and continue with the Madagascar Licence, thus, the asset has been written down in Q4 2022. Additionally, the Board of Crown Energy has decided to impair the South Africa license in Q4 2022.
- ▶ During 2022, Crown Energy has initiated the execution of moving the Company into a new and more socially responsible direction, with the focus being on the medical technology industry and on improving its green footprint.

EVENTS AFTER THE REPORTING PERIOD

- ▶ On January 10th 2023, Crown entered a Letter of Intent to acquire 85% of a company group within the Medtech sector.
- ▶ On February 3rd, Crown successfully acquired 85% of SmarTee S.a.r.l., the parent holding company of AccYouRate Group which focuses on wearable

medical technologies, for a consideration of Euros 163 million of which Euros 75 million was paid upon signing.

CEO STATEMENT

DEAR SHAREHOLDERS AND INVESTORS,

First, I would like to draw your attention to the major change we have made in the corporate direction of Crown at the start of 2023, and so after the end of this reporting period. In January, we signed a Letter of Intent followed, at the beginning of February, by a Share and Purchase Agreement whereby we have acquired 85% of SmarTee S.a.r.l., a Luxembourg company which is the parent holding company of the Italian registered AccYouRate Group. The total acquisition price is Euros 163 million of which we have now paid Euros 75 million and with the balance payable in instalments of Euros 9 million every six months. The AccYouRate Group focuses on medical grade wearable technologies various patents focused of advanced and cutting-edge technologies in the wearable textiles, data gathering algorithms for data analyses and prediction of various medical conditions.

This is a very exciting step forward and a material change of direction for Crown into the rapidly expanding and socially responsible world of medical technologies. This is also indicating a solid starting point for further execution on our new vision to move Crown into more socially and environmentally sustainable businesses. I am truly proud to see that we now have started to transform our company for the benefit of both the planet and our shareholders. Our Board is now considering various options for Crown's new business and for our existing businesses. This will include a review of our current listing to ensure that Crown, now focusing on investing in high growth technologies, is strategically positioned to grow and create value for our shareholders going forward.

ASSET DEVELOPMENT AND MANAGEMENT

We have seen a gentle improvement in the market for office and residential rentals in 2022 in Angola. The increase in the price of oil as well as the growth in oil and gas related activities in the country have been important factors in firming up the market. The strengthening of the Kwana exchange rate has also been to our benefit.

Although price pressures do remain, we are seeing lower vacancy rates in our properties and expect demand to remain firm given the attractiveness of the locations of these properties.

ENERGY

During the year our focus has been to, in cooperation with our joint venture partners, drill the Gazania-1 well in Block 2B offshore South Africa. The drilling rig was mobilised and arrived from Norway in the late summer. Preparations went according to plan with some delays due to bad weather and drilling commenced in the first half of October.

Unfortunately, the outcome was not what our JV had expected, and no commercially viable amount of oil was found. The Joint Venture is still awaiting full advice and information on the well results and its plans for the Licence. Once received, we will, together with our partners, make an informed decision whether our involvement in this project should continue. Nevertheless, we would like to remind you that we were fully carried for the costs of the well. Though the result was disappointing, the financial costs and effects on Crown have been minimal.

On the Manja Licence in Block 3108 in Madagascar, as previously stated, we have decided not to renegotiate the licence as commercial rationales for Crown are not deemed sufficient. This is a direct result of the highly increased costs related to the project and the fact that we are moving away from projects that we believe have a negative environmental impact.

I am confident in the way Crown now operates our current business areas while moving into our new more sustainable business direction, and I am truly looking forward to continuing this journey and to make the most of what the future has to offer.

Please refer to our website for a Corporate Presentation on the AccYouRate Group.

Yoav Ben Eli
CEO, Crown Energy

This disclosure contains information that Crown Energy is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 28 February 2023 at 23:57 CET.

MORE INFORMATION

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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. For more information, please visit www.crownenergy.se