

Appendix: Further and more detailed information regarding the Company's property assets

This is an appendix to the press release which Crown Energy AB (publ) ("Crown Energy", "the Company") published on 9th November 2018. This appendix contains further and more detailed information about the company's Asset Development & Management business area. The financial information includes new key ratios which are not based on accounting principles, but that provide more in-depth information for the market about the company's service and property operations.

The wider scope of information does not affect the Company's financial earnings and does not imply any changes in accounting principles. Crown Energy considers that the information is relevant to the equities market and it is intended to facilitate a more effective and relevant assessment of the company's development. The information below includes indicators that are not defined in accordance with IFRS or other applicable financial reporting regulations. Some of the indicators are financial and covered by the European Securities and Markets Authority's (ESMA) guidelines on Alternative Performance Measures (APMs), while others are not covered by the ESMA's guidelines. The information does not contain any forecast.

CROWN ENERGY'S PROPERTY PORTFOLIO

At 30 September 2018, the portfolio comprises 16 property assets in Luanda, Angola. Three of the properties, corresponding to approximately 47 per cent of the leasable area, are wholly owned by Crown Energy. The remaining assets are held via leases (37 per cent) with landowners or via shared ownership (18 per cent).

Rent to landowners is based on revenue or is set at a fixed cost. In principle, the larger properties have revenue-based rent, which means that if the property is vacant, no rent is payable to the landowner. Based on area, revenue-based contracts account for 85 per cent of the total leased area.

Regarding one of the leased property assets, "Maria", Crown Energy will at 1 February 2018 receive, at no cost, a participating interest of 40 per cent of the property. Crown can then opt to continue with rental operations or divest its interest in the property. At 1 September 2018 Crown Energy received 20 per cent of the property "Anabela", in accordance with a similar agreement. The parties have

chosen to continue with the rental operation and the agreement regarding a revenue split has been extended. Crown Energy's assets encompass a leasable area of 31,683 square metres, approximately 60 per cent of which comprises residential units and 40 per cent offices. Roughly 44 per cent of the total leasable area is made up of wholly-owned properties, 18 per cent is made up of part-owned properties and 38 per cent is leased properties.

Crown Energy has in previously published information, presented the total area of the portfolio as amounting to 40,062 square metres. As of Q3 2018, only the leasable area will be presented.

The portfolio has a market value of SEK 625 million. Please see page 4 for more information about the market value.



Summary property assets

PROPERTY	LOCATION	CONSTRUCTION YEAR	LEASABLE AREA, M ²	PROPORTION APARTMENTS, M ²	PERCENTAGE OFFICES, %	NUMBER OF POTENTIAL TENANTS	END DATE, LEASED ASSET
OWNED PROPERTIES							
Manhattan	Luanda, ANG	2012	941	100%	0%	>1	n/a
Ponticelli	Luanda, ANG	2011	1,227	66%	29%	>1	n/a
C-View	Luanda, ANG	2016	12,060	21%	79%	>1	n/a
LEASED PROPERTIES WITH OWNER OPTION OR SHARED OWNERSHIP							
Anabela	Luanda, ANG	2007	2,343	100%	0%	>1	31/08/2020
Maria	Luanda, ANG	2009	3,461	31%	69%	1	31/01/2019
LEASED PROPERTIES							
Abel 1	Luanda, ANG	2008	1,698	100%	0%	1	21/04/2021
Park	Luanda, ANG	2011	3,092	100%	0%	1	01/08/2026
Soho	Luanda, ANG	2012	3,060	85%	15%	1	28/02/2027
Gabriela - GH	Luanda, ANG	2007	400	100%	0%	1	20/02/2019
Sergio - GH	Luanda, ANG	2008	400	100%	0%	1	31/12/2019
Carla - GH	Luanda, ANG	2008	1,200	100%	0%	1	31/03/2021
Natalia - GH	Luanda, ANG	2007	400	100%	0%	1	31/12/2019
Teresa - GH	Luanda, ANG	2006	350	100%	0%	1	30/04/2019
Linda - GH	Luanda, ANG	2004	350	100%	0%	1	31/12/2019
Filipe - GH	Luanda, ANG	2010	350	100%	0%	1	31/01/2019
Village 2	Luanda, ANG	2009	350	100%	0%	1	31/12/2019
			31,683	60%	40%		

RENTAL AND SERVICE AGREEMENTS

At 30 September 2018, Crown Energy's revenue in Angola was allocated across a total of 77 rental contracts and 62 service contracts. Signed rental and service contracts consist of both long- and short-term contracts and are regularly extended.

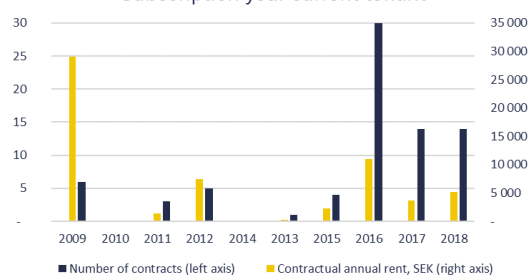
Crown Energy's tenants

Crown Energy's tenants include global and well-reputed companies operating in the oil and gas industry, Angola-based companies, embassies, international schools, etc. Companies in the oil industry account for 70 per cent of total rental and service revenue, and the five biggest tenants account for a total of 66 per cent, distributed among 16 rental contracts and 14 service contracts. Several of our larger tenants have renewed their contracts multiple times, and the contracts that generate the highest contracted annual rent include tenants who signed their initial contracts back in 2009. The graph on the right illustrates when existing contracts were initially signed, and the total contracted annual rent generated by these contracts.

Remaining contract periods

The length of a lease is largely affected by the fact that many of the company's tenants work on project-based assignments and are looking for operators offering flexible lease periods. Crown Energy believes that offering customers flexible lease terms leads to a lower vacancy rate taking the economic situation and prevailing market conditions in the country into account. During periods with

Subscription year current tenant



lower market rents, shorter lease periods are sought to increase opportunities for upward renegotiation when market rents rise.

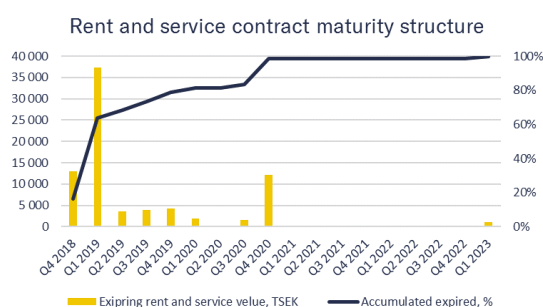
For example, the prevailing market conditions and currency risk in Angola have generally meant that shorter contracts have been agreed. The weighted average unexpired lease term (WAULT¹) amounted to barely 9 months at 30 September 2018. Under current market conditions in Angola, the company believes that a short WAULT is preferable to retain flexibility in contracts and thus reduce risks associated with currency and inflation. At present, short-term contracts also allow Crown Energy to directly monitor the market trend in Angola.

¹ For definitions see 'Key ratio definitions' on page 6

The graph below illustrates the value of contracts expiring and the accumulated value expires as projected at 30 September 2018. The graph shows the total annual value of the contracts expiring in the respective period.

The value is based on the respective contracts' annual rent and service revenues. As illustrated, in value terms, a large proportion of the company's contracts expire over the next two quarters. This is largely due to leases having been signed for shorter periods in connection with the operations being incorporated in the new company YBE Imobiliária Lda in June 2017, and the fact that it is these leases that are now expiring. Historically, the company's tenants have signed up for new or extended their leases and the company expects most current tenants to extend on this basis, based on past behaviour. (See page 2 for graph for subscription year for current tenants.)

The average term for a signed lease amounts currently to roughly one year for the entire property portfolio. In general, larger contracts in terms of area and rent have been signed for somewhat longer periods – between two and three years – while smaller contracts are renewed one year at a time.



Occupancy rate

The average area occupancy rate¹ in the property portfolio was 56 per cent at 30 September 2018. The occupancy rate is largely affected by the fact that only 6 per cent of the C-View property, which represents 38 per cent of total leasable area, are leased. The average area occupancy rate in the property portfolio, excluding C-View, is 86 per cent. The first lease for C-View was signed in autumn 2017 and in the first quarter of 2018 a further two new leases were signed at a total annual value of around SEK 1,700 thousand.

The letting of C-View is a top priority for Crown Energy and active efforts are under way on the letting side. The goal is to fill the property with a few larger, quality tenants. The company expects this property to be gradually filled, as the building needs to be customised to the needs of tenants.

The economic occupancy rate¹ indicates rental income in relation to the total value of possible vacant area, and at 30 September 2018 amounted to 46 per cent for the property portfolio. As with the area occupancy rate, this key ratio is affected considerably by C-View. The economic occupancy rate for the portfolio, excluding C-View, is 81 per cent.

RENTAL AND SERVICE REVENUES

In addition to rental revenue, Crown Energy's revenue is derived from charges for property services and value-adding services such as cleaning, security, catering, etc. In

the financial reporting, service revenues have historically accounted for roughly 35 per cent of total revenues from the property portfolio. Based on the remaining contracts the services income represents 25 per cent of total contractual income.

The property portfolio's net operating income at 30 September 2018 (2017), i.e. rental and service revenues after direct property expenses, totals SEK 41,956 (57,685) thousand, corresponding to 72 (67) per cent.

Rent and Revenue backlog

Based on relevant contracts at 30 September 2018, revenue backlog¹, i.e. total contracted rental and service revenues on existing contracts up to expiry, amounted to SEK 64,347 thousand.

Rent backlog¹, i.e. contracted rental revenues on existing contracts up to expiry, amount to SEK 44,911 thousand at 30 September 2018.

Revenue backlog and rent backlog are performance indicators at a given point in time, in this case at 30 September 2018, and are converted into SEK from local currency Kwana (AOA) and USD. Currency conversion is carried out at the closing rate of exchange at 30 September 2018. Both key ratios will therefore be updated continually as new customer agreements are signed or renegotiated. The key ratios are also affected by exchange rate fluctuations.

Vacant area and market rents

At 30 September 2018, the total vacant area for offices and residential assets amounts to 8,807 and 5,267 square meters respectively. All vacant office spaces are located in the C-View property in Talatona District. According to external market data (Source: Abacus/JLL- Market Report 2018 Angola) the current market rent for the new buildings in the area fluctuates in the interval of 70-75 USD/sqm. Unleased residential areas in C-view amount to 2,545 square meters. Unleased residential areas in C-view amounts to 2,545 square meters and the market rent for new residential areas in Talatona is in the range of 34-53 USD per square metre. The market rent for residential space in other areas where the Group has its properties, amounts to the same source to 38-57 USD per square metre.

Rental and service value

The rental value of the portfolio¹, i.e. annual contractual rents, plus estimated market rent for unleased premises, amounts as per 30 September 2018 to SEK 132,295 thousands. The key ratio shows how a yearly rent could look under full occupancy. It should be noted that this key ratio includes relatively high estimates due to C-View, as this property only has a occupancy rate of 6 per cent currently.

As Crown Energy's business model also includes an essential proportion of services, the assessment has been made that it is also relevant to present a service value on a yearly basis. That is, potential service revenue under full occupancy. The service value¹, i.e. contracted service charges on an annual basis, plus estimated service for currently unleased premises, amounts to SEK 24,340 thousands at 30 September 2018. The estimated service value for vacant areas has been calculated based on the current average weighted service level in each property.

¹ For definitions see 'Key ratio definitions' on page 6

The weight in relation to rent varies between 4-65 per cent. In cases where the property is empty, a historical average service level of 35 per cent of rents has been used. As the premises in C-View currently have a low proportion of service in relation to rent, this has affected the service value significantly for the entire portfolio.

Total rental and service values as of 30 September 2018 totaled SEK 176,019 thousand. This can give an indication of possible total contractual annual income, provided that the all premises are rented to 100 percent.

As with the revenue backlog, rental and service values have been calculated at the closing date of the AOA and USD as at 30 September 2018.

Rental and service value does not correspond to a forecast.

MARKET AND CURRENCY

Property market in Angola

During the 2015–2017 period, the oil price plummeted, which had a significant impact on Angola’s economy as the country is still highly dependent on the oil and gas industry. The property market was severely affected by the downturn in the oil and gas industry. Employers in the industry reduced their operations in the country, which in turn reduced the need for premises and housing. This then had a negative effect on yield in the property market.

The decline in the oil price and subsequent effects on the oil industry ultimately led to Angola’s central bank deciding to unpeg AOA in early 2018, i.e. it was no longer tied to the US dollar (USD). This resulted in a severe devaluation of the AOA. The new government, which took over at the end of 2017, has however announced that the focus is on reforming Angola’s economy.

International companies, especially large oil companies and service companies in the oil industry, have recently begun to adapt to developments in the oil market. Due to increased demand for more efficient use of resources, companies have started looking for new, convenient housing and office solutions to enable them to focus on their core operations, which can lead to new business opportunities for landowners and property developers.

The company Abacus, a leading local property management consultant, in cooperation with the industry colleague JLL (Jones Lange Lasalle), expects generally lower rents for offices and residential properties in Angola in 2018, particularly in the Prime and Medium price segments (Source: Abacus/JLL – Market Report 2018 Angola). Selling prices, however, are projected to remain stable in 2018 and the vacancy rate is predicted to be lower than in 2017. Crown Energy has noticed these changes during 2018 and sees that rental rates on new or extended contracts tend to be lower than before. This affects Crown Energy’s earnings and financial position through both rental income and the present value of property assets.

The property assets in Crown Energy’s existing portfolio are in two of Luanda’s four business districts: Downtown and Talatona. These business districts are also the areas where the highest growth is expected.

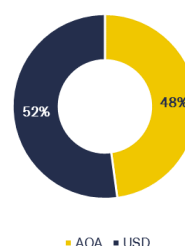
Currency effects

Crown Energy’s earnings and property value in 2018 have been severely affected by the devaluation that occurred in Angola 2018. Since year-end 2017 up until 30 September 2018, the Angolan Kwana has dropped 39 per cent against the Swedish Krona.

The effects are however counteracted by the fact that Crown Energy has included USD indexing in almost half of its customer agreements.

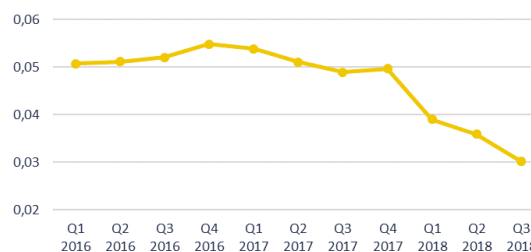
Of total rental and service revenues, 48 percent relates to contracts based on local currency, the AOA. The remaining contracts, 52 per cent, are based on the USD.

Contract currency break-down



The graphs below indicate how the AOA and USD have moved against the Swedish krona (SEK), since January 2016.

Angolan Kwana (AOA) to Swedish Krona (SEK)



USD to Swedish Krona (SEK)



PROPERTY VALUES

Crown Energy’s property assets are mainly held for the purposes of generating rental and service revenues. Fair value is determined by assessing the market value of each individual property. The main method is based on a calculation of the present value of future payment flows, which involves a computed future operating income assessment over a calculation period for each individual

property, taking account of the present value of the estimated market value at the end of the calculation period. Yield requirements were determined separately for housing and office premises and were set at 11.0 respectively 12.5 per cent. Weighted Average Cost of Capital (WACC) for the market is estimated to be 17.0 per cent. The calculation period was 5 years for owned properties, while for leased properties the period was based on the length of the lease with the landowner. Estimated rent levels on contract expiry correspond to current market rents. Running costs have been assessed based on the company's actual costs. Due to measurement rules in accordance with IAS 40 Investment Property, none of the company's service revenues have been included in the valuation.

At 31 December 2017, the company conducted an independent valuation of all its properties. In consultation with the local management in Angola, these valuations were updated internally between Q1 and Q3 2018. A new independent valuation of all properties will be carried out at 31 December 2018.

Changes in fair value of investment properties:

GROUP, ALL AMOUNTS IN SEK THOUSAND	01/01/2018 30/09/2018	01/01/2017 30/09/2017	01/01/2017 31/12/2017
Fair value at start of period	618,344	631,108	631,108
+ Capital expenditures for the period	3,665	6,075	6,075
+ Acquisitions for the period	-	-	-
- Disposals for the period	-	-	-
+/- Unrealised changes in value	-39,553	48,134	39,255
+/- Exchange rate effects*	42,888	-67,584	-58,095
Fair value at end of period	625,344	617,733	618,344

*Exchange rate effects due to revaluation from US dollar to Angolan kwanza to Swedish krona

SUMMARY KEY RATIOS

To follow is a summary of old and new performance indicators for the entire property portfolio:

FINANCIAL SUMMARY TOTAL PROPERTY PORTFOLIO	30/09/2018
Rental revenues, SEK thousand	40,220
Service revenues, SEK thousand	17,699
Property-related expenses, SEK thousand	-15,963
Operating net, SEK thousand	41,956
Operating surplus property portfolio, %	72%
Revenue backlog, SEK thousand	64,347
Rent backlog, SEK thousand	44,911
Contracted annual rental revenues, SEK thousand	60,368
Contracted annual rental and service revenues, SEK thousand	78,918
Annual rental value, SEK thousand	132,295
Annual service value, SEK thousand	24,340
Annual rental and service value, SEK thousand	176,019
Area occupancy rate, %	56%
Economic occupancy rate, %	46%
WAULT rent and service, months	8.9
Market value of portfolio, SEK thousand	625,344

Financial summary across owned properties, leased properties and properties with owner option or shared ownership:

FINANCIAL SUMMARY 30/09/2018	OWNED PROPERTIES	LEASED PROPERTIES	LEASED PROPERTIES WITH OWNER OPTION OR SHARED OWNERSHIP
Revenue backlog, SEK thousand	12,825	37,024	14,498
Rent backlog, SEK thousand	9,433	13,433	22,045
Contracted annual rental revenues, SEK thousand	6,931	21,380	32,057
Contracted annual rental and service revenues, SEK thousand	8,827	33,564	36,390
Annual rental value, SEK thousand	68,806	34,277	29,212
Annual service value, SEK thousand	4,804	17,590	1,946
Annual rental and service value, SEK thousand	73,610	36,223	46,802
Area occupancy rate, %	16%	84%	93%
Economic occupancy rate, %	10%	92%	77%
WAULT, months	16.4	4.7	12.4
Market value of portfolio, SEK thousand	497,003	62,063	65,050

KEY RATIO DEFINITIONS

Area occupancy rate**

Leased area in relation to total leased 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.

Lesable area, kvm**

Leased area plus leasable vacant area.

Operating net

Total revenue less property costs.

Rent backlog**

Outstanding rental revenues during remaining contract period. Revenue 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.

Rental value**

Relates to contracted annual rent plus assessed market rent for vacant premises. Is used to illustrate potential rental income under full occupancy. Note that this value does not include service value. Cannot be derived from the Company's financial reporting and is not a forecast.

Rental and service value**

Relates to contracted annual rent plus assessed market rent for vacant premises plus contracted service fees on an annual basis, with added value for estimated service for currently vacant premises. Is used to illustrate potential rental income under full occupancy and with the same proportion of service as current contracts. Note that this value does not include service value. Cannot be derived from the Company's financial reporting and is not a forecast.

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.

Service value**

Refers to contracted service fees on an annual basis, with added value for estimated service for currently vacant premises. Is used to illustrate potential total service revenue under full occupancy and with same proportion of service as current contracts. The estimated service for vacant premises has been calculated based on the current average weighted service level in each property. The weight in relation to rent varies between 4-65 per cent. In cases where the property is empty, a service level of 35 per cent of rent has been used. Cannot be derived from the Company's financial reporting and is not a forecast.

Surplus ratio**

Operating net divided by total revenue

Weighted average unexpired lease term (WAULT)**

Is 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 measurements (physical, non-financial or not based on information from the financial reports).*