

# Crown Energy AB: Interim report, January-June 2018

## PRESS RELEASE 17/08/2018

### Q2 – APRIL-JUNE 2018

- ▶ Revenue amounted to SEK 19,206 thousand (31,305).
- ▶ Operating profit amounted to SEK 5,329 thousand (17,131), corresponding to SEK 0.01 per share (0.05).
- ▶ Unrealised changes in Property values amounted to SEK -21,912 (20) thousand.
- ▶ Profit before tax was SEK 187,749 thousand (-157,448), corresponding to SEK 0.39 per share (-0.44) and profit after tax was SEK 171,241 thousand (-153,767), corresponding to SEK 0.36 per share (-0.43).

### H1 – JANUARY-JUNE 2018

- ▶ Revenue amounted to SEK 39,835 thousand (59,089).
- ▶ Operating profit amounted to SEK 12,358 thousand (35,434), corresponding to SEK 0.03 per share (0.10).
- ▶ Unrealised changes in Property values amounted to SEK -38,428 (-10,269) thousand.
- ▶ Profit before tax was SEK 232,059 thousand (-149,368), corresponding to SEK 0.48 per share (-0.42) and profit after tax was SEK 181,631 thousand (-124,952), corresponding to SEK 0.38 per share (-0.35).

### KEY EVENTS DURING THE QUARTER

- ▶ The AGM was held on 17 May 2018 on which the Board and Auditor were re-elected among other formal decisions.
- ▶ On 12 June 2018 Crown announced that the company entered into an agreement with ABG Sundal Collier ASA ("ABG") in which ABG will act as market maker for the Crown Energy share with start from 18 June 2018. The purpose is to increase the liquidity and turnover and facilitate the trading in the share.

### CEO STATEMENT

#### DEAR SHAREHOLDERS AND INVESTORS,

During the second quarter, our focus has been to maintain our current asset portfolio as well as investing a great deal of time and efforts into new potential business. There has been encouraging work results on our underlying Asset Development segment as well as in our Energy assets which we hope to capitalise on in the near future. Furthermore, we have continued to replace tenants in our buildings where lease agreements have matured. With the improved situation within the oil industry and the energy sector we keep a very positive view on new client acquisition and a substantial growth over time.

Revenues, in local currency, have been relatively stable during the period compared to the first quarter this year. However the results in SEK have continued to be influenced by the devaluation of Angolan currency and the floating Kwanza as from January. These effects have influenced the financials less during the second quarter due to a more stable exchange rate and the strengthening of the USD compared to SEK. Due to other currency conversions and financial effects, we are reporting a profit before tax significantly higher than in previous periods.

Crown Energy reports for the period revenues of SEK 39.8 million (59.1). The rental incomes amounts to SEK 27.1 million (36.6), and our service incomes are SEK 12.5 million (21.8). The profit before tax (EBT) amounts to SEK 232.0 million (25.2 adjusted for the effect of reverse acquisition) and are affected by the substantial fluctuations in currencies during the period which is mainly recorded in financial items. Our comparison figures must be seen in light of ESI Group reverse take-over of last year and therefore the old Crown Energy group costs were not reported during first six months 2017. We have been able to reverse some of the effects from the Kwanza devaluation in January. This is due to the fact that almost half of our existing client contracts are

denominated in dollars. The invoices are issued in local currency, but adjusted towards the underlying dollar rate.

Our oil and gas projects have developed well. The oil price has held steadily between 70-80 USD/bbl during the second quarter and on to today. Such price levels can continue to stimulate the appetite in the industry for the type of projects that Crown Energy offers. Investments into the energy industry is assumed to speed up going forward. Oil companies will need to invest in order to replace depleting oil fields that naturally decrease in production. Exploration of new oil field discoveries will likely be included in such investment activities. Exactly when such investment needs will be met is hard to say, but we can conclude the fact that there has been a number of announcements from industry players for taking new oil- and gas fields on stream and in general investing in energy infrastructure.

#### **BUSINESS DECISIONS THAT AFFECTED THE COMPANY'S PERFORMANCE**

Since the acquisition of ESI Group in 2017 much work has been invested to implement acquired business into the Crown Energy systems. And more importantly a massive amount of efforts have been invested in order to establish our asset development concept on new markets, mainly through new customer acquisition and sales. That is something that we really look forward to see materialise into a firm business growth for Crown Energy.

#### **OUTLOOK**

The Company now continues its progress towards a larger and even more stable foundation to rely on. We will make use of prominent contacts in the oil industry, and future cash flows should guarantee faster development of the Company's existing business. Our capital and organisation are and will continue to be adapted to accommodate an exciting continuation of Crown Energy's development efforts.

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

Andreas Forssell,  
CEO Crown Energy

*This information is information that Crown Energy AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 8.30 AM CET on 17 August 2018.*

#### **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](http://www.crownenergy.se)