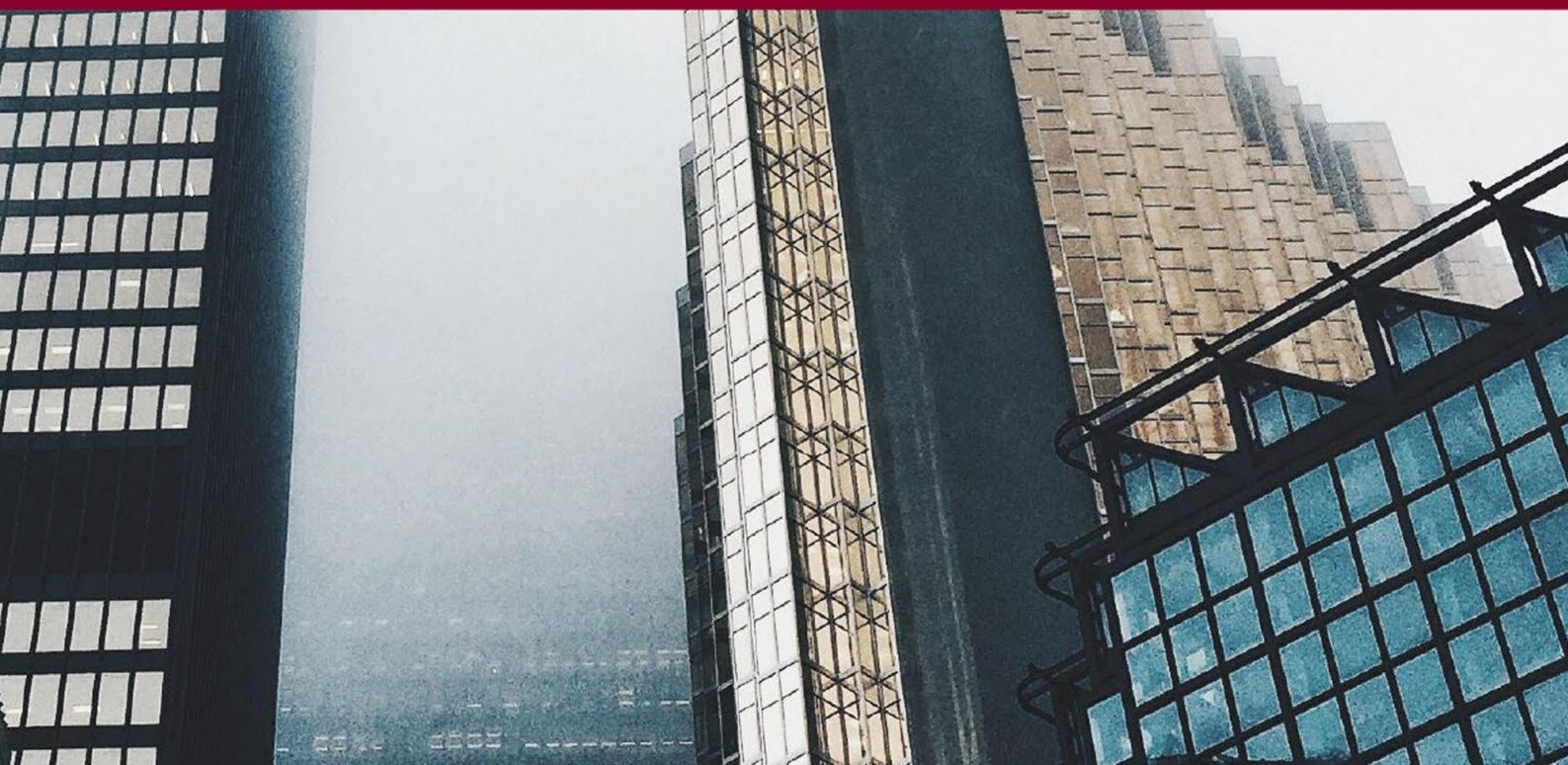




2017 Fourth Quarter and Year-End Report

Crown Energy AB (publ)

28 February 2018



Crown Energy AB (publ) 2017 Fourth Quarter and Year-End Report

SEK 111.3 million

Revenue for interim period
January-December

SEK 69.3 million

Operating profit excl. effect
of reverse acquisition
(January-December)

The consolidated financial statements of the Crown Energy Group ("Crown Energy", "the Group"), of which Crown Energy AB (publ) with corporate identity number 556804-8598 is the parent company ("the Parent Company"), are hereby presented for the twelve-month period ended on 31 December 2017.

Q4 – OCTOBER-DECEMBER 2017

- Revenue amounted to SEK 24,759 thousand (40,163).
- Operating profit excl. effect of reverse acquisition amounted to SEK 21,208 thousand (24,938), corresponding to SEK 0.05 per share (0.07), before and after dilution.
- Unrealised changes in Property values amounted to SEK -8,878 (0) thousand.
- Profit after tax was SEK 7,913 thousand (51,592), corresponding to SEK 0.02 per share (0.15), before and after dilution.

TWELVE-MONTH PERIOD – JANUARY-DECEMBER 2017

- Revenue amounted to SEK 111,294 thousand (150,161).
- Operating profit excl. effect of reverse acquisition amounted to SEK 69,332 thousand (99,191), corresponding to SEK 0.17 per share (0.28), before and after dilution.
- The reporting period includes a one-off profit and loss item amounting to SEK -174,586 thousand. This item is a result of accounting regulation for reverse acquisitions and does not affect the cash flow. Operating loss incl. effect of reverse acquisition amounted to SEK -105,254 thousand (99,191).
- Loss after tax was SEK -63,257 thousand (-32,803), corresponding to SEK -0.16 per share (-0.09), before and after dilution.

KEY EVENTS DURING THE QUARTER

- On 13 October 2017, the Company published a prospectus and new financial and other information included in the prospectus regarding the acquisition of ESI Group S.A.
- On 30 October 2017, the Company announced the signing of a Restated and Amended PSC including extension of contract rights period, regarding the Area of the Salah ad-Din Governorate, Iraq.
- On 6 December 2017, the Company announced Cement Fund exercising warrants to subscribe for an additional 31.5 million ordinary shares bringing SEK 63 million cash to the Company.
- On 13 December 2017, the Company announced the signing of a two year extension for the Manja licence with flexible work program.

CONDENSED CONSOLIDATED FINANCIAL INFORMATION

GROUP, ALL AMOUNTS IN SEK THOUSANDS	2017-10-01 2017-12-31	2016-10-01 2016-12-31	2017-01-01 2017-12-31	2016-01-01 2016-12-31
	Q4	Q4	FULL YEAR	FULL YEAR
Operating income	24,759	40,163	111,294	150,161
Operating expenses	-3,551	-15,225	-41,962	-50,970
Operating profit/loss excl. effect from reverse acquisition	21,208	24,938	69,332	99,191
Earnings effect from reverse acquisition	-	-	-174,586	-
Net financial items	-246	26,659	2,397	-66,383
Net profit/loss for the period, after tax	7,913	51,592	-63,257	32,803
Earnings per share	0.02	0.15	-0.13	0.09
Equity per share	1.62	1.31	1.62	1.31
Change in cash and cash equivalents	60,990	300	101,821	248

CEO statement

DEAR SHAREHOLDERS AND INVESTORS,

2017 has been one of the most eventful years in the history for Crown Energy and the business has grown substantially with the acquisition of ESI Group, which added an entirely new business area.

The Company now has a stronger financial base as well as a new profitable and developable business with positive cash flows that further strengthens the Company's financial and operational position.

This development comes as a result of a long-term strategy to expand the Company's services and offer so we can be a stable player in several segments of the energy industry.

In our new Property Development and Services business area, major steps have already been taken to launch the ESI concept in new markets. We currently are working on an exciting pipeline of new potential projects. Some of them are in the existing Angolan market, but most of them are in new geographic markets. We count more than half a dozen projects in as many markets, some of which are being worked on in cooperation with our engineering partner Proger. This is a strong partnership which offers potential customers comprehensive and competitive services and solutions.

The existing portfolio of property assets, both leased and owned properties, is progressing according to plan and with existing contracts. However, the currency situation and the rental market in Angola has been less favourable in 2017, mainly for the housing segment. The portfolio contains some properties that lost tenants in 2017 and along with the sale of properties in the beginning of the year, this explains the decreased revenues. But then again, new tenants are signing contracts throughout the property portfolio and lease contracts have been signed for the recently completed C-view property located in the Talatona district of Luanda. Negotiations are also being held on additional new rentals in the C-view property in significant volumes.

Growth for Property Development and Services will mainly occur in new markets. The upside of the acquisition of ESI Group thus has a greater value for Crown Energy than the existing portfolio which, when acquired, was valued on existing contracts and businesses. Crown Energy now owns the entire ESI concept, with its know-how, rights and key personnel – all essential components for the expansion into new markets that is at hand. Of course, with that said, new rentals in the existing portfolio are also important, especially since the business is firmly established in Angola with its organisation and a strong history as a good reputable landlord. With an improved situation in the oil industry, we will no doubt also see an upturn in that market.

The existing portfolio of real properties and leased properties has undergone a full valuation as per year-end. The values holds well to previous reporting periods and some value changes are reflected by the change in the underlying duration of landlord and client leasing contracts.

Our Energy projects have generally developed well during 2017. Our subsidiary Crown Energy Iraq achieved significant success with the signing of an amendment to the licence agreement that the Company has had with Salah ad-Din Province in Iraq since 2013. This is a restatement revision of the production sharing agreement primarily with the extension of the contract by five years from September 2018 to September 2023. In Madagascar, we successfully negotiated a two-year extension of the licence on the same commercial terms as before. The license in South Africa has also improved significantly through an authority approval and thereby the two year phase which includes drilling has now started. In Equatorial Guinea the discussions regarding an extension and formalisation of a clear development plan is ongoing.

“Significant growth from Property Development and Services will be generated from new projects in new markets.”

BUSINESS DECISIONS THAT AFFECTED THE COMPANY'S PERFORMANCE

During 2017 we acquired a well-run company that is profitable and has great growth potential. The strong cash flow also increases our ability to develop existing operations in Crown Energy, as the end market in exploration operations and in the property services business consists largely of the same companies and customers, i.e. the oil and gas industry. As a larger joint company, we see new opportunities for generating future business in both business areas.

OUTLOOK

The Company now continues its progress towards a larger and even more stable foundation to stand on. Through the merger with ESI Group, we will make use of prominent contacts in the oil industry, and future cash flows should guarantee faster development of the Company's existing Energy assets. Growth from Property Development and Services is to be generated from new projects in new markets. Our capital and organisation are and will continue to be adapted to accommodate an exciting continuation of Crown Energy's development efforts.

FINANCING

With the acquisition of ESI Group and its cash-flow generating operations as well as the exercising of warrants by Cement Fund in December 2017, the Company will continue to have adequate working and investment capital going forward.

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

Andreas Forssell
CEO, Crown Energy AB (publ)



About Crown Energy

Crown Energy is an international group in the oil, gas and property industries, with operations in Africa and the Middle East. The Group creates value through two business areas: *Energy* and *Property Development & Services*.

3

No. of properties owned

13

No. of properties leased

4

No. of oil projects

SEK 111.3 million

Revenue for interim period
January-December

The *Energy* business area develops and explores oil assets in early phases with high potential for recoverable reserves. In the long run, the assets will be introduced to the appropriate player in the oil sector for further development and production.

The *Property Development & Services* business area offers customised residential, office and value-added services solutions to international companies in the oil and gas industry. The comprehensive offering enables customers to focus on their core business.

VISION

To be an established player and an obvious partner in the international oil and gas market, both in exploration and development of customised solutions for residential premises, offices and value-added services.

GOALS

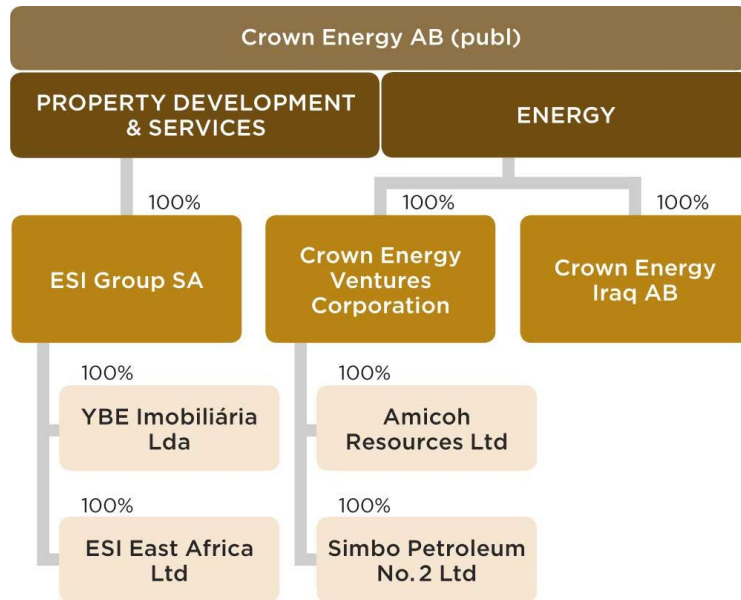
Crown Energy's objective is to generate the highest possible return for shareholders with a balanced risk awareness. The company will have a balanced portfolio of development and exploration assets and an established property business in several geographic markets.

STRATEGY

- Establish property operations in more markets requiring housing and offices in the oil and gas industry.
- Carefully select exploration areas where the chance of oil and gas discoveries is high.
- Take advantage of synergies between the two business areas and reinvest some of the cash flow from property operations in further developing the exploration assets.
- Offer exploration and extraction partners customised accommodation and offices close to the assets.

- Pursue farm-out opportunities as exit strategies to capitalise as much as possible on the assets.
- Create a good risk spread through several parallel projects.

COMPANY STRUCTURE



Property Development & Services business area

DESCRIPTION OF OPERATIONS

Crown Energy provides customised residential and office solutions for companies in the energy sector. The comprehensive offering with related services enables customers to focus on their core business – the extraction of energy resources. In addition to the leasing of offices and residential premises, the business area includes related service solutions such as security, transport and telecommunications. The goal is to provide customers with a smooth overall solution that is easy to administer and where tenants feel comfortable and safe.

The offering is aimed mainly at international companies in the oil and gas sector, primarily in Africa. These companies have an extensive need for external professional players to meet their foreign workers' needs. There is therefore high demand for high-quality residential and office solutions, in which housing and property management and related services are offered. Existing customers are some of the world's leading oil and gas companies, with high credit ratings.

Crown Energy's offering is provided by both local and international teams. The focus is to always deliver the highest quality in order to achieve a high level of customer satisfaction and create new business.

MARKET

The development of the Angolan economy in general and its property market is directly linked to global price trends and demand for oil. The general decline that the oil market has experienced in recent years has led to less foreign capital flowing into the country, resulting in less economic activity. The decline in economic activity in Angola during periods of falling oil prices has led to a general decline in the office space market.

In 2016 and beyond, global demand generally began to rise again and further increases are expected.

Recently, a break in the trend could also be discerned where international companies, especially large oil companies and service companies in the oil industry, benefited from developments in the oil market. With the aim of reducing operational costs, large companies began to look for cost-effective premises. This means that activities and business opportunities for landowners and property developers have increased.



16

No. of properties

40,062

Leasable area, m²

The outlook for 2018 is a growth, as there is also demand for premises and property services in the mining and other industries, in parallel with the oil and gas industry. All the Company's properties are in two of Luanda's four business districts: Downtown and Talatona. These business districts are also where the highest growth is expected.

The Company is now pursuing new potential projects. Some of them are in the existing Angolan market, but most of them are in new geographic markets. Some of these are being approached in cooperation with our partner Proger, with whom we are also engaged together since before in Iraq in our business area Energy.

THE PROPERTY PORTFOLIO

The portfolio consists of 16 property assets in Angola in Africa (at time of previous interim report the asset portfolio consisted of 17 assets, but at year-end, the Company elected not to renew lease contract with the land owner to one of the smaller entities (Margareth)). Three of the properties are owned by the Company and the remainder are held through lease contracts (financial leasing) with landowners. The assets comprise 40,062 (including C-view, see below) square metres of residential and office space. The leases consist of both long- and short-term contracts with tenants as well as landowners, and are regularly extended.

C-view, the largest property, is in the Talatona district. C-view has been finalised during 2017. The first lease contract was signed in September 2017 and another few lease contracts was signed during the fourth quarter 2017. Marketing of the property and discussions with potential tenants is continuing. C-view consists of 13,000 square metres of rentable space, divided between three office buildings and a residential building.

PROPERTY VALUES

The Company's properties are primarily held for the purpose of generating rental income and service revenues. As per year-end, the Company externally assessed all properties except for C-view as it was externally valued to market by 30 September 2017. In consultation with local management, it was agreed that no significant changes had occurred between 30 September and 31 December, wherefore the previous valuation have been updated per 31 December 2017 based on the same principles.

Fair value is determined by assessing the market value of each individual property. The main method is based on the calculation of the present value of future payment flows, where a calculation of future operating income is calculated for a property-specific calculation period, considering the present value of the assessed market value at the end of the calculation period. The calculation period was 2-5 years for owned properties and was based on the lease agreement with landowners for leased properties. The yield requirement is individual per property depending on the location of the property and available information about transactions completed. Adopted rental rates at contract expiration correspond to current market rents. Operating expenses were assessed based on the Company's actual costs.

To comply with the measurement rules of IAS 40 Investment Properties, a majority of the Company's service revenues were not included in the valuation.

Changes in fair value of investment properties:

GROUP,	2017-10-01	2016-10-01	2017-01-01	2016-01-01
ALL AMOUNTS IN SEK THOUSANDS	2017-12-31	2016-12-31	2017-12-31	2016-12-31
Fair value at start of period	617,733	569,694	631,108	573,558
+ Capital expenditures for the period	-	68,492	6,075	155,092
- Disposals for the period	-	-38,559	-	-38,559
+/- Unrealised changes in value	-8,879	-	39,255	-
+/- Exchange rate effects*	9,490	31,481	-58,095	-58,983
Fair value at end of period	618,344	631,108	618,344	631,108

*Exchange rate effects due to revaluation from US Dollar to Angolan Kwanza and then to Swedish krona.

Energy business area

DESCRIPTION OF OPERATIONS

In the Energy business area, Crown Energy focuses on energy resources in underexplored and underdeveloped areas in Africa and the Middle East. With many years of experience and a large network, Crown Energy creates value by identifying, acquiring and developing licences and projects for future oil and gas development and production. With a strategy of early-stage entry and further development of projects through exploration and resource optimisation, large values can be realised from successful results. When a licence or project is ready for production, Crown Energy's plan is to realise the potential increase in value by introducing the project to a major oil and gas player.

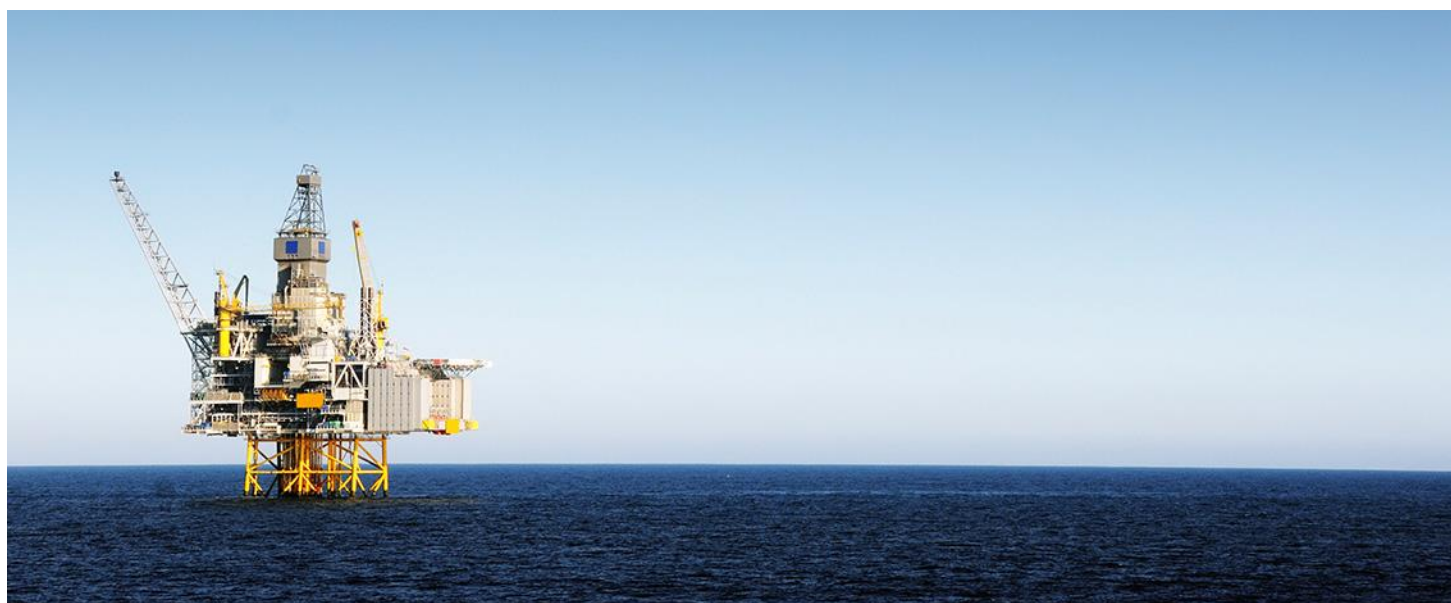
MARKET

In the fourth quarter of 2017 oil prices continued to firm to around USD 60/barrel. The price rises when reports show that demand exceeds supply, but the price tends to fall when reports show that the supply is increasing. OPEC is also continuing to stick to its production cut-backs and over time these reductions will continue to be effective. US fracking and production of shale oil continues. There are still a lot of tensions in the world over foreign policies and this probably continues to add an upward pressure to the oil price.

The probability remains that oil prices will rise in the long term as global oil consumption is also on the way up. The relatively small investments which we have referred to before that have been made in developing new oil wells to replace fields currently in production and the inevitable draining of existing oil fields will also affect prices. Going forward, oil prices may land around USD 65 (according to some public reports and forecasts). Prices above this level will bolster the US shale oil industry's motivation to boost production. At these price level, Crown Energy continues to feel comfortable that the Company's projects are very marketable.

EXPLORATION PROJECTS

At present, the Company holds four exploration licenses, located in South Africa, Equatorial Guinea, Madagascar and Iraq. In Madagascar, the project is in an early exploration phase, while Block 2B in South Africa significant technical exploration work has already been carried out, with a well due to be drilled in a specific area to evaluate the Licence's commerciality.



The project in Equatorial Guinea is in an evaluation phase and the partnership there is planning for preparations to develop the Venus oil field. The licence in Salah-ad Din in Iraq extends from the exploration to the development phase and may even have areas ready for production. However, large-scale work will be required to appraise the area. Crown Energy is preparing for on the ground operations and is seeking a financial and operational partner for the more substantial activities going forward.

For a detailed description of the assets, see the annual report for the 2016 fiscal year. Following are exploration project status updates for 2017.

BLOCK 2B – SOUTH AFRICA

Crown Energy and our partner Africa Energy, the operator, have at the time of this report received the final approval of the application to move into the next phase of the Block 2 B Licence. As previously stated, Africa Energy has done all the technical work required to identify the optimal location for drilling a well. Logistical activities, including the early procurement of required equipment, have started, so the JV can focus on the planned well once we move into the next licence period.

Meanwhile, Crown continues to work with Africa Energy in a project with great potential and to developing its position in South Africa for the future.

BLOCK P PDA – EQUATORIAL GUINEA

A request has been submitted by the JV lead by our partner Vaalco to the Ministry of Hydrocarbons in Equatorial Guinea for an extension to the Licence, thus allowing the JV time to reassess the development potential of the Venus Field and the exploration potential of its satellite areas.

3108 MANJA – MADAGASCAR

During the fourth quarter the Company agreed with the authorities a two year extension for the Manja licence with carried forward work program.

SALAH AD-DIN – IRAQ

During the fourth quarter a significant achievement was reached with the signing of a Restated and Amended PSC including a five year extension of contract rights period, from September 2018 to September 2023.

Crown Energy management have carried on working hard to ensure that commercial and technical reviews and analyses of the Licence area are being optimised for its future development. Stability in the region is an important issue which continues to improve, which is a great thing for the Iraqi people. Developments in the region have been positive and our ongoing relationships with the regional governing administration continue on a positive basis.

It should be noted that the production sharing agreement with Salah ad-Din includes exploration and production areas. The licence covers several existing oil fields and discoveries, but despite these large and obviously commercial discoveries, there was only limited production under the auspices of the federally controlled North Oil Company at the time. However, regulatory approval is required from both the regional (Salah ad-Din) and the federal (Baghdad) authorities for resuming activities, including production in the fields where North Oil Company previously was active and where facilities and installations may be in place. In addition to the oil fields mentioned above, many fields have also been drilled and partially tested. These fields could also be interesting in terms of considering whether they can be put into production. Oil export sales from both existing and new fields will require approval from the federal authorities in Bagdad.

CHANGE IN EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets in the balance sheet comprise the acquisition of rights and other exploration expenses. No depreciation is taken during the exploration and expansion phase. All the Group's exploration and evaluation assets are classified as intangible assets.

Revaluation effects relate to translation at the closing day rate of assets in foreign subsidiaries. The revaluation effect that arises is recognised directly in the currency translation reserve in other comprehensive income.

Since the old Crown Energy Group was incorporated 30 June 2017, the comparative period does not include any exploration and evaluation assets. For more information on the reverse business combination, see Note 7, Reverse acquisition.

GROUP,	2017-10-01	2016-10-01	2017-01-01	2016-01-01
ALL AMOUNTS IN SEK THOUSANDS	2017-12-31	2016-12-31	2017-12-31	2016-12-31
Opening carrying amount	184,444	–	–	–
Capital expenditures for the period	2,718	–	8,415	–
Increase through reverse acquisition	–	–	183,133	–
Exchange rate effects	1,726	–	-2,660	–
Closing accumulated cost of acquisition	188,888	–	188,888	–

Consolidated statements of comprehensive income

CONDENSED CONSOLIDATED INCOME STATEMENTS

ALL AMOUNTS IN SEK THOUSAND	NOTE	2017-10-01 2017-12-31	2016-10-01 2016-12-31	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Revenue					
Rental income		14,845	27,076	67,160	99,332
Service income		9,912	13,086	43,323	50,829
Other operating income		2	-	811	-
Property-related expenses		6,952	-9,885	-21,089	-39,436
Other external costs		-8,211	-221	-13,186	-1,152
Employee benefit expenses		-2,143	-1,817	-7,507	-7,080
Depreciation		-34	-	-42	-
Other operating expenses		-115	-3,302	-138	-3,302
Operating profit before effect of reverse acquisition		21,208	24,938	69,332	99,191
Earnings effect from reverse acquisition	6.7	-	-	-174,586	-
Operating profit/loss after effect of reverse acquisition		21,208	24,938	-105,254	99,191
Financial income		685	26,898	6,482	-65,798
Financial expenses		-931	-238	-4,086	-585
Profit/loss before tax and changes in value		20,963	51,597	-102,857	32,808
Changes in value					
Property, unrealised		-8,878	-	39,255	-
Earnings before tax		12,084	51,597	-63,602	32,808
Income tax		-5,436	-5	-6,766	-5
Deferred tax		1,265	-	7,111	-
Net profit/loss for the period		7,913	51,592	-63,257	32,803
Earnings per share and share related data					
Average number of basic shares, thousands		450,266	353,268	401,297	353,268
Average number of diluted shares, thousands		450,266	353,268	401,297	353,268
Basic earnings per share, SEK		0.02	0.15	-0.16	0.09
Diluted earnings per share, SEK		0.02	0.15	-0.16	0.09

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ALL AMOUNTS IN SEK THOUSAND	NOTE	2017-10-01 2017-12-31	2016-10-01 2016-12-31	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Net profit/loss for the period		7,913	51,592	-63,257	32,803
Other comprehensive income		-	-	-	-
Translation differences		-8,119	1,212	-59,192	26,440
Total items that can be reclassified to profit or loss		-8,119	1,212	-59,192	26,440
Other comprehensive income, net of tax		-8,119	1,212	-59,192	26,440
Total comprehensive income for the year		-206	52,805	-122,449	59,243
Total comprehensive income attributable to:					
Parent Company shareholders		-206	52,805	-122,449	59,243
Comprehensive income for the period		-206	52,805	-122,449	59,243

EARNINGS SUMMARY, JANUARY-DECEMBER 2017

Due to the fact that the acquisition of ESI Group is accounted for as a reverse acquisition and the fact that takeover was on 30 June 2017, earnings attributable to the accounting-wise acquired business, i.e. the old Crown Energy Group, are not included in the period's statements of comprehensive income. For more information on the effects of the reverse acquisition, see Note 7, Reverse acquisition.

OPERATING PROFIT/LOSS

Property operations generate two types of revenue: rental income and service revenues. Normally, a customer is both a tenant and a purchaser of services. During 2017, net revenue amounted to SEK 110,483 thousand as compared to SEK 150,161 thousand year-on-year. The decrease is mainly attributable to rental income, amounting to SEK 67,160 thousand compared to SEK 99,332 thousand last year. The decrease is partially explained by the fact that parts of a property, Ponticelli, were sold in December 2016 and that some of the lease contracts have expired. In addition the usual changes to leases and temporary vacancies also as well as differences in exchange rates between the years contributed to the decrease.

Property costs for the first half of the year amounted to SEK -21,089 thousand (-39,436) and include costs for maintenance, operation, purchasing external services such as administration, cleaning etc. Property-related taxes are also included in this item, which includes stamp taxes and local Angolan consumption taxes based on rental and service revenue. During the fourth quarter some assumed tax liabilities from the acquisition was deemed as not valid and consequently written down, which lowered the property costs by SEK 13.8 million. Property costs excluding the write down are in line with last year, which is to be expected since parts of a property were sold and contracts for one property expired.

Other external costs amount to SEK -13,186 thousand (-1,152). The increase due to the addition, as a result of the Reverse acquisition, of the costs from the parent company and its other subsidiaries.

Employee benefit expenses amount to SEK -7,507 thousand (-7,080) and relate to an average of 14.25 employees in Angola. The three employees from the "old" Crown Energy Group were added as of 30 June, which means that the average number of employees for the period amounts to 15.5. Due to the reverse acquisition, the salaries for the three additional employees did not affect employee benefit expenses until the third quarter.

The earnings effect of SEK -174,586 thousand arising in the second quarter of 2017 is an effect of the reverse acquisition. The amount refers to the difference between the market value of the Crown Energy Group and its net assets at the acquisition date. The effect arose since the Parent Company's share price increased between the time the agreement with the seller of the Angola business was written in November and the acquisition date (30 June 2017). Before the acquisition, the Crown Energy Group's market value, more or less, corresponded to its net assets. The effect was therefore recognised as an earnings effect in operating profit and not as a balance sheet item. See Note 7, Reverse acquisition, for more information and details.

NET FINANCIAL ITEMS

Net financial items for 2017 totalled SEK -2,397 thousand (-66,383). The financial items consist mainly of exchange rate effects arising from the translation of internal dealings and the fact that the properties were valued in USD. The large currency effects during 2016 are explained by the major fluctuations between 2015 and 2016 between the Angolan kwanza and the US dollar.

CHANGES IN VALUE

Unrealised changes in value amount to SEK 39,255 thousand (0). The reason that there are no changes in value in 2016 is explained by the fact that 2016 is a recreated carve-out from the Angolan operations and one of the assumptions made in establishing this is that the market value as per 31 December 2016 was unchanged over the year.

TAX

In 2017 current tax of SEK 345 thousand (-5) was recognised for income tax and deferred tax of SEK 7,111 thousand (0). The deferred tax asset is attributable to changes in the fair value of properties, in comparison with the carrying amount in local accounting in Angola.

EARNINGS AFTER TAX

Loss after tax for the interim period 2017 totalled SEK-63,257 thousand (32,803), corresponding to SEK -0.16 per share (0.09).

Consolidated statements of financial position

CONDENSED CONSOLIDATED BALANCE SHEET

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2017-12-31	2016-12-31
ASSETS			
Non-current assets			
Investment property		618,344	631,108
Equipment, tools, fixtures, and fittings		340	-
Intangible assets		90	-
Exploration and evaluation assets		188,888	-
Deferred tax asset		-	-
Total non-current assets		807,662	631,108
Current assets			
Trade receivables	4	29,415	-
Other receivables	2.4	28,489	38,830
Prepaid expenses and accrued income		640	1,351
Cash and cash equivalents	4	102,183	363
Total current assets		160,727	40,544
TOTAL ASSETS		968,389	671,652
EQUITY			
Capital and reserves attributable to Parent Company shareholders			
Share capital		14,033	-
Other contributed capital		775,275	357,339
Reserves		-32,753	26,439
Accumulated earnings		78,812	46,009
Net profit/loss for the period		-63,257	32,803
Total equity		772,110	462,589
LIABILITIES			
Non-current liabilities			
Finance lease liability	4	96,837	112,016
Deferred tax liabilities		31,929	24,753
Other provisions	4	3,361	-
Total non-current liabilities		132,127	136,769
Current liabilities			
Finance lease liability	4	5,416	5,308
Accounts payable	4	5,597	85
Tax liabilities		7,605	11,670
Other current liabilities	4	6,501	10,000
Accrued expenses and deferred income		39,033	45,231
Total current liabilities		64,152	72,294
TOTAL EQUITY AND LIABILITIES		968,389	671,652

SUMMARY OF CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2017

NON-CURRENT ASSETS

Investment properties have decreased compared with year-end 2016 and the changes consist of investments of SEK 6,075 thousand, unrealised changes in value of SEK 39,255 thousand and exchange rate effects of SEK -67,584 thousand. The change in value is because the property C-view has been finalised and thereby market valued by an external party and the fact that some of the agreements with landowners were not extended and changes in leases with tenants in connection with the transfer between ESI Angola Lda and YBE Imobiliária Lda.

Exploration and evaluation assets were added to the consolidated balance sheet relating to the reverse acquisition of the old Crown Energy Group and amount to 188,888 thousand.

CURRENT ASSETS

Other receivables primarily concerns a receivable from ESI Angola Lda amounting to SEK 25,456 thousand. For more information about this receivable, see Note 2 Transactions with related parties.

Cash and cash equivalents at the end of the period totalled SEK 102,183 thousand compared with SEK 363 thousand on 31 December 2016. The large increase is partly due to the cash, amounting to SEK 19,925 thousand contributed by the old Crown Energy Group and the conversion of warrants for SEK 63,000 thousand completed in December 2017.

EQUITY

Equity totalled SEK 772,110 thousand. The increase since year-end 2016 is mainly attributable to the reverse acquisition. See explanations in the equity statements.

NON-CURRENT LIABILITIES

The financial lease liability relates to the lease of 13 properties at the end of the interim period. Reductions in the lease liability between 2016 and the year-end 2017 are explained by current rent payments to the landowner. Total lease liabilities are divided into current and non-current parts. See Note 1, Accounting Principles for further information on the financial lease liability.

Deferred tax liabilities totalled SEK 31,929 thousand and are attributable to surplus values in exploration and evaluation assets. The change since year-end 2016 is attributable to translation differences because some of the underlying assets were acquired in USD and translated at the closing rate. In 2016 comparative figures, there was a deferred tax liability referring to temporary differences in the properties. See explanation under non-current assets.

Provisions of SEK 3,361 thousand were recognised for a contracted additional consideration in conjunction with the old Crown Energy Group's acquisition of subsidiary Amicoh Resources Ltd. Changes between periods refer to exchange rate effects and adjustments to fair value. For a detailed description of the provision, see Crown Energy's 2016 Annual Report. No changes have occurred in Crown Energy's assessments of fair value measurement applicable to provisions since 31 December 2016.

CURRENT LIABILITIES

As mentioned above, the lease liability relates to lease contracts with property owners for 13 properties. SEK 5,416 thousand relates to the current portion of the liability.

Tax liabilities refer to local taxes in Angola attributable to taxation of rental and service revenues. The tax liability may vary between periods depending on when payments are made. During the fourth quarter some assumed tax liabilities from the acquisition was deemed as not valid, and consequently written down, which lowered the tax liabilities by SEK 13.8 million.

Other current liabilities primarily concerns a liability for a loan of SEK 5,054 thousand to the Parent Company's former shareholder and CEO.

Accrued expenses and deferred income consists mainly of deferred income and amounts to SEK 39,033 thousand.

PLEGDED ASSETS AND CONTINGENT LIABILITIES

Contingent liabilities at the period end amounts to 102,863. The increase compared to 2016 refers to the contingent liability that followed along with the old Crown Energy Group. The contingent liability is linked to an additional consideration for Block 2B in South Africa and was recognised at the maximum amount that may be paid at settlement. For more information on the additional consideration, see Crown Energy's 2016 Annual Report. No changes to the estimate of the contingent liability have been made since 31 December 2016.

Condensed consolidated statement of changes in equity

ALL AMOUNTS IN SEK THOUSAND	NOTE	2017-12-31	2016-12-31
Opening equity		462,589	418,764
Net profit/loss for the period		-63,257	32,803
Other comprehensive income, net of tax		-59,192	26,440
Comprehensive income for the period		-122,449	59,243
Transactions with shareholders:		0	0
Other contributed capital		83,739	2,905
Deferred tax on items accounted for directly in equity		-8,077	0
Net change in share capital (reverse acquisition)		-	-18,321
Business combination (reverse acquisition)	6.7	356,307	0
Closing equity		772,110	462,589
Attributable to:		0	0
Parent Company shareholders		772,110	462,589
Total equity		772,110	462,589

COMMENTS ON CHANGES IN EQUITY

Other contributed capital refers to contributions before ESI Group and Crown Energy were merged into a group.

During 2016 deferred tax was accounted for in equity due to equity based adjustments on properties.

The reverse acquisition as at 30 June 2017 has had the following effect on other contributed equity:

Conversion of C shares to ordinary shares (MV C shares at acquisition date)	1,360,081	1)
Hypothetical buy-back of shares (reverse acquisition)	-1,003,774	2)
Effect on equity	356,307	3)

1) Market value of the number of converted C shares to ordinary shares (number of converted C shares x share price on acquisition date)

2) Difference between market value of the Crown Energy Group on acquisition and market value of the number of converted ordinary shares.

3) Estimated value of the Crown Energy Group at acquisition (number of shares before reverse acquisition x share price on acquisition date)

For more information on the reverse acquisition, see Note 7, Reverse acquisition.

Condensed consolidated statements of cash flows

ALL AMOUNTS IN SEK THOUSAND	2017-10-01 2017-12-31	2016-10-01 2016-12-31	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Cash flow from operating activities				
Operating loss before financial items	21,208	24,938	-105,254	99,191
<i>Adjustments for items not included in cash flow:</i>				
Effect on earnings due to reverse acquisition	0	-	174,586	-
Depreciation	34	-	42	-
Interest received	1	-	0	-
Interest paid	-1	-64	0	-64
Tax paid	0	-5	-5	-5
Cash flow from operating activities before change in working capital	21,243	24,869	69,369	99,122
Changes in working capital	-13,574	78,554	-26,740	21,439
Cash flow from operating activities	7,668	103,423	42,629	120,561
Cash flow from investing activities	-	-	-	-
Acquisition of subsidiaries, less acquired cash and cash equivalents	-	-	19,925	-
Capital expenditures on investment properties	-1	-68,492	-6,075	-155,092
Sale of investment properties	-	38,559	-	38,559
Capital expenditures on exploration and evaluation assets	-2,718	-	-8,415	-
Capital expenditures on other fixed assets	-354	-	-354	-
Cash flow from investing activities	-3,073	-29,933	5,081	-116,533
Other contributed capital	56,101	-70,940	59,300	2,905
Amortisation of lease liability	-40	-2,245	-4,575	-6,685
Cash flow from financing activities	56,060	-73,185	54,725	-3,780
Cash flow for the period	60,655	305	102,435	248
Cash and cash equivalents at start of period	41,193	63	363	115
Cash flow for the period	60,655	305	102,435	248
Exchange gains/losses on cash and cash equivalents	335	-5	-614	0
Cash and cash equivalents at end of period	102,183	363	102,183	363

COMMENTS ON CASH FLOWS

The only cash flow effecting item, due to that the acquisition of ESI Group, is accounted for as a reverse acquisition is the bank balances from old Crown Energy group. For more information on the effects of the reverse acquisition, see Note 7, Reverse acquisition.

Cash flow from operating activities for the period totalled SEK 69,369 thousand (99,122).

Cash flow from investing activities for 2017 totalled SEK 5,081 thousand (-116,533). The positive effect relates to the cash that the old Crown Energy group brought into the Group. Investments in properties during the interim period 2017 amounted to SEK -6,075 thousand (-155,092) and refers to the construction of the C-view building.

Cash flow from financing activities for 2017 totalled SEK 54,725 thousand (-3,780) and is mainly due to the conversion of warrants in December 2017.

Consolidated key ratios

For definitions of key ratios, see pages 46-47.

QUARTERLY SUMMARY – GROUP

Quarterly summary of the last eight quarters (prior periods are not applicable due to the reverse business combination):

ALL AMOUNTS IN SEK THOUSAND, UNLESS OTHERWISE STATED	NOTE	KV 4 2017	KV 3 2017	KV 2 2017	KV1 2017	KV 4 2016	KV 3 2016	KV 2 2016	KV 1 2016
EARNINGS									
Rental and service revenues		24,757	27,392	30,618	27,716	40,163	38,852	36,634	34,512
Other operating income		2	54	687	67	-	-	-	-
Operating profit/loss		21,208	12,689	-157,455	18,303	24,938	28,492	22,664	23,097
Operating profit/loss, before items affecting comparability		21,208	12,689	17,131	18,303	24,938	28,492	22,664	23,097
Net profit/loss for the period, after tax		7,913	53,781	-153,767	28,816	51,592	24,982	17,348	-61,119
		0	0	0	0	0	0	0	0
PROPERTY-RELATED KEY RATIOS									
Occupancy rate, %*		66%	58%	85%	82%	85%	86%	81%	94%
Rentable area, thousands of square meters**		40.1	40.9	29.7	29.7	30.2	30.2	30.2	30.6
Number of properties at end of period		16	17	18	19	19	19	19	19
Average remaining contract length, months		14.3	16.6	18.6	19.7	**	**	**	**
		0	0	0	0	0	0	0	0
FINANCIAL KEY RATIOS									
Return on equity, %		1.08%	7.70%	neg	6.00%	11.20%	5.10%	3.70%	neg
Return on capital employed, %		0.85%	6.00%	neg	4.50%	8.00%	3.90%	2.80%	neg
EBITDA		21,175	12,689	-157,455	18,303	24,938	28,492	22,664	23,097
Adjusted EBITDA		21,175	12,689	17,131	18,303	24,938	28,492	22,664	23,097
EBITDA margin, %		86%	46%	neg.	66%	62%	73%	62%	67%
Adjusted EBITDA margin, %		86%	46%	55%	66%	62%	73%	62%	67%
Equity/assets ratio, %		79.73%	77.80%	78.80%	74.60%	71.50%	75.50%	76.00%	74.40%
		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total assets		968,389	899,270	842,542	647,249	646,899	648,820	611,258	554,145
Equity		772,110	699,852	663,847	482,651	462,589	489,706	464,265	412,406
Average equity		735,981	681,849	573,249	472,620	476,148	476,985	438,335	415,585
Average assets		933,829	870,906	744,895	647,074	647,860	630,039	582,702	560,676
RATIOS PER SHARE									
3									
Number of basic shares outstanding, thousand		3	477,315	445,815	445,815	353,268	353,268	353,268	353,268
Number of diluted shares outstanding, thousand		3	477,315	445,815	445,815	353,268	353,268	353,268	353,268
Average number of shares, thousand		3	450,266	445,815	354,285	353,268	353,268	353,268	353,268
Average number of diluted shares, thousands		3	450,266	445,815	354,285	353,268	353,268	353,268	353,268

Basic earnings per share, SEK	3	0.02	0.12	-0.43	0.08	0.15	0.07	0.05	-0.17
Diluted earnings per share, SEK	3	0.02	0.12	-0.43	0.08	0.15	0.07	0.05	-0.17
Equity per share, SEK	3	1.62	1.57	1.49	1.37	1.31	1.39	1.31	1.17

EMPLOYEES

Average number of employees		15.0	17.0	15.0	15.0	15.0	15.0	15.0	15.0
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*The occupancy rate for Q3 has been impacted since the property C-view from this quarter is included in the rentable area.

**Rentable area does not include investment properties under construction. Therefore, until 30 June 2017, the C-view property's 13,119 square metres is not included.

***Remaining contractual life was not calculated for 2016, since the time required and cost of producing the information was not reasonable.

FULL-YEAR SUMMARY – GROUP

Overview of the last two interim periods and full-year 2016. Prior periods are not applicable due to the reverse business combination.

ALL AMOUNTS IN SEK THOUSAND, UNLESS OTHERWISE STATED	NOTE	2017-01-01 2017-12-31 FULL YEAR	2016-01-01 2016-12-31 FULL YEAR
EARNINGS			
Rent and service revenues		110,483	150,161
Other operating income		811	–
Operating profit/loss		-105,254	99,191
Operating profit/loss, before items affecting comparability		69,332	99,191
		-63,257	32,803
Net profit/loss for the period, after tax		–	–
PROPERTY-RELATED KEY RATIOS			
Occupancy rate, %		73%	87%
Rentable area, thousands of square meters**		40	30
		16	19
Number of properties at end of period		14	**
Average remaining contract length, months			
FINANCIAL KEY RATIOS			
Return on equity, % (ROE)		neg.	7.10%
Return on assets, % (ROA)		neg.	5.10%
EBITDA		-105,296	99,191
Adjusted EBITDA		69,290	99,191
EBITDA margin, %		neg.	66%
Adjusted EBITDA margin, %		62%	66%
Equity/assets ratio, %		79.73%	71.50%
Total assets		0	0
Equity		968,389	646,899
Average capital		772,110	462,589
Average assets		717,978	440,676
		905,289	607,053
RATIOS PER SHARE			
3			
Number of basic shares outstanding, thousand	3	477,315	353,268
Number of diluted shares outstanding, thousand	3	477,315	353,268
Average number of shares, thousand	3	401,297	353,268
Average number of diluted shares, thousands	3	401,297	353,268
Basic earnings per share, SEK	3	-0.16	0.09
Diluted earnings per share, SEK	3	-0.16	0.09
Equity per share, SEK	3	1.62	1.31
EMPLOYEES			
Average number of employees		15.5	15.0

*The occupancy rate for Q3 has been impacted since the property C-view from this quarter is included in the rentable area.

**Rentable area does not include investment properties under construction. Therefore, until 30 June 2017, the C-view property's 13,119 square metres is not included.

Parent Company

The Parent Company's revenue for 2017 totalled SEK 10,966 thousand (395). The revenue was related to re-invoicing of expenses to subsidiaries.

Operating expenses mainly consist of other external expenses of SEK -16,303 thousand (-3,812) and employee benefit expenses of SEK -5,558 thousand (-4,863). The large increase in other external expenses is explained by expenses attributable to the reversed operating expenses (expenses for adapting the new Group to IFRS, valuations, legal representatives, etc.).

Cash and cash equivalents at 31 December 2017 totalled SEK 60,929 thousand compared with SEK 25,237 thousand at 31 December 2016.

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

Equity at the end of the period was SEK 1,641,963 thousand compared with SEK 216,177 thousand at 31 December 2016. The change is explained by a net change in equity amounting to SEK 1,360,082 thousand due to the acquisition of ESI Group SA; the unregistered conversion from C shares to ordinary shares and the unregistered reduction in share capital due to the fact that all C shares were not converted into ordinary shares. For more information on the acquisition, see Note 7 Reverse business combination.

INCOME STATEMENTS – PARENT COMPANY

ALL AMOUNTS IN SEK THOUSAND	NOTE	2017-10-01 2017-12-31	2016-10-01 2016-12-31	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Net profit/loss for the period		7,913	51,592	-63,257	32,803
Other comprehensive income		-	-	-	-
Translation differences		-8,119	1,212	-59,192	26,440
Total items that can be reclassified to profit or loss		-8,119	1,212	-59,192	26,440
Other comprehensive income, net of tax		-8,119	1,212	-59,192	26,440
Total comprehensive income for the year		-206	52,805	-122,449	59,243
Total comprehensive income attributable to:					
Parent Company shareholders		-206	52,805	-122,449	59,243
Comprehensive income for the period		-206	52,805	-122,449	59,243

CONDENSED BALANCE SHEET – PARENT COMPANY

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2017-12-31	2016-12-31
ASSETS			
Non-current assets			
Participations in Group companies		1,384,483	20,704
Intangible assets		90	–
Property, plant, and equipment		–	33
Receivables from Group companies		184,805	165,988
Total non-current assets		1,569,378	186,725
Current assets			
Receivables from Group companies		11,928	9,097
Current receivables		333	2,513
Cash and bank balances		60,929	25,237
Total current assets		73,191	36,847
TOTAL ASSETS		1,642,569	223,572
EQUITY			
Equity			
Restricted equity			
Share capital		14,033	13,405
Total restricted equity		14,033	13,405
Non-restricted equity			
Share premium reserve		1,651,099	236,722
Accumulated earnings		-33,950	-36,409
Net profit for the year		-4,637	2,460
Total non-restricted equity		1,612,512	202,773
Total equity		1,626,545	216,177
Non-current liabilities			
Loans from related parties		–	–
Total non-current liabilities		–	–
Current liabilities			
Loans from related parties		–	5,054
Other current liabilities		16,024	2,341
Total current liabilities		16,024	7,395
TOTAL EQUITY AND LIABILITIES		1,642,569	223,572
Pledged assets		–	–
Contingent liabilities		Inga	Inga

PARENT COMPANY – CONDENSED STATEMENT OF CHANGES IN EQUITY

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2017-12-31	2016-12-31
Opening equity		216,177	148,500
Net profit/loss for the period		-4,637	2,460
Other comprehensive income for the period		–	–
Comprehensive income for the period		-4,637	2,460
Directed issue, January 2016		–	11,000
Directed issue, June 2016		–	63,000
Net change in share capital (reverse acquisition)		1,360,082	–
Conversion of warrants, December 2017		63,000	–
Costs of new shares issue		-8,077	-8,783
Total equity		1,626,545	216,177

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 visiting address of the main office is Norrlandsgatan 18, 111 43 Stockholm.

EMPLOYEES

The number of employees in the Group at the end of 2017 is 15. 12 linked to the operations in Angola and three employees 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. At 31 December 2017, and known changes thereafter, the five largest shareholders together owned 93.6 per cent of the total share capital and 93,6 per cent of the votes.

See the shareholder list below:

SHAREHOLDERS	NUMBER OF SHARES	PERCENTAGE OF SHARES	NUMBER OF VOTES	PERCENTAGE OF VOTES
Yoav Ben-Eli, via company ¹⁾	353,267,971	74.01%	3,532,679,710	74.01%
Cement Fund SCSp	63,000,000	13.20%	630,000,000	13.20%
Veronique Salik	14,519,404	3.04%	145,194,040	3.04%
Andreas Forssell, privately and via companies	8,404,609	1.76%	84,046,090	1.76%
Comtrack Ventures Ltd	7,501,988	1.57%	75,019,880	1.57%
Other shareholders	30,621,378	6.42%	306,213,780	6.42%
Total number of shares	477,315,350	100.00%	4,773,153,500	100.00%

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.

INFORMATION REGARDING THE FINANCIAL DEVELOPMENT IN ANGOLA

The financial situation in Angola is volatile and the currency Kwanzaa has recently been devalued. The inflation rate in Angola has also periodically been high during recent years, but is expected to decrease in the coming periods.

We have monitored the underlying development of the economy in the country over a period of time and especially regarding the real estate sector.

After an overall assessment of the inflation, the local currency Kwanzaa versus USD and Euro as well as other essential qualitative assessment bases that are relevant to the analysis of Angola's economy, we have come to the conclusion that, currently, the criterias for in order to implement the International Accounting Standard IAS 29 - Financial Reporting in Hyperinflationary Economies - do not apply.

ALTERNATIVE PERFORMANCE MEASURES

The Company applies the European Securities and Markets Authority's (ESMA) guidelines on alternative performance measures. The guidelines aim to make alternative performance measures in financial statements more understandable, reliable and comparable, thus promoting their usefulness. According to these guidelines, alternative performance measures refer to financial measurement of historical or future earnings trends, financial position, financial results or cash flows that are not defined or specified in the applicable financial reporting rules, namely, IFRS and the Swedish Annual Accounts Act. The guidelines are mandatory for financial statements published after 3 July 2016.

Certain disclosures of key ratios in this interim report present the development and status of financial and equity-related key ratios that are not defined in accordance with International Financial Reporting Standards (IFRS). Some alternative key financial performance indicators provide valuable and complementary information to investors. Since all companies do not calculate financial measurements in the same way, they are not always comparable to those used by other companies. These measures should therefore not be regarded as a replacement for measures that are defined in accordance with IFRS. For relevant reconciliation of key ratios that cannot be directly inferred or derived from the financial statements, see Note 8 Reconciliation of alternative performance measures.

KEY EVENTS DURING THE REPORTING PERIOD

SUCCESSFUL SALE OF ASSETS AND REPAYMENT OF LOANS

On 13 April 2017, Crown Energy announced that parts of a property in Angola were sold to an external party. The proceeds from the sale was used to pay off ESI Angola Lda's existing loan of approximately USD 4 million on the C-view building. The transaction meant that the loan was not transferred to YBE Imobiliária Lda, which took over the business from ESI Angola Lda. Consequently, the Group has no external loans.

The sale price of the asset exceeded the external valuation of the building by approximately USD 850 thousand. Since the transaction took place in ESI Angola Lda, it has not had any profit and loss effects in the Group.

CONSULTANCY AGREEMENT WITH PROGER

On 19 April 2017, Crown Energy announced that it had signed a consultancy agreement with Proger S.p.A. Proger S.p.A. is an internationally recognised Italian engineering and consulting company. Proger will carry out a wide range of technical services and business support for our Iraq project.

COMPLETION OF TRANSACTION BETWEEN CROWN ENERGY AND ESI GROUP

In February 2017, 363,401,823 newly issued C shares (and 363,401,823 votes) were transferred to YBE Ventures through a discount issue due to the reverse acquisition. On 30 June 2017, the parties agreed to complete the transaction, which meant that Crown Energy would receive 100 per cent of the shares in ESI Group. The final value of the operations and final number of shares for conversion are based on a purchase price mechanism. Final agreement on the number of C shares for conversion was published on 25 August 2017. See note 9 Events after the end of the reporting period. At the time of publication of this report, the agreed number of shares had not yet been registered with Euroclear, as this requires an approved and registered prospectus.

For more information on the transaction, see Note 5 Acquisition of ESI Group.

FINAL ACCOUNTS REGARDING ACQUISITION OF ESI GROUP

On 25 August 2017, the Company announced final accounts regarding the acquisition of ESI Group S.A. and conversion of class C-shares into ordinary shares following final adjustment of the purchase price as well as redemption of C-shares.

COMPETENT PERSONS REPORT

On 28 September 2017, the Company announced updated Competent Persons Report for the business area Energy.

PROSPECTUS

On 13 October, the Company published a prospectus regarding the admission to trading of the Company's ordinary shares, which were converted from class C shares, on NGM Equity. The prospectus contained, due to regulatory requirements, new financial information attributable to the Company's equity and liabilities as well as net indebtedness as of 31 July 2017 that had not previously been published. Furthermore, the prospectus contained a valuation statement issued by an external evaluator regarding the Company's property portfolio.

The prospectus was prepared due to the fact that a total of 353,267,971 C shares, in conjunction with the final settlement of the acquisition of ESI Group SA, announced on 25 August 2015, were converted into ordinary shares in the Company and would be admitted to trading on NGM Equity. The prospectus was approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) and published on the Company's website www.crownenergy.se.

COMPETENT PERSONS REPORT

On 28 September 2017, the Company announced updated Competent Persons Report for the business area Energy

RESTATED AND AMENDED PSC WITH SALAH AD-DIN

On 30 October 2017 it was announced that after an extended period of discussions and negotiation, the Company signed the Restated and Amended Production Sharing Contract ("PSC") regarding the Area of the Salah ad-Din Governorate, Iraq.

Main points of the Restated PSC:

- Extension of the Contractual Period - The end of the first exploration sub-period has been extended from September 2018 to September 2023 in recognition of the past impossibility to operate because of the insurgency events in the region.
- Contractual terms have been aligned with current industry standards and practices.
- The committed Work Program remains the same, i.e. geological and geophysical studies, limited seismic acquisition, and the drilling of one well.

Crown had previously reported that certain contractual terms in the 2011 PSC were slightly opaque in meaning and thus open to possible different interpretations. These terms were discussed and clarified over the past months with the Governorate, thus removing these points of uncertainty. The result is that the Restated PSC sets out a clear path forward for the development of the Salah ad-Din contract area, which will be to the benefit of all parties involved.

CEMENT FUND EXERCISING WARRANTS

On 6 December 2017 One of Crown Energy AB's major shareholders, Cement Fund SCSp, elected to exercise all of its 31.5 million warrants in the Company and subscribes for an additional 31.5 million ordinary shares in the Company. The strike price per ordinary share is SEK 2 in accordance with the resolution made by the annual general meeting 2016 held on 4 May 2016. Through the exercise of warrants the Company received an additional cash injection of SEK 63 million. No additional warrants are outstanding in the Company after the exercise.

Following the exercise of warrants the total number of ordinary shares in the Company increased to 477,315,350. Each ordinary share carries ten votes and the total number of votes after the exercise is 4,773,153,500.

EXTENSION OF THE MANJA LICENCE

On 13 December 2017 an extension to our 100 percent owned Block 3108 Manja Licence, onshore Madagascar, was announced.

Following a meeting with OMNIS, the regulatory body of Madagascar it was agreed to extend the exploration period for two years until 14-Nov-19. The work programme for this additional two year phase is carried over from the previous period and continues to consist of an FTG (Full Tensor Gravity) survey over the block, followed by optional 2D seismic.

The agreement had a final "Avenant" from the government, which means the extension is granted regulatory approvals.

OUTLOOK OPERATIONS

During 2017 we acquired a well-run company that is profitable and has great growth potential. The strong cash flow also increases our ability to develop existing operations in Crown Energy, as the end market in exploration operations and in the property services business consists largely of the same companies and customers, i.e. the oil and gas industry. As a larger joint company, we see new opportunities for generating future business in both business areas.

FINANCING AND GOING CONCERN

With the acquisition of ESI Group and its cash-flow generating operations as well as the exercising of warrants by Cement Fund in December 2017, the Company will continue to have adequate working and investment capital going forward. Our Plan A is to deal with all outstanding obligations within the next 12 months, including investments, recurring administration and repayment of loans, using existing funds. However, it cannot be ruled out that the Company may need or want to raise capital from existing shareholders for investments beyond those described thus far. This may be done via new share issues, directed share issues or preferential rights issues, or via other offers to existing shareholders or a combination of the above.

RISKS AND UNCERTAINTIES

A detailed description of the Company's risks before the acquisition of ESI Group can be found in Crown Energy's 2016 Annual Report. No pervasive modifications to significant risks and uncertainties for the previous operations (Energy business area) were made during the period for the Group or the Parent Company.

Below is a summary of the risks described in the annual report for the Energy business area as well as a summary of additional risks associated with the Property Development & Services business area.

ENERGY BUSINESS AREA

Operational risks in the Energy business area are mainly linked to exploration licenses. There are several risks associated with licence agreements, that is, agreements and permits that are prepared together with local authorities. Among other things, permits may be subject to restrictions and/or withdrawn, or they may be subject to interpretation and disputes. By maintaining a continuous, effective dialogue with local authorities, the Group has as good control as possible over any changes to or new requirements for its licences.

The main risks related to the market and industry are those related to political, social, and economic issues in each country and/or region. Given that the Group is engaged in and may expand its activities in developing countries, it can be affected by factors such as political, social, economic, and religious instability, including terrorism, military coercion, war, and general social and political unrest. This instability could have a very negative impact on operations as regards permits and partnerships. Another industry-related risk is the risk that the exploration work never leads to development and production and that the estimated volumes do not correspond with reality. To reduce the risk of

misjudging a licence's potential, the Group hires competent persons with good geological backgrounds and always follows established procedures and models for estimating reserves and resources.

Regarding financial risks, the Group estimates that the greatest risk is the fact that oil and gas exploration is a capital-intensive business and funds may need to be raised during a less favourable market situation. Depending on operational developments in general, the Group may need additional capital to acquire assets, to further develop the assets under favourable conditions, or to continue its operating activities. If the Group cannot raise enough funds, the extent of its operations may be limited, which in the long run could result in it being unable to implement its long-term exploration plan.

PROPERTY DEVELOPMENT & SERVICES BUSINESS AREA

In conjunction with the acquisition of ESI Group and associated property assets and operations in Angola, the Company has identified several additional risks and uncertainties, which are described below.

The property market in Angola is strongly associated with price developments in the oil market

The Company offers customised solutions for staff housing and offices primarily to companies in the oil and gas industry in Angola. The Angolan economy and its development are strongly associated with demand and price developments in the oil market, and low demand for oil and low oil prices have an immediate impact on the Angolan property market. Although oil prices have stabilised and remained relatively steady in recent years, the general economic downturn in Angola in recent years has led to stagnation in the Angolan property market. This can therefore have a significantly adverse effect on the Group's operations, financial position and earnings.

The value of properties or property portfolios may decline

The value of the properties is affected by several factors, some of them property-specific, such as operating costs and permitted use of the property, and some of them market-specific, such as required rate of return and capital costs, based on comparable transactions in the property market. The return on the properties depends largely on factors such as the Company's ability to complete the intended leases or divestment of the properties, and the costs and expenditure associated with the development, management and conversion of the properties, and on changes in the market value. Rental income and the market value of property in general are affected by general economic conditions, such as GDP growth, employment, inflation and changes in interest rates. Both the property value and rental income can also be affected by competition from other property companies, or perceptions of potential buyers or tenants concerning the attractiveness, convenience and security of the properties. If one or more of the above factors were to develop negatively, this could have a material adverse effect on the Group's operations, financial position and earnings.

The Company is dependent on a high occupancy rate and timely payment of rent by tenants

The Company's property assets are geographically centralised in the Angolan capital Luanda. Rental income comes mainly from tenants operating in the oil and gas industry, and embassies. Lease contracts with the Company's tenants are signed with differentiated maturities. If one or more of the Company's more important tenants do not renew or extend their leases as they expire, this may result in reduced rental income and higher vacancy rates if Crown Energy is not able to replace them with new tenants. A long-term negative trend for current market rents may also have an adverse effect on the Company. Part of the Company's business concept is to allow its customers to pay their rent annually. The Company is dependent on its tenants paying the agreed rents on time and is therefore exposed to the risk that these tenants will not fulfil their obligations properly. If Crown Energy's tenants do not renew or extend their leases as they expire and the Company is not able to replace them with new tenants, or if the Company's tenants do not pay their rent on time, this may have a material adverse effect on the Company's operations, earnings and financial position.

Operating and maintenance costs may increase

The Company's operating costs for property operations in Angola are mainly electricity, water, sanitation, heating, cooling and communications costs. Several of these costs are attributable to goods or services that can only be purchased from one or a few players, which may affect the price. Increased costs in this regard could have an adverse effect on the Company's financial position and earnings if it is not possible to compensate for the increased costs by the adjustment of lease agreements and/or rent increases through renegotiation. The Company's maintenance costs are attributable to measures aimed at upholding the standard of a property in the long term or maintaining and/or modernising the property. The Company's customers require the Company's properties to be of an international standard. This standard may change, which means that the Company's customers may have higher requirements for the Company's properties and premises in the future. These requirements may be significant, resulting in increased maintenance costs, and if it is not possible to compensate for the increased costs by renegotiated leases or the adjustment of lease agreements, this may have an adverse effect on the Company's operations, financial position and earnings.

Currency risk, rent control and limited availability of US dollars in Angola

The Group has previously had currency exposure to the US dollar, euro and British pound. The acquisition of ESI Group also adds a significant exposure to the Angolan kwanza. Historically, the value of the kwanza has fluctuated considerably. The Parent Company's main currency is SEK.

The US dollar has historically been, and still is, an accepted and important means of payment in the Angolan economy alongside the local currency, the kwanza. However, in recent years, the Angolan government has decided on certain restrictive measures (see below) regarding the use of US dollars, to strengthen the domestic banking system. With effect from 2013, rules were introduced forcing oil companies to use the local banking system and pay their taxes in the local currency, the Kwanza. These and other causes, such as stagnating oil prices and an associated reduction in transactions, have resulted in less availability of US dollars in Angola. If US dollar availability in Angola decreases or the Company is not able to conduct any transactions in US dollars, it could have a significantly adverse effect on the Group's operations, earnings and financial position.

As a step in the Angolan government's strategy to control inflation in the country, a new lease act was adopted in 2015. Under the new act, rental amounts may only be established in the national currency, the kwanza. Landlords are obliged to use the method for adjustment of the rent prescribed in the act, in accordance with an annual index published by the government. For leases concluded for a term of more than five years, commercial operators are also allowed to implement an ad hoc rent adjustment mechanism in the contract. In view of the general decline in the Angolan economy in recent years and the fact that the Angolan Central Bank has historically used devaluation measures as an instrument for controlling economic development in the country, the present lease act means that landlords are exposed to currency risks as rent cannot be denominated in currencies other than the kwanza. There is a risk that updates of the rent adjustment index published by the Angolan government will not adequately match the necessary rent adjustments that the Company needs to make to cover operating expenses or maintain its margins. Also, the possibility for commercial operators to implement an ad hoc rent adjustment mechanism in contracts may be difficult to formulate fully in view of the fact that the Angolan economy is strongly influenced by oil price movements. If the Angolan Central Bank decided to devalue the kwanza, or if the Angolan economy in general and the property market in particular experienced a decline, it is possible that the Company would be unable to adequately protect itself from increased costs, reduced revenue or margins, inflation or devaluation of the kwanza.

Notes

NOTE 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 2016 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 2016 financial year and as described in the 2016 Annual Report. No new or revised standards, interpretations, or amendments adopted by the EU had an effect on the Group's earnings or position.

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 2016 Annual Report.

ADDITIONAL ACCOUNTING POLICIES

Due to the acquisition of the Angolan business, additional accounting policies that were not stated in the 2016 Annual Report are described below.

Income

Rental income

Rental income from property management is recognised on a straight-line basis based on the terms of the lease (rental agreement).

Service income

A service agreement is signed for each rental agreement. The service agreement generally covers all administrative costs for the property as well as other value-added services such as security, catering etc.

Income from property sales

Revenue from property sales is normally recognised on the takeover date unless the risks and benefits are transferred to the buyer at an earlier date. Control of the asset may have been transferred at an earlier date than the takeover date and, if so, the revenue from the property sale is recognised at this earlier date. When assessing the revenue recognition date, consideration is given to the agreements between the parties regarding risks and benefits as well as involvement in current administration. In addition, consideration is given to factors that may affect the outcome of the transaction are beyond the control of the seller and/or buyer. When selling properties with rental guarantees, the present value of the probable outflow of guarantee payments is calculated and recognised as a provision.

Leases

Leases are classified either as financial or operating leases. When the economic risks and benefits associated with ownership are essentially transferred to the lessee it is considered a financial lease. If this is not the case, it is an operating lease.

Operating lease

Costs relating to operating leases are recognised in profit for the year on a straight-line basis over the lease period. Benefits received relating to the signing of an agreement are recognised in profit for the year as a reduction in the lease payments on a straight-line basis over the term of the lease. Benefits

received relating to the signing of an agreement are recognised in profit for the year as a reduction in the total lease cost. Variable fees are written off in the periods in which they arise.

Finance leases

An asset and a liability are recognised at the beginning of the lease term. At the beginning of the lease term, the asset and liability are recognised at the lease object's fair value or at the present value of the minimum lease payment, if this is lower. The discount rate used in the calculation of present value is the implicit rate, if this is known. Otherwise, the lessee's incremental borrowing rate of interest is used. Any direct expenses incurred when entering the lease are added to the amount recognised as an asset. In some cases, there are no minimum lease payments (since charges are based solely on variable parameters). Construction costs for buildings are treated as direct expenses.

After initial recognition, the minimum lease payment is divided between interest and debt repayment. Amortisation and interest expenses are recognised in the statement of comprehensive income.

Leases covering buildings and land

When a lease includes both buildings and land, the classification of each part is assessed separately as a financial or operating lease. Land and buildings held through a finance lease and leased under one or more operating leases are considered investment properties and shall, in addition to the rules of IAS 17 Leases, comply with IAS 40 Investment Properties.

In accordance with IAS 40, an interest in a property classified as an operating lease may also be classified as an investment property. In these cases, the interest in the property is recognised as if it were a finance lease and fair value must be used for the recognised asset.

Leases relating to office equipment/machinery

Leases for office machines are finance leases, but as they are not considered to be significant, they are recognised as operating leases.

Investment property

The Group's properties are primarily held for the purpose of generating rental income and service revenues. All properties are classified as investment properties. Investment properties include buildings, land, land improvements and fixtures and fittings. Properties under construction and refurbishment intended to be used as investment properties when the work is completed are also classified as investment properties. Investment properties are recognised at fair value in accordance with IAS 40. Initially, investment properties are recognised at cost, which includes expenditures directly attributable to the acquisition. Fair value is based on market value and represents the estimated amount that would be received in a transaction at the time of the valuation between competent, independent parties who have an interest in the transaction being conducted as is customary on the market and where both parties are expected to have acted insightfully, wisely and without obligation.

The valuation model consists of a cash flow model discounting the future cash flows that the investment properties are expected to generate. In the event of significant changes during the fiscal year, the valuation is updated. A description of the valuation methods used, significant inputs in the value assessments and the fair value hierarchy level applicable to the property holdings can be found in the Property Development & Services Business Area section on page 9.

Both realised and unrealised changes in value are recognised in profit for the year. Realised changes in value refer to changes in value from the most recent quarterly report until the disposal date for properties disposed of during the period, taking into account capitalised investment expenses for the period. Unrealised changes in value refer to other changes in value that are not due to acquisitions or capitalised investment expenditures.

Property sales and property purchases are recognised when the risks and benefits associated with ownership is passed from the seller to the buyer (see the Revenue from property sales section).

Subsequent expenditures are added to the carrying amount of investment properties only if it is probable that the future economic benefits associated with the expenditures will flow to the Company and the cost can be calculated reliably. All other subsequent expenditures are recognised as expenses in the periods in which they arise. Expenditures for replacement of identified components and the addition of new components are added to the carrying amount when they meet the above criteria. Repairs and maintenance are written off as the expenditures arise.

Non-current assets held for sale

The implication of a non-current asset or disposal group being classified as held for sale is that its carrying amount will be recovered largely through sales and not through use. An asset or disposal group is classified as held for sale if it is available for immediate sale in its current state and it is very likely that the sale will be made. These assets or disposal groups are recognised on a separate line as current assets and current liabilities, respectively, in the statement of financial position. For depreciable assets, depreciation ceases after reclassification to asset held for sale.

Immediately prior to classification as held for sale, the carrying amount of the assets and all assets and liabilities in a disposal group is determined in accordance with applicable standards. At initial classification as held-for-sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less selling expenses. Certain assets, such as financial assets and deferred tax assets, either individually or in a disposal group, are exempt from the above-mentioned valuation rules.

Property, plant, and equipment

With the new property business, improvements to other property can be capitalised as property, plant, and equipment. Improvements to another's property are written off over 10 years.

Current tax

Angola taxes gross income from property management, that is, rental income and service income. These taxes are recognised as property costs in operating profit. The obligation to pay taxes is based on customer payments and is due one month after payment. If the customer is a company, which most of the Group's customers are, responsibility for making these payments to local tax authorities lies with them. In practice, this means that the landlord receives a net payment after tax from the customer. This type of tax, as well as costs directly attributable to property operations, are counted as deductible costs when calculating income tax for the year, which means that the Angolan property business is expected to have no or very low income tax.

Other property-related taxes, such as local property taxes, are recognised as property costs.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS THAT HAVE NOT YET COME INTO FORCE

The International Accounting Standards Board (IASB) has issued new standards that will take effect in 2018: IFRS 9 Financial Instruments, IFRS 15 Revenues from Contracts with Customers and IFRS 16 Leases. As the Group has undergone major changes during 2017, some work remains on the analysis of how the new standards will affect the Group. Below is a summary of initial assessments.

- IFRS 9 – Briefly, the standard includes changes to the principles of hedge accounting and an impairment model based on expected loan losses instead of losses incurred. The Group's financial assets consist essentially of current receivables and cash and cash equivalents. Financial liabilities consist mainly of interest-bearing liabilities in the form of lease liabilities and other current liabilities. The Group has no hedge accounting. At this initial stage, the new standard is not expected to have a significant effect on presentation of these instruments.

The new impairment model for receivables involves making provisions for the loss risk on all receivables regardless of whether there is an observable event indicating a risk loss. Historically,

bad debt losses are very small in the property business. The Group continues to analyse how the changes to IFRS 9 may affect provisions for bad debt losses.

- IFRS 15 – The method of recognising revenue in IFRS 15 is based on when the control of a product or service is transferred to the customer, in contrast to current revenue recognition standards, which are based on when risks and benefits are transferred. The Group's revenue recognition already has a clear break-down between revenue attributable to rent and to service, as these agreements are written completely separately. This means that revenues are recognised in accordance with IFRS 16 Leases and services in accordance with IFRS 15. The assessment at present is that the period allocation of these revenues will not change due to the new IFRS 15. However, the new standard will entail increased disclosure requirements.
- IFRS 16 – The new standard means that a leaseholder's previous operating leases will be recognised in the balance sheet. Since the Group is already recognising its property leases (as a lessee) as assets and liabilities (in accordance with IAS 17 Leases and IAS 40 Investment Property), the assessment is that the new standard will not cause any significant changes for the Group.

NOTE 2 TRANSACTIONS WITH RELATED PARTIES

PURCHASES AND SALES WITHIN THE GROUP

Of the Parent Company's revenue in the interim period 2017, 100 per cent (100) consists of re-invoicing to other companies within the Group. Of the Parent Company's total interest income in the first three quarters of 2017, 100 per cent (100) relates to other companies within the Group.

RECEIVABLES FROM ESI ANGOLA

In accordance with the acquisition agreement for ESI Group SA, all financial rights and obligations from properties and leases would be passed on to YBE Imobiliária as of 1 January 2017. Mainly as a result of prepaid rents in 2016 for 2017, YBE Imobiliária Lda received a payment claim regarding ESI Angola Lda. At 31 December 2017, the receivable amounted to SEK 25,456 thousand with a market interest rate.

PURCHASES FROM RELATED PARTIES

The Company has, as part of the acquisition of ESI Group, entered into an agreement with ESI Angola Lda. regarding property services for the properties in Angola. The agreement contains a fixed cost per property and month.

The company has furthermore, as part of the acquisition of ESI Group, entered into an agreement with Yoav Ben-Eli regarding a monthly remuneration of 18,500 USD for management services.

NOTE 3 EARNINGS PER SHARE

The Company's earnings per share key ratio is calculated as earnings after tax divided by average number of shares for the period. This ratio is calculated both with and without dilutive effects.

DILUTIVE EFFECT

As per 31 December 2017 the Parent company has no outstanding warrants or derivatives.

EARNINGS PER SHARE AND NUMBER OF SHARES

The reverse acquisition has had some effects on how the number of shares was calculated:

The number of outstanding shares at 31 December 2017 totalled 477,315,350. The average number of shares during 2017 amounts to 401,297,464. As mentioned above, there is no dilutive effect.

Earnings before tax amounted to SEK -63,257 thousand, which puts earnings per share at 31 December 2017 at SEK -0.16 (both before and after dilution).

NOTE 4 ACCOUNTING FOR FINANCIAL INSTRUMENTS

CARRYING AMOUNT AND FAIR VALUE

The carrying amounts of other receivables, cash and cash equivalents, accounts payable, and other current liabilities are a reasonable approximation of their fair value.

The fair value of financial liabilities is calculated for disclosure purposes by discounting the future contractual cash flow at the current market interest rate available to the Group for similar financial instruments.

The fair value of financial instruments not traded in an active market is determined using discounted cash flows. The current and non-current lease liability is calculated at amortised cost based on minimum lease payments and future financial expenses for the financial lease.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Crown Energy classifies fair value measurement using a fair value hierarchy (three levels) that reflects the reliability of the inputs used in making the measurements in compliance with IFRS 13 Fair Value Measurement. The following table shows the financial items recognised at fair value via the income statement, divided into the three levels:

GROUP, ALL AMOUNTS IN SEK THOUSANDS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets measured at fair value via income statement:				
Investment property	-	-	133,281	133,281
Total assets	-	-	131,833	131,833
Financial liabilities measured at fair value via income statement:				
Lease liabilities	-	-	102,253	102,253
Provision for additional consideration, commercial discovery	-	-	2,833	2,833
Total liabilities	-	-	105,086	105,086

Provisions were recognised for contracted additional consideration related to subsidiary Amicoh Resources Ltd. No changes have occurred in Crown Energy's assessments of fair value measurement applicable to provisions since 31 December 2016. For more information on the provision, see the 2016 Annual Report. No changes have occurred in Crown Energy's assessments of the provision as described in the annual report.

NOTE 5 OPERATING SEGMENTS

An operating segment is that part of a group that runs operations from which it can generate revenue and incur costs for which independent financial information is available. The performance of an operating segment is monitored by the Company's chief operating decision-maker to evaluate the results and to allocate resources to the operating segment and evaluate its short- and long-term results. Segment information is presented based on the chief operating decision-maker's perspective, which means that it is presented in the same way as in internal reporting.

Following the reverse acquisition, it was determined that the Group has two segments, which correspond to the two business areas, that is, Energy (oil and gas exploration) and Property Development & Services (property business). The chief operating decision-maker is determined to be the Board of the Parent Company.

ACCOUNTING FOR THE OPERATING SEGMENTS

Since there was only one segment in 2016, comparative figures are not available. As a result of the reverse acquisition, the Energy segment has not had any earnings effects.

	Energy Q4 2017	Property Development and services Q4 2017	Group-wide and non- allocated posts Q4 2017	Total Q4 2017
OPERATING SEGMENTS				
Revenue	2	24,757	0	24,759
Operating expenses	-168	1,134	-4,517	-3,551
Operating profit before effect of reverse acquisition	-166	25,891	-4,516	21,208
Operating profit/loss after effect of reverse acquisition	-166	25,891	-4,516	21,208
Net financial items	686	-950	19	-246
Profit/loss before tax and changes in value	520	24,941	-4,498	20,963
Changes in value				
Property, unrealised	-	-8,878	-	-8,878
Earnings before tax	520	16,062	-4,498	12,084
Income tax	-	-5,436	-	-5,436
Deferred tax	-	1,265	-	1,265
Net profit/loss for the period	520	11,891	-4,498	7,913
Non-current assets at end of period	188,888	618,684	90	807,662

OPERATING SEGMENTS	Energy FULL-YEAR 2017	Property Development and services FULL-YEAR 2017	Group-wide and non- allocated posts FULL-YEAR 2017	Total FULL-YEAR 2017
Revenue	-	86,535	-	86,535
Operating expenses	-	-38,411	-	-38,411
Operating profit before effect of reverse acquisition	-	48,123	-	48,123
Earnings effect from reverse acquisition	-	-	-174,586	-174,586
Operating profit/loss after effect of reverse acquisition	-	48,123	-174,586	-126,462
Net financial items	-	2,642	-	2,642
Profit/loss before tax and changes in value	-	50,766	-174,586	-123,820
Changes in value				
Property, unrealised	-	48,134	-	48,134
Earnings before tax	-	98,900	-174,586	-75,686
Income tax	-	-1,330	-	-1,330
Deferred tax	-	5,846	-	5,846
Net profit/loss for the period	-	103,416	-174,586	-71,170
Non-current assets at end of period	184,444	617,733	116	802,294

GEOGRAPHIC MARKET

Allocation by geographic market, Q3 2017:

GEOGRAPHIC MARKET, SEK THOUSAND	SWEDEN	ANGOLA	IRAQ	SOUTH AFRICA	EQUATORIAL GUINEA	MADAGASCAR	TOTAL
Revenue							
Energy	-	-	11	1	4	0	17
Property Development & Services	-	111,259	-	-	-	-	111,259
Other	17	-	-	-	-	-	17
Operating profit before effect of reverse acquisition	-8,211	78,131	-81	-372	-137	2	69,332
Investment property	-	618,684	-	-	-	-	618,684
Exploration and evaluation assets	-	-	41,216	59,548	5,033	83,092	188,888
Other non-current assets, excluding deferred tax	90	-	-	-	-	-	90

Allocation of non-current assets per geographic market, Q3 2016 (in 2016 there was only one segment, so information is only provided for non-current assets in the form of investment properties):

GEOGRAPHIC MARKET, SEK THOUSAND	SWEDEN	ANGOLA	IRAQ	SOUTH AFRICA	EQUATORIAL GUINEA	MADAGASCAR	TOTAL
Investment property	-	569,694	-	-	-	-	569,694

NOTE 6 ACQUISITION OF ESI GROUP**BACKGROUND**

In November 2016, the Parent Company acquired all shares in ESI Group SA (ESI Group), which was funded through a directed issue of 363,401,823 C shares to YBE Ventures Ltd (the Acquisition). YBE Ventures Ltd (YBE Ventures) is owned by Yoav Ben-Eli, also a member of the Board of Directors of the Parent company since December 2016.

The acquisition was approved after a proposal from the Board at an EGM in December 2016 and payment was via a discounted issue of 363,401,823 Crown Energy AB's C shares, the new share class (the Directed Issue).

For more detailed information regarding the acquisition see interim report for H1 2017.

ACCOUNTING OF THE ACQUISITION

The acquisition will be classified as a reverse acquisition because it will result in Crown Energy having a new principal owner. This means that IFRS 3 Business Combinations will be observed for accounting and presentation of the acquisition within the Group, which is described in detail in Note 7, Reverse acquisition.

NOTE 7 REVERSE ACQUISITION

As mentioned in Note 6 Acquisition of ESI Group, the Parent Company acquired all the shares in ESI Group on 30 June 2017. ESI Group, in turn, owns all the shares in YBE Imobiliária and ESI East Africa, where YBE Imobiliária is the operating company with property assets.

After the transaction was completed on 30 June 2017, a final settlement was made to determine the final consideration. In accordance with a transfer agreement and a resolution at the General Meeting in December 2016, a maximum of 363,401,823 Class C shares could be converted into an equal number of ordinary shares. In the acquisition agreement, the shares are assigned a value of SEK 2.50 per share and the number of exchanged shares will depend on the final settlement. At final settlement on 25 August 2017, in accordance with the acquisition agreement, the parties agreed that a total of 353,267,971 C shares would be converted into ordinary shares. The remaining 10,133,852 C shares, will be cancelled. Conversion and cancellation of shares in the Parent Company's share register at Euroclear had not been finalised as of the reporting date. However, when preparing this report, the changes in share capital were considered, as it is an event that confirms what was legally the case at 30 June 2017.

After the conversion of C shares into ordinary shares, YBE Ventures Ltd will hold 79.2 per cent of the votes and the capital in the new group. Since in this case it is the acquired company's (ESI Group) previous owner that has a controlling interest over the new group, the transaction was recognised in accordance with the rules of IFRS 3 Business Combinations, known as a reverse acquisition.

A reverse acquisition exists if a company acquires shares in another company by issuing shares in its own company to such an extent that the controlling interest over the newly formed group is attributable to the shareholders of the acquired company. Legally, the acquiring company is a parent company (Crown Energy AB) but the economic significance of the transaction is that it is the former shareholders of the acquired company (ESI Group SA) that have the controlling interest over the acquiring company. The consolidated accounts have therefore been prepared according to the financial implications of the transaction. This means that it is the acquired company's (Crown Energy AB) assets and liabilities that are assessed at fair value on the acquisition date when preparing an acquisition analysis. This means that Crown Energy AB is the legal parent company but is accounted for as a subsidiary. ESI Group SA is the legal subsidiary but is accounted for as a parent company in the consolidated accounts.

Crown Energy's fair value of SEK 356 million at the acquisition date is considered to constitute the transferred compensation. The fair value was calculated on 92,547,379 outstanding (ordinary) shares (before the above-mentioned discount issue) multiplied by Crown Energy's purchase price of SEK 3.85 per share at the acquisition date.

The acquisition analysis is preliminary and will be finalised no later than one year after the acquisition date.

The table below shows the accounting and valuation of acquired assets and assumed liabilities related to the acquisition of the old Crown Energy as per acquisition date.

ALL AMOUNTS IN SEK THOUSAND	ON TAKEOVER DATE
ASSETS	
Non-current assets	
Exploration and evaluation assets	183,133
Other non-current assets	124
Current assets	
Other receivables	9 517
Cash and cash equivalents	19 925
Non-current liabilities	
Deferred tax liabilities	14,701
Other provisions	3,371
Current liabilities	
Other current liabilities	12,906
Net identifiable assets and assumed liabilities	181,721
Fair value of Crown Energy at takeover date	356,307
Transaction cost (marketplace premium)	174,586
Transferred compensation	356,307
Payment, business combination	SEK 1
Business combination's effect on equity	356,307
Payment for business combination	SEK 1
Cash in business combination	19,925
Cash flow, reverse acquisition	19,925

The difference between the net of identified assets and liabilities and transferred compensation can be seen as a premium of SEK 175 million for the stock exchange, which is not a balance sheet item so the difference is recognised as an expense. The difference arose since the Parent Company's share price increased between the time the agreement with the seller of the Angola business was written in November and the acquisition date (30 June 2017). Before the acquisition, the Crown Energy Group's market value, more or less, corresponded to its net assets.

Acquisition-related costs (not including issue expenses) paid by the acquired entity, Crown Energy AB, totalled SEK 2,691 thousand on issue of this report. All costs arose prior to the acquisition and thus affected the difference between identified assets and liabilities and transferred compensation, as costs prior to acquisition reduced the net of identified assets and assumed liabilities. Costs incurred after the acquisition date are also written off on an ongoing basis.

Since the period from the acquisition date is the same as the reporting period (30 June 2017), Crown Energy had no effect on earnings. If the acquisition had taken place on 1 January 2017, management believes that the net income in the new group would have amounted to SEK -160 million (of which SEK -175 million relates to the above-mentioned earnings effect caused by the reverse acquisition).

COMPARATIVE FIGURES 2016

This interim report includes financial information for the new Crown Energy Group for the period 1 January – 30 June 2017. Since Crown Energy's acquisition of ESI Group is recognised as a reverse acquisition, the Group's comparative figures for 2016 are from the ESI Group. The Parent Company's comparative figures are still from the legal acquirer, that is, Crown Energy AB. The financial reporting is thus published in the legal parent company's name, that is, Crown Energy AB, but is de facto a continuation of ESI Group's consolidated financial statements. The consolidated accounts cover the same accounting period as for the legal parent company (Crown Energy AB), which is the calendar year.

The ESI Group did not exist in its current form in 2016, as the operating subsidiary YBE Imobiliária Lda (YBE Imobiliária) was first acquired in 2017. As a consequence of the reverse acquisition, and in accordance with IFRS 3 Business Combinations, comparative figures were calculated assuming that in 2016 the ESI Group conducted its business in its present form at takeover.

Parts of the business acquired by Crown Energy through ESI Group SA's subsidiary, YBE Imobiliária, were previously run via a privately-owned company in Angola, ESI Angola Lda. Instead of acquiring ESI Angola Lda and the entire business, all business-critical functions and assets, such as properties, leases and key personnel, were carved-out. This carve-out was made to the newly formed company YBE Imobiliária Lda in 2017.

Comparative figures from 2016 for the ESI Group relating to the subsidiary YBE Imobiliária were calculated using ESI Angola Lda's accounts and adjusting them for revenues, expenses and balance sheet items not considered to belong to YBE Imobiliária. Since the Angolan operations did not do accounting in accordance with IFRS, the process of compiling the comparative figures from 2016 has been time-consuming, involved many complex issues and required several assumptions. The financial figures for the carve-out of YBE Imobiliária 2016, will be subject to review by the Group's auditors as part of the year-end report for 2017.

NOTE 8 RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Reconciled below are alternative financial performance measures that cannot be directly inferred or derived from the financial statements.

	2017-10-01 2017-12-31	2016-10-01 2016-12-31	2017-01-01 2017-12-31	2016-01-01 2016-12-31
ALL AMOUNTS IN SEK THOUSAND, UNLESS OTHERWISE STATED	Q4	Q4	FULL-YEAR	FULL-YEAR
RECONCILIATION OPERATING PROFIT/LOSS AND EBITDA AND ADJUSTED EBITDA				
Operating profit/loss	21,208	24,938	-105,254	99,191
+/- Depreciation/amortisation	-34	-	-42	-
= Total EBITDA	21,175	24,938	-105,296	99,191
+ Earnings effect from reverse acquisition	-	-	174,586	-
= Total adjusted EBITDA	21,175	24,938	69,290	99,191
CALC. EBITDA MARGIN				
EBITDA	21,175	24,938	-105,296	99,191
÷ Earnings	24,759	40,163	111,294	150,161
= EBITDA margin, %	86%	62%	neg.	66%
Adjusted EBITDA	21,175	24,938	69,290	99,191
÷ Earnings	24,759	40,163	111,294	150,161
= Adjusted EBITDA-margin, %	86%	62%	62%	66%
CALC. RETURN ON EQUITY, % (ROE)				
Net profit/loss for the period, after tax	7,913	51,592	-63,257	32,803
Average equity (opening balance + closing balance divided by two)	735,981	476,148	617,349	440,676
Return on equity, %	1%	11%	neg.	7%
CALC. RETURN ON ASSETS, % (ROA)				
Net profit/loss for the period, after tax	7,913	51,592	-63,257	32,803
Average total capital (opening balance assets + closing balance assets divided by two)	933,829	670,652	820,692	607,053
Return on assets, %	1%	8%	neg.	5%
CALC. EQUITY/ASSETS RATIO, %				
Total assets	968,389	672,996	968,389	646,899
Equity	772,110	462,589	772,110	462,589
Equity/assets ratio, %	80%	69%	80%	72%

NOTE 9 EVENTS AFTER THE END OF THE REPORTING PERIOD**APPROVED EXPLORATION RIGHTS PERIOD BLOCK 2B SOUTH AFRICA**

On 26 February 2018 the Company announced that the extension to move into the second period of the Exploration Right over Block 2B offshore South Africa was granted by the South African authorities. Our partner and Operator of the Block, Africa Energy advised us that South African Governmental exploration rights period approval now run until 19th February 2020. During this period the drilling of a well is include for which Crown Energy is fully carried for the cost for its 10 percent equity position in this Block.

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 not reviewed by the Company's auditors. The English interim report is a translation of the Swedish interim report.

Stockholm, 28 February 2018

Pierre-Emmanuel Weil
Chairman of the board

Yoav Ben-Eli
Board member

Jean Benaim
Board member

Alan Simonian
Board member

Andreas Forssell
CEO

REPORTING DATES

2018 Annual Report	At latest 26 April 2018
2018 AGM	Thursday 17 May 2018
2018 Three-Month Report	Thursday 17 May 2018
2018 Half-Year Report	Friday 17 August 2018
2018 Nine-Month Report	Friday 9 November 2018

PUBLICATION PURSUANT TO SWEDISH LAW

This information constitutes such information as Crown Energy AB (publ) is required to disclose under the EU Market Abuse Regulation and the Securities Markets Act. The information was released for publication through the agency of the contact person below on 28 February 2018 at 9:00 CET.

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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Glossary and definitions

GLOSSARY – CONCEPTS AND MEASUREMENTS RELATED TO THE OIL INDUSTRY**BLOCK/CONCESSION/LICENCE**

A country's exploration and production area is divided into different geographic blocks. Agreements are entered into with the host country which grant the company the right to explore and produce oil and gas within the specified area in exchange for the company paying a licence fee and royalties on production.

FARM-IN

Farm-in means that a company reaches an agreement with another company concerning the financing of part or all of the other company's project in return for a participating interest in the project.

FARM-OUT

Farm-out means that a company reaches an agreement with a partner that bears the cost of part or all of a project in return for a participating interest in the project.

MBOE/MMBOE

Thousand barrels of oil equivalents/Million barrels of oil equivalents

ONSHORE

Refers to operations on land.

OFFSHORE

Refers to operations at sea.

OPERATOR

A company that has the right to explore for oil in an area and to pursue production at an oil discovery. Small operators often let other companies buy working interests in their rights to reduce the risk and share costs.

PROSPECT

A geographic exploration area in which possible hydrocarbon compounds have been identified

EXPLORATION

Identification and investigation of areas that may contain oil or natural gas reserves.

RESERVES AND RESOURCES

Oil assets are divided into reserves and resources. The difference is in how far the oil company has come in working with the licence, if the discoveries are of a commercial nature, etc. In short, resources are considered reserves when they are deemed commercially recoverable and a development plan has been approved by the local licensing authority. Reserves are divided into proven, probable, and possible. Resources are divided into contingent and prospective categories. Crown Energy

calculates reserves and resources in accordance with the Society of Petroleum Engineers Petroleum Resources Management System of 2007.

RESERVOIRS

Accumulated oil or gas in a porous type of rock with good porosity, such as sandstone or limestone.

SEISMIC DATA

Seismic surveys are conducted to describe geological structures in the bedrock. Sound signals (blasts) are sent from the surface of the ground or the sea and the reflections are captured by special measuring instruments. Used to help localise hydrocarbons.

DEFINITIONS OF KEY RATIOS

FINANCIAL KEY RATIOS

Average assets

Calculated as opening balance assets + closing balance assets divided by two

Average equity

Calculated as opening balance equity + closing balance equity divided by two

EBITDA

Earnings Before Interest, Taxes, Depreciation and Amortisation

EBITDA margin

Measurement of a company's operating profitability as a percentage of its total 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.

Investments

Net investments in non-current assets during the period. Investments in non-current assets for the period less sales and disposals for the period.

Return on assets, % (ROA)

This ratio measures profitability relative to total assets

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

PER SHARE DATA

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.

Equity per share, SEK

Equity at end of period divided by number of shares at end of period.

Earnings per share, SEK

Earnings after tax divided by average number of shares for the period.

EMPLOYEES

Average number of employees

Average number of employees during the period.

PROPERTY-RELATED DEFINITIONS

Economic occupancy rate

The measurement aims to facilitate the assessment of rental income in relation to the total value of possible vacant space. Calculates rental income in relation to rental value.

Average remaining contract length

Remaining contract value through annual rent.

Rental income

Debited rent, rent surcharge and rent guarantees less rent deductions.

Rental value

Rental income plus assessed market rent for vacant spaces. Rental value is used to illustrate the Group's income potential.

Rentable area, square metres

Rented space and rentable vacant space.

Occupancy rate, area

Rented space in relation to total rentable space at the end of the period.