



Crown Energy announces final accounts regarding the acquisition of ESI Group S.A. and conversion of C-shares into ordinary shares and redemption of C shares.

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Crown Energy AB (publ) (the "Company" or "Crown Energy") is extremely pleased to announce the final accounts regarding the acquisition of ESI Group S.A. and conversion of C shares into ordinary shares following final adjustment of the purchase price as well as redemption of C shares. In total 353,267,971 C shares are converted and 10,133,852 C shares are redeemed. After the conversion and redemption no C shares will be issued. This is thus the final step of the transaction process.

The acquisition of ESI Group S.A. and its subsidiaries ("ESI Group" or the "Acquisition Object") was finalized on 30 June 2017 when all terms and conditions in the share purchase agreement were fulfilled. Thus, the work with the calculation for a final purchase price for the purchase was started in order to determine a set-off for the final account and new valuation of assets transferred to the new ESI Group, which Crown Energy acquired. From entering into the share purchase agreement up until closing, during the period 10 November 2016 up to 30 June 2017, a total of 18 remaining real estate assets have been successfully transferred to ESI Group and are included in the Crown Energy group.

Final valuation of the Acquisition Object is in total SEK 883,169,928, which reflects a minor adjustment from the initial valuation of the acquisition which amounted to SEK 908,504,559 in total. Adjustments include e.g. sales of real estate assets during the period from signing of the share purchase agreement which has led to repayment of bank loans in the Acquisition Object which positively is now debt free. Further, one marginal real estate asset has not been transferred leading to additional minor adjustments.

In accordance with the conversion clause introduced in the articles of association at the same time as the share issue of C shares (at the extra general meeting held on 12 December 2016) a conversion of C shares into ordinary shares in the Company will take place. The exchange ratio where the new valuation is divided by a share price of SEK 2.50 per share, 353,267,971 C shares of in total 363,401,823 issued C shares are converted into ordinary shares ($883,169,928 / 2.50 = 353,267,971$). Furthermore, the additional 10,133,852 C shares are redeemed in accordance with the redemption clause introduced at the same general meeting as mentioned above, whereby the share capital is reduced by app. SEK 297,930.85 and a corresponding amount is transferred to the Company's statutory reserve. The redemption price paid amounts to SEK 0.028 in total.

The total number of ordinary shares in the Company after completed conversion and redemption amounts to 445,815,350. Thereafter only ordinary shares will be issued. The final dilution effect amounts to 79.2 percent prior to any potential dilution through issued warrants (31.5 million warrants issued to Cement Fund). The share capital is reduced by app. SEK 297,931.85 and amounts to app. SEK 13,106,779.20. The number of votes in the Company amounts to 4 458 153 500 after the exchange (each ordinary share carries 10 votes).

Final registration and admission of the new ordinary shares for trading at NGM Equity will be made when the Company publishes a new competent persons report (CPR), following publication of a prospectus after approval by the Swedish Financial Supervisory Authority and registration with Euroclear. This process is expected to be completed not earlier than late September 2017.

“Crown Energy has today taken the final step in the process of the acquisition of ESI Group S.A. It has proved to be a large amount of work for us to complete, but it is also by far the largest and most important transaction and development for Crown Energy thus far. Except for the formalities of now publishing a prospectus and getting the converted ordinary shares registered on the Stock Exchange, all our resources can be concentrated on developing the Company’s core businesses, including establishing its business concept in new geographic markets. The combination of the two business legs “Energy” and “Property Development and Services” will provide many advantages and synergies. We now look forward to be able to channel these combined resources to continue to develop the vision of growing a well-established and profitable player on the international oil and gas market”, says Andreas Forssell, CEO Crown Energy.

This information is information that Crown Energy AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 08.30 AM CET on 25 August 2017.

MORE INFORMATION

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ABOUT CROWN ENERGY

Crown Energy is an international company engaged in oil and gas exploration and production and property development and management services. The portfolio consists of assets in Africa and the Middle East. For more information please visit www.crownenergy.se.