Crown Energy

ANNUAL REPORT 2022

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Crown Energy

Crown Energy is an international group that provides customised residential and office solutions with related services and is active in oil and gas exploration in Africa and the Middle East. The Company creates value via three business areas: Asset Development and Management, Energy and Sustainable Investments.

Value is created by offering international companies a one-stop-shop concept for residential and office solutions with related services and by developing assets in their early stages to be presented at a later date to suitable players in the oil and gas industry for further development and production.

Crown Energy has offices in Stockholm, London, Luxembourg and Luanda.

BUSINESS AREA – ASSET DEVELOPMENT AND MANAGEMENT

Crown Energy is a provider of services to the energy industry and offers customised residential and office solutions with related services to international companies, primarily in the energy industry. Crown Energy's offer covers the entire chain from needs-adapted design and construction to leasing, property management and value-added services.

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BUSINESS AREA – ENERGY

Crown Energy develops and explores oil assets in their early stages with a high potential for recoverable reserves. In the longer-term, the assets are presented to suitable players in the oil sector for further development and production.

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BUSINESS AREA – SUSTAINABLE INVESTMENTS

Crown Energy is transforming its business in a more environmentally and socially sustainable direction by investing in high-potential businesses, primarily focusing on the medical technologies industry and businesses improving the green footprint.

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THE YEAR IN BRIEF

The company performed drilling activities, received further payments for the disposal of oil & gas assets, decided to not continue with licenses in Madagascar and initiated the significant sustainable transformation of the company.

- On March 3rd , Crown Energy announced that the joint venture Block 2B offshore in South Africa has signed an agreement for a semi-submersible rig, Island Innovator, to drill a well at Gazania-1 by October 2022.
- Crown Energy announced on April 21st and October 21st, that the second and the third installment of USD 8 million has been credited to the Company's account in accordance with the agreement for the disposal of the majority of its oil and gas assets signed on October 20th 2021. The total amount received in accordance with the agreement since October 2021 amounts to USD 91 million, out of the total fixed consideration of USD 180 million (not including the potential earn-out consideration of up to USD 270 million)
- In September, the Company announced that the Island Innovator rig was mobilised and on its way to the drilling site at Gazania-1. In October, drilling activities did not encounter hydrocarbons in any commercial quantities and it was announced that the well was to be plugged and abandoned as planned.
- On November 29th, the Board of Crown Energy announced that it no longer believed it was beneficial to the Company from a commercial or environmental standpoint to try to renegotiate and continue with the Madagascar Licence, thus, the asset has been written down in Q4 2022. Additionally, the Board of Crown Energy has decided to impair the South Africa license in Q4 2022.
- During 2022, Crown Energy initiated the execution of moving the Company into a new and more socially responsible direction, with the focus being on responsibly exiting the oil and gas industry and investing in the medical technology industry and on improving its green footprint.

ABOUT CROWN ENERGY

8
LEASED PROPERTIES

5
OWNED PROPERTIES

2
ENERGY PROJECTS

39
SEK MILLION REVENUE 2022

Crown Energy is an international group providing customised solutions for housing, offices and associated services, as well as oil and gas exploration in Africa and the Middle East. The Company currently creates value via three business areas: Asset Development and Management, Energy and Sustainable Investments.

In Asset Development and Management business area, the Company offers a one-stop-shop concept for housing, offices and associated services to international companies, embassies, schools etc.

The Energy business area focuses on exploration opportunities with high potential for recoverable reserves, for introduction of suitable oil and gas industry players to the projects for further development and production. The Company has significant sector expertise and experience from having operated for 20 years.

Crown Energy is dedicated to its transformation into the new and more socially responsible business direction, with focus on the medical technology industry and on improving our green footprint by way of investing in companies active in those areas.

OBJECTIVES

Crown Energy's objective is to generate the highest possible return for shareholders with a balanced risk awareness. The Company aims to engage in development of technology and application portfolios within environment and medtech by investing in, developing and exiting companies active in aforementioned areas.

VISION

To be an obvious and attractive partner in the international market for development and investments in areas supporting the sustainable development through technology, utilizing Crown Energy's existing and continuously growing deep sector expertise and ecosystem relations.

ADVANTAGES OF COMBINED OPERATIONS

The combination of the two business areas – Asset Development and Management and Energy – offers several advantages. Together the operations become more diversified, leading to lower risk. Furthermore, the cash flow generated through the service operations can be used for further development of the exploration assets. By building customer relationships with some of the world's leading energy companies in the Asset Development and Management area, Crown Energy has also been able to optimise a number of opportunities to capitalise on the existing exploration assets. Crown Energy is able to provide potential energy partners with related services in the form of customised housing and offices close to the assets.

STRATEGY

The Company's strategy is based on the overall objective of generating the highest possible return for shareholders with a balanced risk awareness.

- Carefully and responsibly exiting the oil and gas industry.
- Improving and increasing operations to provide residential and office solutions to international clients.
- Identifying and investing in sustainable projects.
    - Technologies and projects improving healthcare, tele-medicine and medical devices.
    - As this is a new business area for Crown Energy, we are continuously developing our strategy in this area. With the focus being medical technologies and businesses improving societies' green footprint, the detailed focus will iteratively be evaluated and updated going forward. Our aim is to identify and invest in promising companies where Crown Energy see promising returns for people, planet and shareholders.

ORGANISATION AND STAFF

Crown Energy's headquarters are located in Stockholm, and the company also has offices in Luanda, Luxembourg, London.

DEAR SHAREHOLDERS AND INVESTORS,

SUSTAINABLE INVESTMENT

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

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

ASSET DEVELOPMENT AND MANAGEMENT

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

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

ENERGY

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

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

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

Crown continues to receive the scheduled payments of $8 million in accordance with the terms of our October 2021 Sale and Purchase Agreement in relation to our energy assets. Up to the point of publication of this Report Crown has now received a total of $99 million with a further $81 million still to be paid to us. On top of that we still have the opportunity to benefit from a further potential $270 million if the upside terms of our earn out agreement are met. Therefore, I would like to reassure our shareholders and the market that we are in a very comfortable financial position to fund our company activities going forward.

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

Yoav Ben-Eli
CEO Crown Energy

ASSET DEVELOPMENT AND MANAGEMENT

Crown Energy delivers customised residential and office solutions to international companies with a need to station staff abroad, primarily in Africa. The comprehensive offer of leasing and related services allows customers to focus on their core business rather than worrying about major capital investments. This business area is a cash-generating segment of the operations, and the customers include established companies in sectors such as the oil and gas industry.

In addition to the leasing of residential and office solutions, Crown Energy's operations include related support services such as security, transport and telecommunications. Crown Energy's offer covers the entire chain from needs-adapted design and construction to leasing, property management and value-added services. The goal is to provide customers with a hassle-free total solution that is easy to administer and where tenants feel comfortable and safe.

This offer is mainly targeted towards international companies in the energy sector, primarily in Africa. These companies have an extensive need for professional external providers to meet the needs of their overseas staff. Consequently, there is great demand for high-quality residential and office solutions that offer both housing and property management with related services. Existing customers include some of the world's leading energy companies with high credit ratings.

Crown Energy's offering is delivered by both local and international teams. The focus is on always delivering the best quality to achieve a high level of customer satisfaction and generate new business.

> WE TAKE PRIDE IN CREATING A STREAMLINED TRANSITION FOR INTERNATIONAL COMPANIES IN THE MOST COMPLEX AND CHALLENGING LOCATIONS AROUND THE WORLD AND MEETING ALL THEIR NEEDS ON A DAY-TO-DAY BASIS.
>
> Yoav Ben-Eli, CEO

BUSINESS MODEL

1

IDENTIFY CUSTOMER NEEDS

- Acquire in-depth understanding of customer needs for offices, housing and services.
- Identify which type of solution is most suitable.
- Present proposal based on time frame, geographic location, type of residential/ office solution, scope of the project etc.

2

FIND SUITABLE LAND OR PROPERTY

- Crown Energy identify suitable land and evaluate potential property acquisitions or opportunities for land use rights in collaboration with partners.
- Negotiate agreements for property acquisitions or agreements with landowners for land use rights.
- Obtain permits for financing, design, function, construction and operation.

3

CONSTRUCTION OF PROPERTY

- Develop the property in line with the customer's wishes.
- Obtain regulatory approval where required.
- Secure project financing.
- Commence construction in collaboration with partners.
- Draw up leases with customers with the aim of establishing long-term contracts (10-15 years or longer) so that the property can be depreciated over the same period.

4

MANAGEMENT AND VALUE-ADDED SERVICES

- One-stop shop with offices, residential properties and all related add-on services.
- Customers are global companies with high credit ratings.
- Most operating expenses are paid in local currency.
- ISO 9001:2008 certified business.

CROWN ACCOUNTS FOR ALL CAPITAL EXPENDITURE SO THAT CUSTOMERS HAVE ONLY OPERATING EXPENSES.
We save time for our customers by using a unique model with a single annual invoice that includes all the services provided: rent, asset management, maintenance, security, equipment, catering, telecoms, laundry and much more.

21
YEARS OF INDUSTRY EXPERIENCE

MARKET

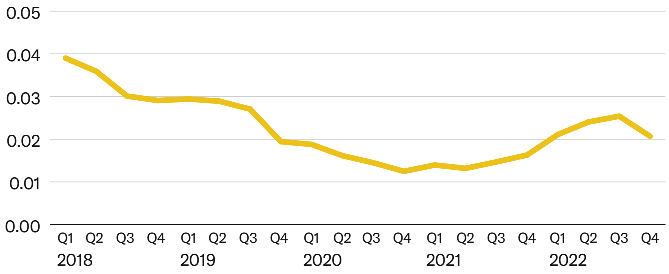
THE PROPERTY MARKET AND CURRENCY IN ANGOLA

Angola's real estate market is strongly linked to the oil and gas sector. Some companies are aiming more to reduce long-term commitments. This means that in some circumstances the landlord will offer more flexible contracts; shorter duration or adjustable terms. Alternative concepts to a traditional leasing system, such as business centers, have started to emerge in the market.

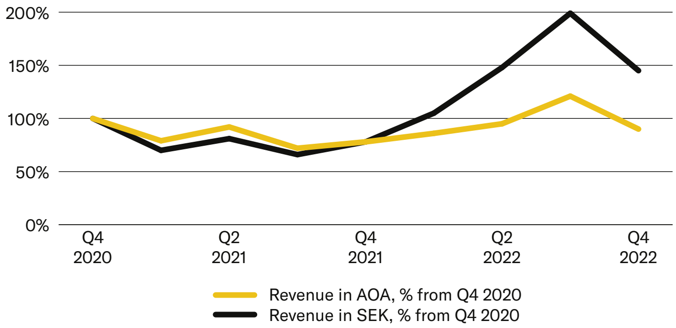
The Angolan kwanza has continued to appreciate over the reporting period, which is an improvement from the previous few years . The strengthening of the kwanza in recent quarters has had consequences on the reported revenue in Swedish SEK. The graph below shows the development of revenue since the Fourth quarter of 2020.

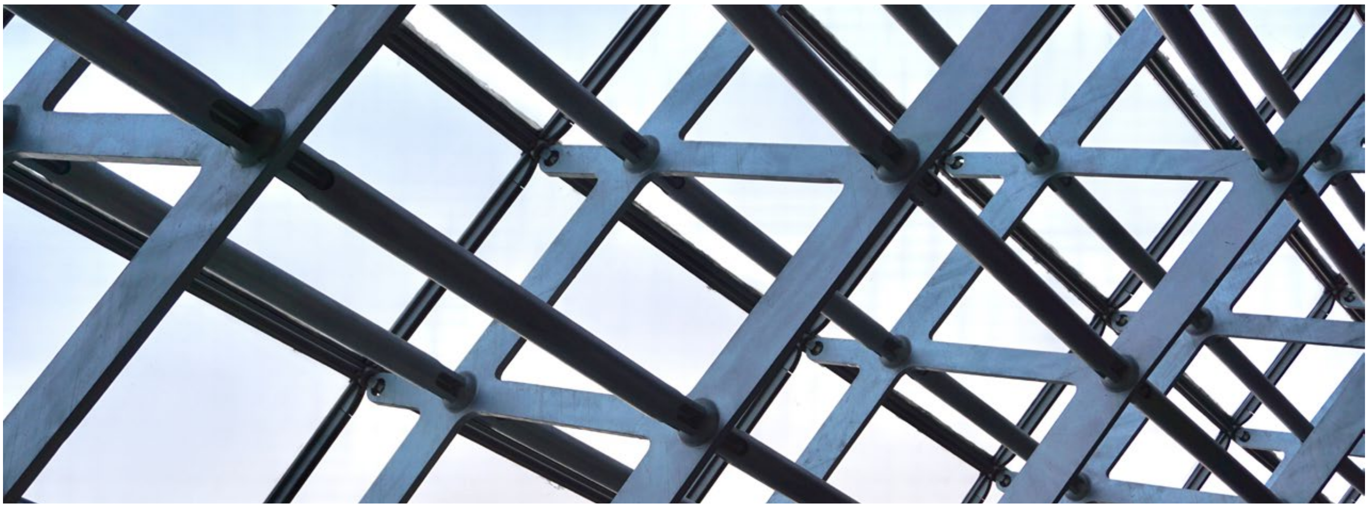
Annual inflation rate in Angola fell to about 13,86 per cent in December 2022, which is the lowest inflation rate since early 2020. (Source: Banco Nacional de Angola). It can not be ruled out that Angola will be considered a hyperinflation economy again, and that IAS 29 *Financial Reporting in Hyperinflationary Economies* should be applied to the financial accounts in the future.

Angolan kwanza (AOA) to Swedish Krona (SEK)



Revenue development Q4 2020–Q4 2022, AOA vs. SEK

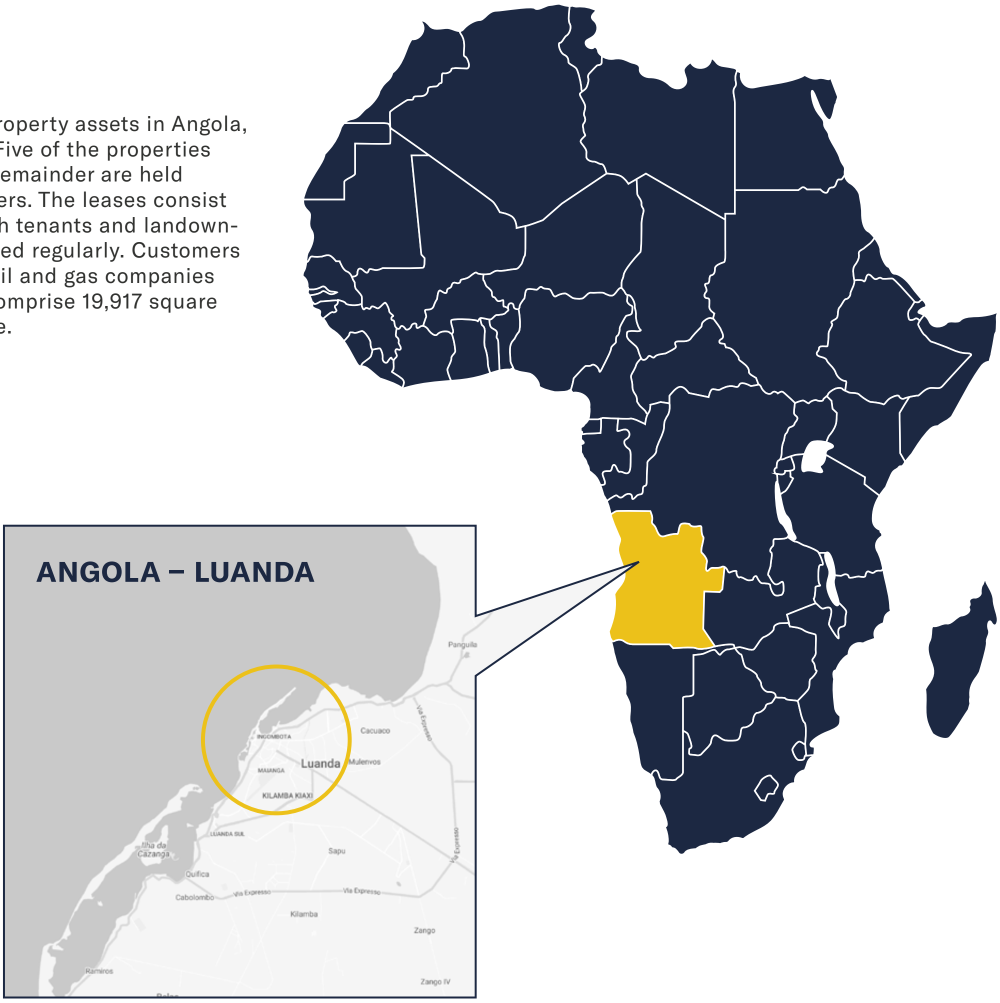




PROJECT PORTFOLIO

ANGOLA

The project portfolio consists of 14 property assets in Angola, Africa, of which one is held for sale. Five of the properties are owned by Crown Energy and the remainder are held through finance leases with landowners. The leases consist of long- and short-term contracts with tenants and landowners of varying lengths that are extended regularly. Customers include some of the world's leading oil and gas companies with high credit ratings. The assets comprise 19,917 square metres of residential and office space.



13
PROPERTIES

19,917
M²
AREA

SEK
226
MILLION
FAIR
VALUE

PROPERTY OPERATIONS IN ANGOLA

Property operations in Angola have two revenue streams: rental and service revenue from owned and leased properties. Service revenue is made up of charges for property services and value-added services such as cleaning, security, catering etc. In the financial statements, service revenue accounts for approximately 21 per cent of total revenue from the property assets.

Crown Energy's tenants

Crown Energy's tenants include global and reputable companies in the oil and gas industry, Angola-based companies, embassies, international schools etc. Of total rental and service income, companies in the oil industry account for 53 per cent while the five largest tenants account for a total of 45 per cent. Several of our larger tenants have renewed their contracts multiple times, and the contracts that generate the highest contractual annual rents include tenants who signed their initial contracts as early as 2009.

Remaining contract periods

The Company's WAULT* rose from 9.0 to 10.4 months in 2022. The area occupancy rate has increased during the year and amounted to 75 (56) per cent. During the year, two large properties, Soho and Ocean Corner were both rented out to a large extent. The economic occupancy rate increased from 44 per cent to 75 per cent. The change is explained by a higher overall occupancy rate.

Crown Energy's assessment is that demand in the property market in Luanda is recovering. It remains to be seen how recent exchange rate developments will impact on rent levels and demand.

The economic occupancy rate indicates contracted annual rent in relation to the total rental value of the potential lettable area. The economic occupancy rate for the property portfolio at 31 December 2022 was 74 per cent (44).

* WAULT – weighted average unexpired lease term

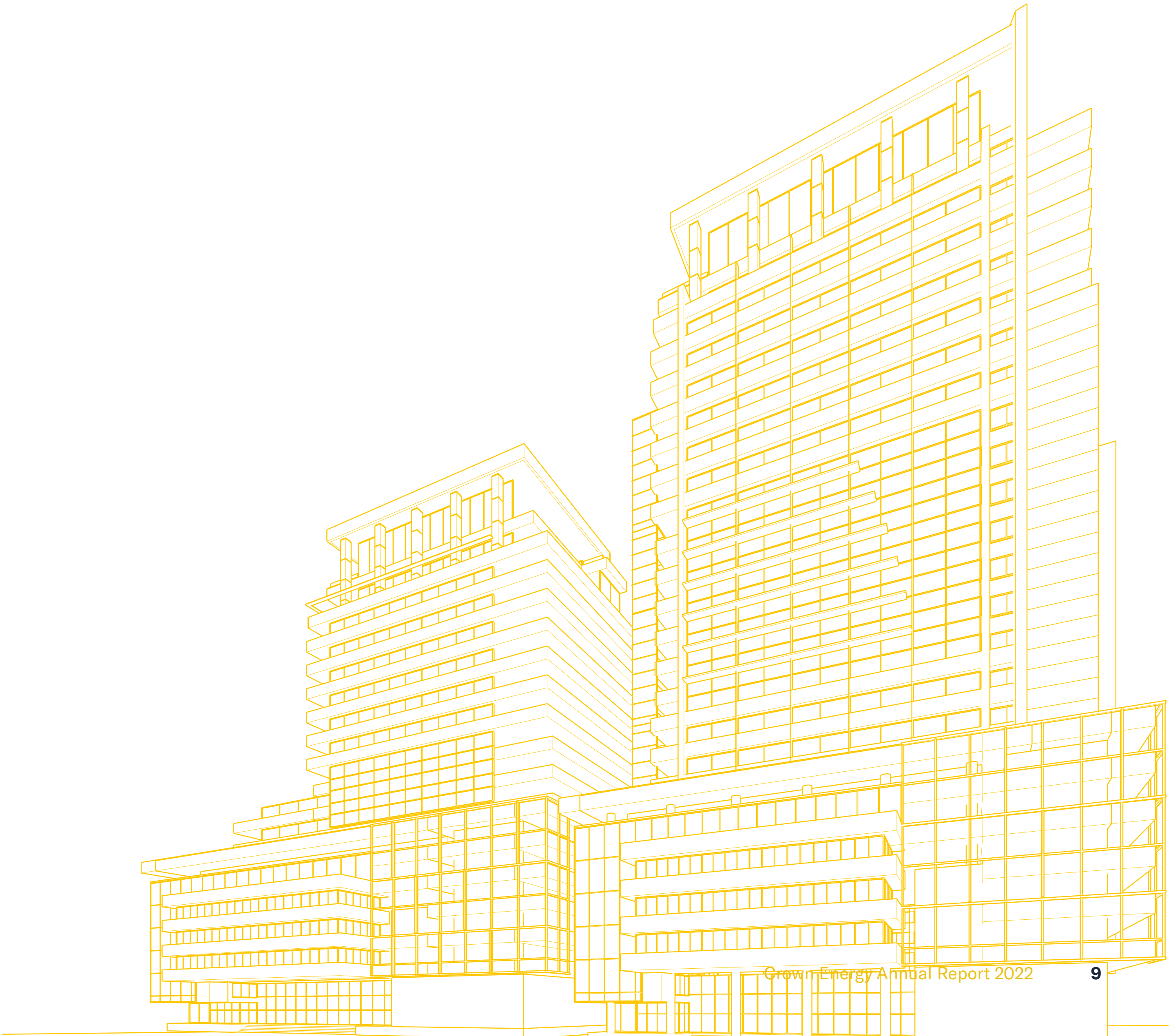
Rent and revenue backlog

Both the Rent and Revenue backlog increased from the end of 2021 to SEK 26,694 thousand and 33,018, respectively. This is largely due to a stronger local currency in Angola.

The split between USD and AOA contracts is 12 and 88 per cent.

FINANCIAL SUMMARY OF THE PROPERTY PORTFOLIO IN ANGOLA AT 31 DECEMBER 2022

	31/12/2022	31/12/2021
Revenue backlog, SEK thousand	33,018	16,680
Rent backlog, SEK thousand	26,694	12,885
Contracted annual rental and service income, SEK thousand	38,761	24,552
Contracted annual rental revenue, SEK thousand	30,797	17,217
Area occupancy rate (excl. C-View), %	75%	56%
Economic occupancy rate (excl. C-view), %	74%	44%
WAULT rent and service, months	10.4	9
Market value of portfolio (excl. C-View), SEK thousand	226,471	162,250
Market value of C-View, SEK thousand	411,385	323,520



ENERGY

The Energy business area focuses on exploration opportunities with a high potential for recoverable reserves. Crown Energy seeks good risk diversification, both geographical and geological, and pursues farm-out and divestment opportunities as a growth strategy to capitalise on the value of these assets. During 2022, Crown Energy has received the second and third instalment for sale of oil and gas assets as per the agreement from 2021, and also decided not to negotiate the Madagascar license.

The portfolio consists of assets in Africa and the Middle East:

IRAQ
Onshore exploration licence covering an area of approximately 24,000 square kilometres located in northern Iraq, south-west of Kurdistan. The licence area contains several major discoveries, as well as vast unexplored areas with high hydrocarbon potential.

SOUTH AFRICA
Offshore exploration licence containing a discovery with contingent resources with appraisal well drilling performed in October 2022. Due to a previous oil discovery and additional prospects within the licence area, the licence was considered to have major potential. Drilling activities in October 2022 did however not encounter hydrocarbons in any commercial quantities and it was announced that the well was to be plugged and abandoned as planned. The Operator is assessing the technical information revealed by the well and will be reporting to the Joint Venture in Q2 2023. The Operator has also applied in November on behalf of the JV to move into the next phase of the Licence which is the Production Right.

MADAGASCAR
Onshore exploration licence on the western side of the island. After conducting seismic and geological studies, several structures have been identified. Crown was previously in negotiation with the Madagascar authorities for an extension to the licence period, which expired in November 2019. However, during 2022 Crown Energy decided that it longer believed it was beneficial to the Company from a commercial or environmental standpoint to try to renegotiate and continue with the Madagascar licence. Read more below.

OVERVIEW

EXPLORATION PROJECTS
For South Africa, Eco Atlantic acquired Azinam and thus Operatorship of the Block and the project. The Island Innovator rig was contracted to drill the Gazania-1 well. It was mobilised from Norway to South Africa during the summer and arrived in South Africa in the later part of September with drilling to commence in October. The Gazania-1 well targeted two prospects in relatively low-risk oil-bearing structures up-dip from the discovery A-J1 borehole drilled in 1988. Crown Energy holds a 10 per cent interest and our licence partner Africa Energy carried Crown for all costs associated with the Gazania-1 drilling within the licence area. This was a very important carry matter as the costs of drilling the well went up significantly from the original budgeted estimates.

The Island Innovator rig had arrived in South Africa and had commenced drilling activities on the Gazania-1 well on Block 2 B in October. The well did not encounter hydrocarbons in any commercial quantities and was subsequently plugged and abandoned as planned. The Operator is assessing the technical information revealed by the well and will be reporting to the JV in the first half of 2023. The Operator has also applied in November on behalf of the JV to move into the next phase of the Licence which is the Production Right.

At the closing date, Crown has analyzed the value of its non-current assets to determine if there is any indicator of impairment. When it comes to Block 2B, although a development in the specific area is likely to proceed in the coming months, the carrying amount of the exploration and evaluation asset is unlikely to be recovered as it is uncertain how successful the drill might be and, therefore, Crown has opted for impairing the asset until the Joint Venture and Crown Energy could have further updates and a detailed program with the expected value. Crown Energy will monitor closely, on monthly basis, in order to assess the carrying value of the assets based on IFRS 6 and IAS 36 in order to assess if a reversal of the impairment might take place. The value of the license amounted to SEK 68,113 thousand.

In Madagascar, the current licencing period expired in November 2019. We have had discussions with the authorities about changing any future licence terms and conditions to better adapt to the prevailing circumstances for oil exploration, especially for what is frontier exploration in its early stages. The Company is aware that costs have been increasing significantly for exploration projects. Under these circumstances, the Board of Crown no longer believed it was in our Company’s interests from a commercial or environmental standpoint to try to renegotiate and continue with the Madagascar Licence. The licence and all research performed by Crown Energy will remain in the hands of the Madagascar Government, and the asset has been written down in Q4 2022. As of 31 December 2022, apart from the value of the license, which amounts to SEK 108,674 thousands, there were two liabilities linked to Manja License which have also written down in the Q4 2022. These liabilities were linked to the inception of the Purchase Price Allocation where a Deferred Tax Liability arose as a well as a potential Earn Out payment to the seller. As highlighted above, the write off has taken place which have been registered as Deferred Tax and Financial Income respectively in the Consolidated statements of comprehensive income and the amounts connected to this write down are SEK 18,823 thousand and SEK 4,199 thousand, respectively.

The market, in 2022, has remained strong, with high prices for oil and gas. We have the successful Agreement entered into in October 2021 under which Crown will dispose of (or grant pre-emption rights over), its upstream oil and gas assets excluding Block 2 B in South Africa, for a consideration of up to $450 million, before the deduction of transaction costs. This remains a great deal for Crown’s shareholders.

For a detailed description of the assets, see the Company’s website.

BUSINESS MODEL

In the Energy business area, Crown Energy focuses on energy resources in under-explored areas in Africa and the Middle East. With a strategy of early-stage entry and further development of projects through exploration and resource optimisation, considerable value has now been realised for our shareholders. To effectively manage and develop the Company’s exploration opportunities, the focus is on the following factors: asset location strategy, costs, experience and expertise. Exploration assets are chosen based on a well-defined selection process that includes geological and geographical criteria and contributes to a well-balanced risk profile.

MARKET

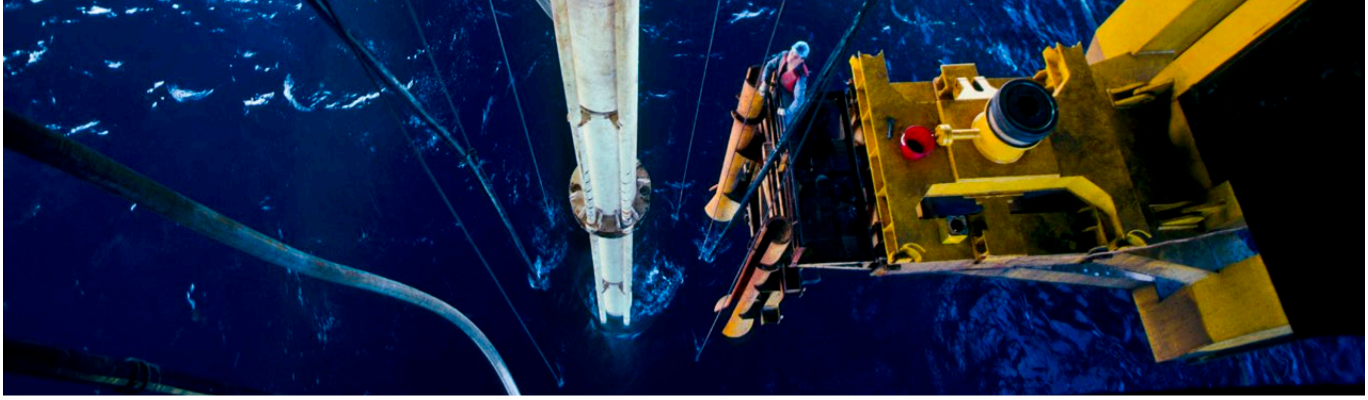
During 2022 we have been seeing an oil price in the USD $80’s and a strongly increasing gas price. During the first half of 2022 the oil price went over $100. The main factors causing this increase are the invasion of and ongoing conflict in Ukraine; the reduced effects of the Covid 19 pandemic; revitalisation of the global economy resulting in increases in energy demand.

ENERGY ASSETS

Crown Energy's existing projects are in South Africa and Iraq.

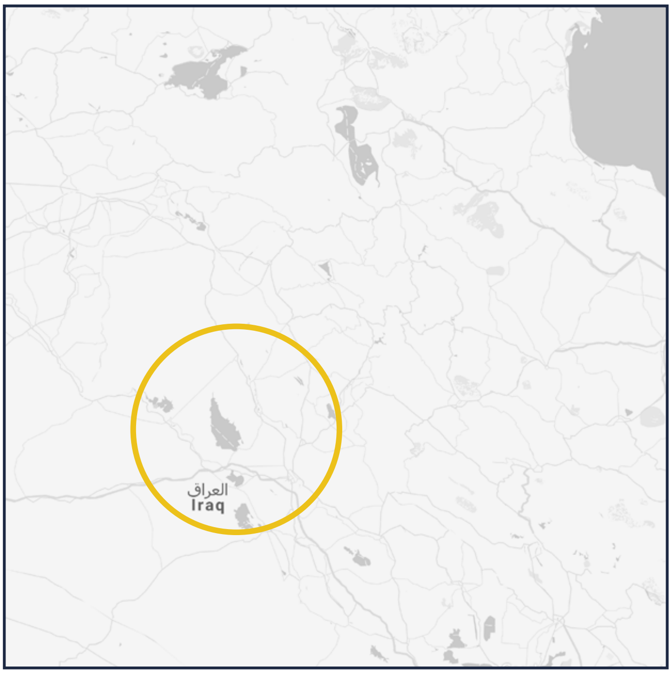
Crown Energy has both contingent resources (2C) and prospective resources, but mainly the latter. Prospective resources are resources that are estimated to exist in accumulations in the exploration areas and are considered potentially recoverable but where drilling has not yet been carried out. A contingent resource is one in which deposits have been proven to exist through drilling, but for one or several reasons they have not yet met the requirements for a reserve.

The table below provides a summary of Crown Energy's project portfolio with the net potential stated in million barrels of oil equivalents (mmboe) based on the most recently updated Competent Persons Report from 28 September 2017.



Region	Stake	Stage	Operator	Gross contingent resources[1]	Gross prospective resources[1]	Crown Energy's working interest in the licence[2]	Most recent update
South Africa – Block 2B	10%	Exploration	Africa Energy Corp.	37	376	41	November 2022
Madagascar – Manja Block 3108	–	Exploration	Amicoh Resources Ltd[3]	–	–	–	December 2022
Iraq – Salah ad-Din	60%	Exploration/ Evaluation/Development	Crown Energy Iraq AB[3]	181	2,612	1,567	September 2017
Total				**218**	**2,988**	**1,608**	

1) Million barrels oil equivalents.
2) Crown Energy's share of the total contingent and prospective resources in the licence in million barrels of oil equivalents.
3) Wholly owned subsidiary of Crown Energy AB



1

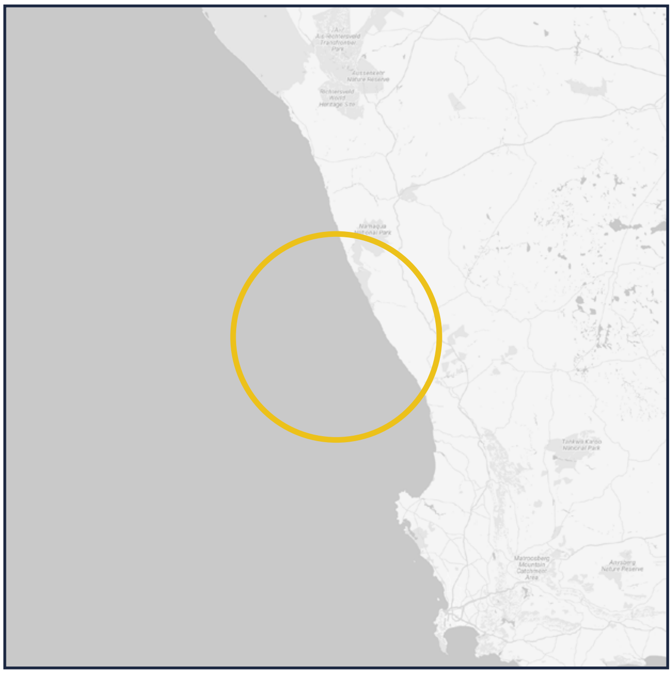
IRAQ – SALAH AD-DIN

The licence covers the entire Salah ad-Din region, about 24,000 square kilometres in northern Iraq. The licence area includes several existing oil fields, such as Ajeel, Hamrin, Tikrit, and Balad, which potentially contain several billion barrels of oil. Existing discoveries and fields have historically belonged to Iraq's central government. Separate permits are required for these assets to be taken over and operated by Salah ad-Din and the licence holder, i.e. Crown Energy. Despite the large, obvious commercial discoveries, only limited production has been carried out. Activities over the past 20 years have been hampered by political instability.

The security situation in the region has improved significantly and stabilised. Ongoing discussions with the regional authorities have confirmed that the region is free from any conflict hot spots. The circumstances are currently much more positive than they were previously, although some areas may be still less secure to operate in.

In addition to the major oil fields mentioned above, there are many fields that have been drilled and partially tested. These fields are of significant interest for further investigation. They can be set into production with simple procedures, on a smaller scale, with only a few supplementary boreholes and using equipment adapted for initial production, or on a larger scale with additional equipment. A couple of structures have been identified to determine if this would be possible. Some of them are located near the main town of Tikrit, which also facilitates the logistics. This would represent considerable success for the asset and discussions have taken place with governmental authorities and third parties resulting into our entering into a significant agreement with a third party, as reported in October 2021. We see a great deal of potential for this licence going forward.

The Iraq asset has been included in the Company's Competent Persons Report since May 2015, and further information is available in this report.



2

SOUTH AFRICA – BLOCK 2B

Exploration Block 2B in South Africa is located offshore on the Atlantic coast, just south of the border with Namibia. Oil was previously discovered in the exploration area. As of March 2022, the operator, Azinam, owned by Eco Atlantic, had estimated the prospect size as up to 349 million barrels. The well, Gazania-1, targeted two prospects in relatively low-risk oil-bearing structures up-dip from the discovery A-J1 borehole drilled in 1988. In October 2022, the Gazania-1 well prospect was drilled by the Island Innovator semi-submersible rig. The well did not encounter hydrocarbons in any commercial quantities and was subsequently plugged and abandoned as planned. The Operator is assessing the technical information revealed by the well and will be reporting to the Joint Venture in the first half of 2023. The Operator has also applied in November on behalf of the JV to move into the next phase of the Licence which is the Production Right.

Crown Energy holds a 10 per cent working interest and the license partner Africa Energy will bear all costs associated with drilling the well within the license area, including additional well testing. The other partners of the Block 2 B Joint Venture are: Eco Atlantic Oil and Gas Limited with a 50% working interest held through their acquisition of Azinam Group Limited and operation, Africa Energy Corporation with a 27.5% working interest and Panoro ASA with a 12.5% working interest.

SUSTAINABLE INVESTMENTS

The business area of Sustainable Investments was formed during 2022 as part of the ongoing transformation of Crown Energy's business direction. Crown Energy is dedicated to this move into the new and more socially and environmentally responsible business area contributing to a positive change. Our focus will be on the medical technology industry and on improving our green footprint as these are considered lifesaving and great potential markets. Alongside evaluating new sustainable investment opportunities, Crown Energy is working with full strength in line with the long-term goal of making a responsible, and for our shareholders financially beneficial, exit from the oil and gas industry.

Investment thesis
As this is a new business area for Crown Energy, we are continuously developing our strategy in this area. With the focus being medical technologies and businesses improving societies' green footprint, the detailed focus will iteratively be evaluated and updated going forward. Our aim is to identify and invest in promising companies where Crown Energy see promising returns for people, planet and shareholders.

ACCYOURATE GROUP – THE FIRST INVESTMENT

In early February 2023, that is after the reporting period, Crown Energy entered into a Share Purchase Agreement for the acquisition of an 85 per cent equity stake in Smartee Sarl, a Luxembourg company which is the parent holding company of the Italian registered AccYouRate Group.

The transaction
The total purchase price of EUR 163 million is payable by Crown Energy to the seller in a total of nine instalments. The first instalment of EUR 75 million was paid upon signing of the SPA and at which time the 85 per cent equity stake in Smartee was transferred to Crown Energy. The rest of the payments will be made in instalments of EUR 9 million six months after each instalment date.

Additionally, under the terms of an earn out arrangement there is potentially an additional payment of up to 30 per cent of any future financial upside less the consideration stated above payable in cash or shares in Smartee which is only payable upon certain commercial or financial milestones being met.

About AccYouRate Group
AccYouRate currently holds exclusive patents on advanced and cutting-edge technologies in the advanced wearable textiles' technologies market. The intellectual property consists of advanced components, materials, software and accessories invented and developed by AccYouRate's scientific team in collaboration with leading universities in Europe and the United States. The technology, which is validated by medical specialists and certified as a medical device in Europe, allows wearers of the textiles to feel comfortable in their daily business whilst having vital bio signs monitored. These continuously collected medical data are analysed by way of proprietary algorithms that can then be assessed by professionals to monitor any potential health issues with the wearer, even remotely.

The data is valuable on two levels:

- The analysis which identifies any anomalies in the monitored bio signs of the wearer; and
- The cumulative database of gathered medical information from all wearers.

AccYouRate Group acts on a global market of significant size with attractive growth predictions, where numerous industries (such as pharma, insurance, healthcare, defense etc.) are striving to utilize such technologies. AccYouRate is well-positioned on this market with a technology that has been awarded "leading e-textile innovation" by four scientific boards in 2019 and "Technology of the year" at MWC Barcelona in 2021.

SUSTAINABILITY

It is important for Crown Energy to operate the business in a sustainable and socially responsible manner, in our current and new service business.

Crown Energy is dedicated to its transformation into the new and more socially and environmentally responsible business direction contributing to a positive change. Our focus will be on the medical technology industry and subsequently on improving our green footprint by way of expanding into carbon capture opportunities. Crown Energy is working with full strength in line with the long-term goal of making a responsible, and for our shareholders financially beneficial, exit from the oil and gas industry.

For Crown Energy, conducting sustainable and responsible operations necessitates that we understand how we impact society and the environment in the areas in which we operate. We make every effort to meet the requirements and expectations of our operations to ensure they are conducted in a way that minimises environmental impact.

On the basis of Crown Energy's current operations, the following aspects of sustainable growth are the most important to us:

- Transparency and ethics
- Environment
- Corporate social responsibility
- Health and safety

Division of responsibility for sustainable exploration of oil and gas

Sustainability responsibilities for an exploration and appraisal licence are divided between operators and partners. The operator is directly responsible for the licence's operations and is governed by the production sharing agreement (PSA) and/or local laws governing oil and gas extraction in the respective country. These PSAs signed with the licensing country/government agency (and/ or laws) govern responsibility for the environment, working conditions, insurance and related areas. These days, most countries have strong environmental legislation and strict environmental requirements which stipulate that oil companies follow best practices.

In cases where there are multiple licence partners, the joint operation agreements (JOAs) also govern how decisions are made within the partnership and which party is responsible for what. Depending on the distribution of shares in the partnership, partners may have differing degrees of influence on decisions in areas such as strategies, procedures, suppliers and participation in local social programmes.

GOVERNING DOCUMENTS

Fundamental environmental and working condition requirements are governed in PSAs for licence operators and by JOAs for partners, as well as by local legislation. In addition, Crown Energy has adopted internal Group policies in the following areas:

- Transparency and ethics
- The environment and sustainability
- Finance
- Staff
- Information
- Corporate governance

The Group strives to follow the best available practices, even if they go above and beyond the requirements of local legislation.

TRANSPARENCY AND ETHICS

For Crown Energy, transparency and ethics means conducting its operations legally and professionally and making ethical business decisions. We want our operations to be based on respect, honesty and integrity. To us, working ethically means striving to prevent corruption and all forms of bribery and facilitation of payments. We expect our counterparties (including government agencies, suppliers and operators of licences) to follow the same standards as well. Crown Energy choose partners based on financial strength as well as fundamental values regarding ethics, moral, environmental performance etc.

Crown Energy is aware that we are conducting, and may expand, operations in countries characterised by political, social and economic instability, such as war and general social or political turbulence. This includes the occurrence of corruption.

Crown Energy has a compact organisation and the board constantly strives to promote Crown Energy's fundamental view in its operations. The board has adopted policies on business ethics and anti-corruption, which both staff and consultants are required to comply with. For guidance when needed, Crown Energy uses the OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones.

ENVIRONMENT

Crown Energy strives to minimise harmful footprints in the implementation of our operations. Thus, a careful assessment is always conducted before initiating a property project or exploration of oil and gas. Where possible, we will prevent, or otherwise substantially minimise, reduce or remediate environmental damage resulting from our operations. Crown Energy has initiated the execution of transforming the company in a more environmentally sustainable direction.

Within the business area of Asset Development and Management, Crown Energy is required to apply for relevant environmental licences from local authorities. The local environmental regulation is thus directing the operations, but where possible we strive to exceed requirements.

All of Crown Energy's licences are in the early stages of a normal exploration and production life cycle. Given that Crown Energy does not currently engage in any oil and gas production, the environmental risks normally associated with the oil and gas industry are limited. However, the activities conducted in the exploration and appraisal stage can result in a negative environmental impact as well, such as when conducting seismic surveys and test drilling. This type of activity may impact both flora and fauna. The environmental responsibilities of Crown Energy's operations are mainly governed by existing Production Sharing Agreements, both directly (where we are operators) and indirectly (where we are not operators).

The environmental requirements of the Production Sharing Agreement for actions such as preparatory environmental impact studies, drilling and remediation of areas are often based on the environmental legislation and oil production laws of the respective country. Environmental impact assessments (EIAs) serve as an example of actions to minimise a potential negative environmental impact. These EIAs are conducted prior to the commencement of large-scale activities in the licence area, such as prior to seismic surveys and test drilling. EIAs are often required by the Production Sharing Agreement.

CORPORATE SOCIAL RESPONSIBILITY

For Crown Energy, corporate social responsibility means contributing both socially and economically to the growth of the countries and regions where we conduct our operations. It is also important to us that social and economic growth does not result in segregation and inequality. For Crown Energy, corporate social responsibility also includes safeguarding human rights in all situations, both directly (people associated with our operations) and indirectly (local communities in the regions in which we operate).

The PSAs include certain requirements concerning responsibility for local communities. Crown Energy has also adopted internal policies for communities and human rights. The annual licence commitment normally includes a portion earmarked for education and/or local social projects. These funds are commonly for education and training of employees at government agencies involved in oil and mineral operations in the respective countries.

Within the business area of Asset Development and Management we always strive to engage in social challenges in areas where we have active operations to support local communities. Social investments from Crown Energy covers both community development projects and strategic initiatives for entrepreneurship. We work together with local stakeholders to identify social risks and consequences in each country of operations, and strive to tailor investment plans for each community based on respective prioritisations and needs.

EITI Standard

The Extractive Industries Transparency Initiative (EITI) is a voluntary global reporting standard for companies operating in the extractive industries. The EITI is aimed at promoting transparency and responsible management of natural resources. Certain countries have chosen to implement the EITI standard to ensure full disclosure of taxes and other payments to government agencies and thereby prevent corruption and increase transparency. On 1 January 2016, Sweden passed a law originating from the EITI that requires reporting of payments to government agencies. This reporting is made to the Swedish Companies Registration Office. Sweden is still not an EITI member.

HEALTH AND SAFETY

Crown Energy is responsible for preventing accidents and other incidents and giving employees and contractors a safe and healthy work environment. In addition, our health and safety responsibility also extends to local populations directly and indirectly impacted by our operations.

As an exploration company in the oil and gas industry, health and safety are very important to Crown Energy, because projects can pose major safety risks from time to time. The risks and uncertainties usually associated with oil and gas operations include fires, oil spills and other accidents. These risks may result in personal injuries, property damage and environmental damage. Safety issues are largely governed in the PSAs and JOAs, which stipulate the responsibilities of each party. If health and safety issues are not governed in these agreements, Crown Energy's internal policies will apply. If Crown Energy's own policies are stricter than a country or region's own regulations, Crown Energy's adopted policies will still apply. The extent of operational risks depends on what phase an exploration and appraisal project is in. Crown Energy's projects are in early phases and no activities are being conducted at this time in the licence areas which could directly cause personal injuries or fires. Depending on the progress of projects, this may change in the future. In such cases, Crown Energy will strive for the development of good procedures and their implementation in these projects. In addition to operational risks specific to the industry, there are also risks related to safety in a country or area, i.e., due to war and other turbulence.

Within the business area of Asset Development and Management Crown Energy strive to prevent and accidents which may hurt people or put our neighbours or facilities at risk.

BOARD OF DIRECTORS, SENIOR EXECUTIVES AND AUDITOR

BOARD OF DIRECTORS

	Pierre-Emmanuel Weil	**Alan Simonian**	**Jean Benaim**	**Yoav Ben-Eli**
Function	Chairman of the Board	Board member	Board member	Board member, CEO since September 2021
Year elected	May 2016	2011	May 2016	December 2016
Birth year	1981	1966	1947	1970
Education	Finance degree from HEC Paris, law degree from Paris XI University	Law degree from Southampton University	Robespierre College, studies in economics and statistics at Arts et Métiers, Paris Tech	Natural science at Tel-Aviv University
Experience	Investment adviser, asset management	Oil sector consultant	Has worked in Africa for many years in coffee export, oil licences and port logistics within the oil industry	Entrepreneur with experience from construction projects in the oil and gas industry
Other Board posts	Director in charge of Cement Fund SCSp, CEO and partner of Weil Investissement, Board member and partner of Racing Club de Strasbourg Alsace	Board member of Simbo Petroleum No 2 Ltd and Simbo Petroleum No 3 Ltd	Board member and chair of Intercafa S A	Board member ESI Group S.A. and YBE Ventures Ltd
Shares in Crown Energy, 31 December 2021	Has no personal shareholdings, but is responsible for Cement Fund SCSp, which holds 63,000,000 ordinary shares in Crown Energy AB. He is, therefore, not independent of the major shareholders	3,429,521 ordinary shares (via family and company)	None	353,267,971 ordinary shares (via companies)
Board meeting attendance in 2021	13	13	3	13
Annual Board fee, SEK thousand	450	No longer receives a fee since he is an employee of the Parent Company	225	No longer receives a fee since he is an employee of the Parent Company
Independent of the company and its management*	Yes	No	Yes	No
Independent of major shareholders*	No	Yes	Yes	No

* As defined in the Swedish Corporate Governance Code.

MANAGEMENT

CEO, Yoav Ben-Eli, and COO, Alan Simonian, who are also members of the Board of Directors, see previous page.

	Michail Shatkus	Peter Mikkelsen
Function	CFO, deputy CEO	Chief Geologist and Exploration Manager
Employee since	2018, CFO since January 2021, deputy CEO since December 2021	Not employed, but part of management team since 2011
Birth year	1986	1953
Education	Master of Business Administration with an emphasis on banking and finance from Stockholm University	Bachelor of Science in Geology from Oxford University
Experience	2012–2016 Business Controller, Petrogrand AB (Publ), an oil exploration company focused on Russia. 2016–2018 Deputy CEO, Petrogrand AB (Publ).	Senior positions and consultant in the oil sector (mainly exploration)
Other assignments	Deputy Board member of Crown Energy Iraq AB and deputy Board member of CEINV2 AB	Board member of KEA Petroleum Plc, Management Associate at Simco Petroleum and partner in Fastnet Ltd
Shares in Crown Energy, 31 December 2022	–	–

Changes to management

For all of 2022, management consisted of the Group CEO, CFO, COO and Chief Geologist and Exploration Manager. No changes in the constellation of the management team were made during 2022.

Auditor

Öhrlings PricewaterhouseCoopers AB, with Bo Lagerström (born 1966) as auditor in charge.

Mr. Lagerström is an authorised public accountant. Both he and Öhrlings PricewaterhouseCoopers AB are members of FAR, Sweden's association for accountancy professionals.

ADDRESSES

Board of Directors and senior executives:
Crown Energy AB
Skeppargatan 27
SE-114 52 Stockholm

Auditor:
PwC
Torsgatan 21
SE-113 97 Stockholm

SHARES, SHAREHOLDERS AND SHARE CAPITAL

SHARE CAPITAL

According to Crown Energy's Articles of Association, adopted on 17 May 2018, the issued share capital shall amount to not less than SEK 14,000,000 and not more than SEK 56,000,000. The number of shares shall be not less than 477,000,000 and not more than 1,908,000,000. Each ordinary share confers one vote per share. Each shareholder who is entitled to vote at the AGM may vote for the full number of shares owned and represented by him or her, without limitation on the total number of voting rights. The Company's shares are not subject to an offer submitted based on mandatory bid rules, a right of squeeze out or a right of sell-out. The Company's shares have not been subject to any public takeover bids during the current or previous financial year. Crown Energy shares are denominated in SEK and are issued in accordance with Swedish law, and the owners' rights related to the shares may be amended only in accordance with the procedures specified in the Swedish Companies Act (2005:551).

The number of registered ordinary shares in Crown Energy is 477,315,350. The quota value per share is SEK 0.0294. Crown Energy's share capital, therefore, amounted to SEK 14,032,865 on 31 December 2022. There are no shares in the Company that do not represent the share capital, and the Company holds no treasury shares.

SHARE CAPITAL PERFORMANCE

There were no changes in share capital in 2022. Changes in the Company's share capital are presented below in table format from registration of the Company until publication of this report:

Year	Transaction	Increase in number of votes	Change in number of shares	Change in share capital (SEK thousand)	Capitalisation excl. issue expenses (SEK thousand)	Total number of shares	Total share capital (SEK thousand)	Quota value (SEK)
2010	Incorporation	50,000	50,000	50	50	50,000	50	1.00
2011	Directed share issue	450,000	450,000	450	450	500,000	500	1.00
2011	Share split (3,406:2)	1,702,500,000	1,702,500,000	–	–	1,703,000,000	500	0.0003
2011	Directed share issue	116,820	116,820	–	0	1,703,116,820	500	0.0003
2011	Reverse share split (1:100)	1,686,085,652	1,686,085,652	–	–	17,031,168	500	0.0294
2012	Directed share issue	181,666	181,666	5	3,347	17,212,834	505	0.0293
2012	Non-cash issue[1]	1,135,411	1,135,411	34	16,987	18,348,245	539	0.0294
2012	Preferential rights issue[2]	1,529,020	1,529,020	45	10,703	19,877,265	584	0.0294
2012	Directed share issue	4,285,714	4,285,714	125	30,000	24,162,979	709	0.0293
2012	Offset issue[3]	1,592,051	1,592,051	48	11,144	25,755,030	757	0.0294
2013	Non-cash issue	1,842,715	1,842,715	54	18,611	27,597,745	811	0.0294
2014	Redemption of convertibles	246,934	246,934	8	1,845	27,844,679	819	0.0294
2014	Redemption of convertibles	298,732	298,732	8	2,398	28,143,411	827	0.0294
2015	Redemption of convertibles	100,000	100,000	3	837	28,243,411	830	0.0294
2015	Offset issue	25,828,733	25,828,733	759	78,673	54,072,144	1,589	0.0294
2015	Preferential rights issue	1,475,229	1,475,229	44	4,869	55,547,373	1,633	0.0294
2016	Directed share issue	5,500,000	5,500,000	162	11,000	61,047,373	1,795	0.0294
2016	Redemption of convertibles	6	6	0	1	61,047,379	1,795	0.0294
2016	Directed share issue	31,500,000	31,500,000	926	63,000	92,547,379	2,721	0.0294
2016	Change in voting rights, ordinary shares [4]	832,926,411	n/a	n/a	n/a	n/a	n/a	n/a
2016	Private placement (discounted), C shares [4]	363,401,823	363,401,823	10,684	1	455,949,202	13,405	0.0294
2017	Conversion of C shares to ordinary shares	3,179,411,739	n/a	n/a	n/a	455,949,202	13,405	0.0294
2017	Withdrawal of C shares	10,133,852	10,133,852	-298	n/a	445,815,350	13,107	0.0294
2017	Redemption of warrants	315,000,000	31,500,000	926	63,000	477,315,350	14,033	0.0294

1) Refers to payment for the acquisition of Amicoh Resources Ltd. The issue proceeds were offset against the purchase price liability recognised in 2011 in relation to the seller, Mocoh Resources Ltd.

2) SEK 7,245,070 of the total capital employed refers to settlement of loans from the majority shareholder.

3) Settlement of loans from the majority owner.

4) Registered with the Swedish Companies Registration office in 2016. The shares and votes from the directed issue were transferred to the recipient in February 2017.

OWNERSHIP STRUCTURE

According to the most recent nominee register, Crown Energy had approximately 1,300 shareholders on 31 December 2022. The number of outstanding shares, of which all are ordinary shares, amounted to 477,315,350 at the publication of this report. The table below shows the holdings of the three largest shareholders and the combined holdings of other shareholders at publication One share corresponds to one vote.

Shareholders	Number of shares and votes	% of shares and votes
Yoav Ben-Eli, via companies[1]	343,817,971	72.0
Cement Fund SCSp	63,000,000	13.2
Alan Simonian, privately, via company and via family	3,429,521	0.7
Other shareholders	67,067,858	14.1
Total number of shares	**477,315,350**	**100.0**

[1] The shares are held by YBE Ventures Ltd, which is controlled by Yoav Ben-Eli.

AFFILIATION WITH EUROCLEAR IN SWEDEN

Crown Energy is a CSD-registered company whose shares must be registered with a central securities depository pursuant to the Swedish Financial Instruments Accounts Act (1998:1479). The Company and its shares are affiliated with the securities system of Euroclear Sweden AB, address PO Box 191, SE-101 23 Stockholm, Sweden, as the central securities depository and clearing organisation. Instead of issuing physical certificates to shareholders, transactions are carried out electronically through registration in the CSD system of an authorised bank or other investment manager.

DIVIDEND POLICY

Over the next few years, Crown Energy's Board of Directors does not intend to propose the payment of dividends. Until further notice, any profits will be reinvested in expanding the business. The timing and amount of any future dividends will be proposed by the Board. In considering future dividends, the Board will weigh in factors such as the amount of shareholders' equity required by the nature, scope and risks associated with the Company's business, as well as the Company's consolidation requirements, liquidity and overall position. Crown Energy does not apply any restrictions or special procedures regarding cash dividends to shareholders residing outside Sweden. Except for possible limitations resulting from banking and clearing systems, payment is made in the same manner as for shareholders residing in Sweden. However, shareholders who are not tax residents of Sweden are normally subject to Swedish withholding tax. There are no rights, except the right to dividends, to share in the Company's profits. Crown Energy has not yet paid any dividends, nor are there any guarantees for any given year that a dividend will be proposed or approved by the Company.

SHARE-BASED INCENTIVE PROGRAMME AND WARRANTS ISSUED

The Company does not have any active incentive schemes.

CHAIRMAN’S STATEMENT

DEAR SHAREHOLDERS AND INVESTORS

I am very pleased to be able to refer to our acquisition of 85% of SmarTee s.a.r.l. and so the AccYouRate Group of companies in this Report even though the acquisition took place in February 2023. I believe that the medical technologies industry is a high growth environment with a great deal of future value potential for Crown and our shareholders.

We have seen a solid revenue stream from the Sales Agreement signed in October 2021 and with a total amount received by year end of USD $91 million. It has been very advantageous to us to secure this income in USD.

I do have to repeat that under the confidentiality terms of our Sales Agreement, Crown is not permitted to state publicly the name of the buyer. However, I continue to reassure the Market and our shareholders that the buyer is a well-recognised and well-respected multi-national company.

It is good to note that the economic situation in Angola is improving and that the Angolan Kwanza has strengthened against other benchmark international currencies. This has benefited Crown during 2022.

We are also delivering on our promise to move Crown away from the oil and gas industry as reported above and to move us into a more sustainable and socially responsible commercial environment.

Pierre-Emmanuel Weil
Chairman

CORPORATE GOVERNANCE REPORT

This report was prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Code of Corporate Governance (the Code)

Introducton
Crown Energy AB (publ) ('Crown Energy' or 'the Company') is a Swedish public limited company with its headquarters in Stockholm. The Company's ordinary shares are traded on NGM Main Regulated.

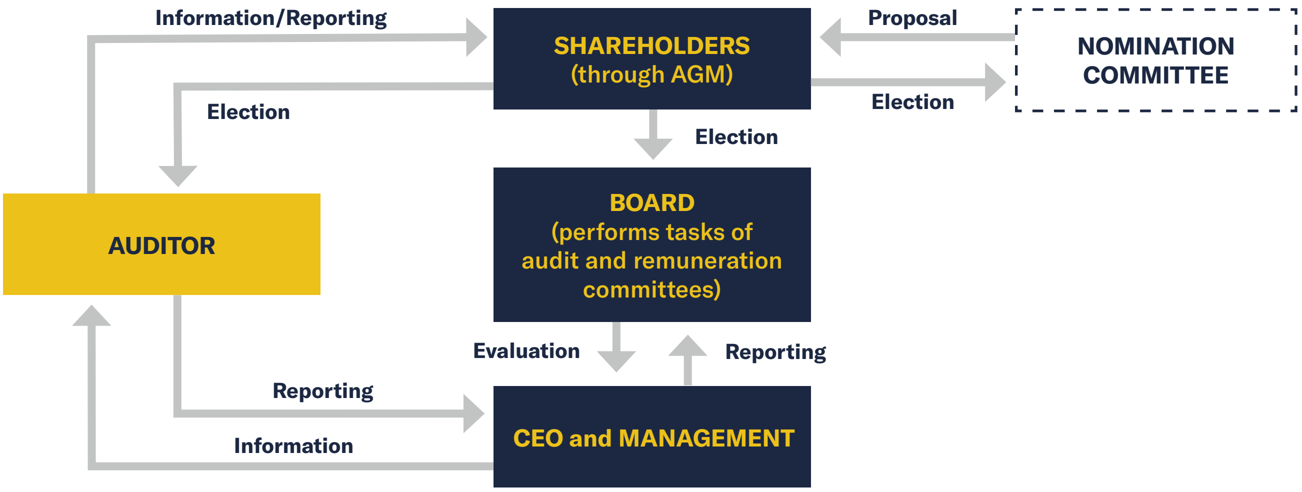
Crown Energy's corporate governance is allocated among shareholders, the Board, the CEO and senior management. Governance is regulated mainly by the Articles of Association, the Swedish Companies Act, NGM's rules for companies whose shares are traded on NGM Main Regulated, the Code, good practice on the stock market and internal guidelines and policies.

Companies whose shares are traded on a regulated market are required to implement the Code. The Code is part of self-regulation in the Swedish business community and is based on the "comply or explain" principle. This means that a company applying the Code may deviate from individual rules but must explain the reason for each deviation and provide a description of the solution that was chosen instead. The Code is available at www.corporategovernanceboard.se. In accordance with the provisions of the Annual Accounts Act and the Code, Swedish companies whose shares are traded on a Swedish regulated market must also prepare a corporate governance report. Crown Energy's corporate governance report for 2022 was prepared accordingly.

Rules of the Code from which Crown Energy deviated in 2022 are indicated in this report. The explanations and solutions that were used instead are described in each respective section of the corporate governance report.

The Company has no breaches of NGM's rules for companies whose shares are traded on NGM Main Regulated or breaches of good practice on the stock market to report for the year.

Governance structure and accountability
The shareholders of Crown Energy exercise their influence through the annual general meeting, the Company's highest decision-making body, while the Board of Directors and the CEO are responsible for the Company's organisation and management of the Company's affairs in accordance with the Swedish Companies Act, other laws and regulations, applicable rules for listed companies, the Articles of Association and the Board's internal control instruments. Crown Energy's governance structure is described in the following organisational chart of the various governing bodies. A description of each governing body follows.



Shareholders
As of 31 December 2022, Crown Energy had about 1,300 shareholders. The Company's two largest owners by 31 December 2022, in terms of both share capital and votes, are Yoav Ben-Eli (through YBE Ventures Ltd) with approximately 72.0 per cent and Cement Fund SCSp with 13.2 per cent. All outstanding shares are ordinary shares.

The two largest shareholders had combined holdings corresponding to 85.2 per cent of the shares and votes at the end of 2022. According to Chapter 6, Section 6, Sub section 2, Paragraph 3 of the Annual Accounts Act, corporate governance reports must present direct or indirect shareholdings that represent at least one-tenth of the number of votes for all shares in the Company. There were two shareholders with shareholdings of this type by 31 December 2022: Yoav Ben-Eli and Cement Fund SCSp. Further information about the Company's shares and shareholders can be found on pages 19–20 of this annual report.

General meeting
The General Meeting is Crown Energy's highest decision-making body. By law, the annual general meeting (AGM) must be held within six months after the end of the financial year. At the AGM, decisions are made on issues such as adoption of the income statement and balance sheet, appropriation of profits, discharge of liability and election of Board members and auditors. The AGM also makes decisions regarding the Articles of Association, dividends and any changes in the share capital.

Notice of the AGM, as well as of an extraordinary general meeting where resolutions to amend the Articles of Association will be addressed, shall be issued no earlier than six and no later than four weeks before the meeting through a press release, a public announcement in Post- och Inrikes Tidningar (Post and Domestic Times) and on the Company's website. Notice of any other general meeting shall be issued no earlier than six and no later than three weeks before the meeting. In order to attend and vote at the AGM, shareholders must be entered in the register maintained by Euroclear Sweden AB on Crown Energy's behalf no later than six working days before the meeting and must have reported their attendance to the Company as described in the meeting notice. Shareholders may be represented by proxy.

Annual General Meeting

Crown Energy's 2022 annual general meeting was held on 15 June 2022 in Stockholm. At the meeting, 86 per cent of the Company's total number of votes and shares were represented. Among others, the following items were resolved on at the meeting:

- Adoption of the income statements and balance sheets of the Parent Company and the Group.
- Discharge from liability for the Board and CEO
- Adoption of the allocation of profit, resulting in that no dividend would be paid to the shareholders and that the previously accrued profits, including the share premium account and year result, in total SEK 673,652,806, would be carried forward.
- Adoption of the number of Board members (four) and election of Board members (re-election of all members)
- Adoption of Board fees of SEK 675,000 to be apportioned in an amount of SEK 450,000 for the Chairman and in total SEK 225,000 for the non-executive Board members
- Re-election of the auditor and adoption of audit fees in accordance with approved invoices
- Adoption of guidelines for remuneration of senior executives in the Group

The 2023 AGM will be held on 1 June 2023 at 10:00 am at the Company's premises at Skeppargatan 27 in Stockholm. For information on the AGM, see the Company's website at www.crownenergy.se.

Other general meetings

No extraordinary general meetings were held during 2022.

Nomination committee

A nomination committee's main tasks are to present proposals for election of the Chairman of the Board and Board members, fees to Board members, election of auditors and auditor fees to the AGM. Policies for appointing a nomination committee are resolved on at the AGM.

Historically, Crown Energy has not had a nomination committee, which is a deviation from the Code of Corporate Governance. The Board, together with the principal shareholders, has decided that a nomination committee is currently not necessary in view of the composition of the shareholders. Depending on any future changes in shareholder composition, the issue of a nomination committee may need to be raised again and Crown Energy intends to maintain an ongoing dialogue with the principal shareholders regarding this issue.

Board of directors

The Board's composition, function and rules of procedure The Board's work is conducted in compliance with the Companies Act, the Code and other applicable rules and regulations prescribed by the Company. The Board's overall function is to manage the Company's affairs and organisation.

According to the Articles of Association, Crown Energy's Board is to consist of at least three and no more than ten members, with no more than five deputies. The composition of the Board was unchanged during the year and consisted of four members.

Board of Directors at 31 December 2022:

- Pierre-Emmanuel Weil (Chairman)
- Alan Simonian (member)
- Jean Benaim (member)
- Yoav Ben-Eli (member)

There is no specific division of duties between the Board members. For additional information on the current Board, see the *Board of Directors, senior executives and auditors* section on pages 17–18 of the annual report.

At the statutory Board meeting after the AGM, the Board of Directors of Crown Energy establishes rules of procedure with instructions for the Board and the CEO, as well as instructions for financial reporting. The rules of procedure are reviewed and approved annually. The Board holds at least four regular meetings in addition to the statutory meeting. The meetings are scheduled to coincide with dates for financial reporting and the AGM to the greatest extent possible. Besides regular meetings, the Board convenes for additional meetings as required.

The work is led by the Chairman of the Board, who is responsible for ensuring that it is well organised and efficient. This includes ensuring that the Board has the relevant education to discharge its duties, ensuring that it receives adequate information and supporting documents and that it is evaluated annually. The Chairman also maintains frequent contact with the Company's CEO. The Chairman is appointed by the AGM. Pierre-Emmanuel Weil was re-elected Chairman of the Board at the 2022 AGM.

The Board may establish committees to delegate certain tasks. Normally, these committees consist of audit and remuneration committees. Board committees deal with issues that fall within their respective areas and submit reports and recommendations that form the basis of decisions made by the Board. The Board decides whether a committee should be established. In accordance with the Swedish Companies Act, the Board may decide to perform the duties of a committee within itself, i.e. to address the issues within the regular work of the Board. Crown Energy did not have an audit committee or remuneration committee in 2022, as the Board found it more appropriate to handle these types of issues as part of regular Board activities. Accordingly, the Board performs the duties of each committee.

The Code requires that most Board members be independent of the Company and its management. Currently two out of four board members are in the Company's management team. At least two of the independent Board members must be independent of the Company's major shareholders. Major shareholders are defined as owners who control 10 per cent or more of the shares or votes in the Company. The composition of the Board was unchanged in 2022. At the AGM in June 2022, all four Board members were re-elected. One of them is independent of the Company, its management and major shareholders. The Company deviates from the Code in that only one person is independent of both the Company's management and its major shareholders.

A summary of the Board members and their attendance at Board meetings can be found below:

Name	Position	Independent of Company and management	Independent of Company's major shareholders	Board meeting attendance 2022
Pierre-Emmanuel Weil	Chairman	Yes	No	13/13
Alan Simonian	Board member	No	Yes	13/13
Jean Benaim	Board member	Yes	Yes	3/13
Yoav Ben-Eli	Board member	No	No	13/13

Authorisation
The Company has no outstanding authorisations.

CEO and Management
The CEO ensures that operations are conducted in accordance with the Swedish Companies Act, other laws and regulations, applicable rules for listed companies, the Articles of Association, the Board's internal control instruments and in accordance with the Board's established goals and strategies. In consultation with the Chairman of the Board, the CEO compiles the necessary informational and supporting documents for Board meetings, presents reports and motivates proposed resolutions. The CEO is Yoav Ben-Eli. As of 31 December 2022, Yoav Ben-Eli performs his duties on a consultancy basis and is not employed by the company.

The other members of Group management are Michail Shatkus, CFO, Alan Simonian, COO, and Peter Mikkelsen, Chief Geologist and Exploration Manager. Peter Mikkelsen performs his duties as a consultant, not as an employee of Crown Energy.

See the presentation of the CEO and other senior executives on pages 17 and 18 of the annual report.

Internal audit
The Company has a relatively simple legal and operational structure, along with established management and internal control systems. As a result, the Board determined in 2022 that a separate internal audit function was not necessary. The Board regularly monitors the Company's assessment of internal control through contact with the Company's auditors and by other means. In addition, internal efforts have been made to ensure that the controls and procedures of the incorporated new property business comply with the Group's established steering and internal control documents.

AUDITOR
The auditor is appointed by the AGM, on behalf of the shareholders, for the examination of Crown Energy's annual report and accounting records and the administration of the Company by the Board and CEO.

The 2022 AGM re-elected the auditing firm Öhrlings PricewaterhouseCoopers AB as Crown Energy's auditor for the period until the end of the 2023 AGM. As auditor in charge, authorised public accountant Bo Lagerström was appointed to sign the auditor's report.

The audit team had regular contact with the Company in 2022 in addition to the audit procedures performed. The Company's auditor examined the annual accounts and the Company's internal controls for 2022.

Auditor's review of the half-year or nine-month report
The Company's auditor has reviewed the nine-month report for the 2022 financial year.

REMUNERATION
Remuneration guidelines
Guidelines for the remuneration of senior executives at Crown Energy are adopted by the AGM and currently cover the CEO and the CFO, who are part of the management team and are employed by the Company. The policy is to offer remuneration that is market-based and competitive. The level of remuneration should be based on position, competence, experience and performance.

Most recently approved remuneration guidelines – 2022 AGM
Ahead of the 2022 AGM, the Board proposed the following unchanged guidelines, which were later adopted at the AGM on 15 June 2022:

- The Board shall be entitled to deviate from the guidelines in individual cases if there are specific reasons for doing so. In the event of such a deviation, information about the deviation and the reason for it must be reported at the next AGM.
- Remuneration of the CEO and other senior executives shall consist of a fixed, market-based salary. Any benefits, where such exist, shall constitute only a limited portion of the remuneration.
- The CEO and other senior executives shall have defined contribution pension plans, which means that vesting occurs through the Parent Company's annual payment of premiums. The pension provision for the CEO shall be 30% of the CEO's annual salary. Pensions for other senior executives must be in line with the ITP plan.
- Upon termination by the Company, severance pay for senior executives can be paid in an amount corresponding to a maximum of 24 monthly salaries, including fixed salary during the notice period.
- Decisions about share and share price-related incentive schemes for senior executives shall be resolved on by the AGM. Share and share price-related incentive schemes shall be designed with the aim of achieving a greater alignment of interests between the participating executives and the Company's shareholders. Schemes that involve the acquisition of shares shall be designed to promote personal shareholdings in the Company. The vesting period, or the period from the conclusion of the agreement until shares may be acquired, shall not be less than three years. Board members who are not also employees of the Company shall not participate in schemes directed to the management or other employees. Share options shall not be included in schemes directed to the Board.
- In specific cases, the Company's Board members shall be allowed to receive fees for services rendered within their respective areas of expertise that do not constitute board work. Fees for these services shall be market-based, approved by the Board and disclosed at the AGM.

The Board's proposed remuneration guidelines ahead of the 2023 AGM

The Board's proposed remuneration guidelines ahead of the 2023 AGM are the same as the most recently adopted guidelines (see above).

Remuneration of the Board of Directors

Decisions regarding remuneration of the Board of Directors are resolved on by the AGM. The AGM on 15 June 2022 adopted Board fees as follows: SEK 450,000 for the Chairman and SEK 225,000 for each of the other non-executive Board members. The Chairman and non-executive Board members do not receive a salary from the Company and are not eligible to participate in any of the Company's future incentive schemes.

Senior executives' remuneration and benefits in 2022

Decisions regarding remuneration of the CEO are made by the Board.

Since 1 February 2021, Yoav Ben-Eli, Board member and largest shareholder in the Company, is remunerated by the Group's subsidiary in Angola through a consulting agreement and since January 2022 is employed by the parent company. The agreement amounts to EUR 40,500 per month, and the total payments for the period correspond to SEK 6,524 thousand for the period.

Yoav Ben-Eli received a salary of approximately SEK 47 thousand per month from the parent company for the period January-December 2022.

The other senior executives of Crown Energy are Michail Shatkus (CFO), Alan Simonian (COO) and Peter Mikkelsen (Exploration Manager). Decisions regarding the remuneration of other senior executives are made by the CEO. The CFO and COO receive pension benefits which, as far as the Board can determine, are comparable to those for equivalent positions in companies like Crown Energy.

Apart from public pension plans, Crown Energy has no contractual pension benefits other than the pension benefits of the CEO, CFO and COO. Unless otherwise stated above, the Company has not entered any agreements with members of the Company's management, governance or supervisory bodies that entitle such members to any benefits after termination of their positions.

Peter Mikkelsen works in his management position under a consultancy agreement. The services are purchased on normal commercial terms and work performed is invoiced regularly. Invoicing from Peter Mikkelsen amounts to SEK 58 thousand during 2022.

The remuneration of Board members and senior executives is summarised below:

Remuneration, Board of Directors and senior executives

Amounts in TSEK	Basic salary/ Board fee	Variable remuneration	Other benefits	Pension expenses	Total 2021	Total 2020
Board of Directors						
Pierre-Emmanuel Weil, Chairman of the Board	300	–	–	–	**300**	150
Jean Benaim, member	150	–	–	–	**150**	75
Alan Simonian, member*	–	–	–	–	**–**	–
Yoav Ben-Eli, member**	7,088	–	–	–	**7,088**	2,595
Senior executives		–	–	–		
Andreas Forssell, CEO	–	–	–	–	**–**	1,871
Other senior executives	1,524	162	–	134	**1,821**	1,616
Total Board and senior management	**9,062**	**162**	**–**	**134**	**9,359**	**6,307**

* Alan Simonian was a full-time employee and a member of management in 2022. His salary is included under 'Other senior executives'. As Alan Simonian received a salary in 2022, he was not paid any Board fees.

** Yoav Ben-Eli was appointed CEO of the company as of September 2021. Since 1 February 2021, Yoav Ben-Eli, Board member and largest shareholder in the Company, is remunerated by the Group's subsidiary in Angola through a consulting agreement. The agreement amounts to EUR 20,000 per month, which corresponds to SEK 2,545 thousand for the period. February-December 2021. Yoav Ben-Eli received a salary of SEK 50 thousand for January 2021 from the Group subsidiary in the Netherlands.

Remuneration of auditor

The 2022 AGM elected Öhrlings PricewaterhouseCoopers AB as the auditor, with Bo Lagerström as auditor in charge. Bo Lagerström is an authorised public accountant and a member of FAR, Sweden's association for accountancy professionals. Remuneration to the auditor is paid on open account. Remuneration paid to Öhrlings PricewaterhouseCoopers by the Group for the 2022 financial year totalled SEK 1,424 thousand (1,449), of which SEK 1,329 thousand (1,355) was related to audit services and SEK 95 thousand (94) to other services. Audit services refers to the statutory examination of the annual financial statements and the bookkeeping, as well as administration by the Board of Directors and the CEO, other tasks incumbent upon the Company's auditor and advice or other assistance occasioned by observations during such examination or the execution of other such tasks. Everything else is considered other services.

INTERNAL CONTROL AND RISK MANAGEMENT OF FINANCIAL REPORTING FOR THE 2022 FINANCIAL YEAR

The Board is responsible for internal control in the Company and, according to the Annual Accounts Act, the Board must annually submit a description of the key elements of the Company's internal control and risk management system regarding financial reporting. Below is a brief description of how the internal control and financial reporting work.

Control environment

The control environment forms the basis of internal control over financial reporting. The Company's internal control structure is based on a clear division of responsibilities and duties between the Board and CEO as well as within the operating activities. In addition to steering documents such as instructions for the Board and CEO, the corporate communications policy and the financial reporting policy, there are also guidelines and policies for the operating and administrative activities. All steering documents and process descriptions are communicated within the organisation and are available and known to the personnel concerned.

Risk assessment

The Company identifies, analyses and makes decisions on how to manage the risk of errors in the financial reporting. At present, the operations are relatively small and involve a limited number of people. The Company has identified the operational processes and income statement and balance sheet items for which there is a risk that errors, omissions or irregularities could arise if the necessary control elements are not built into the routines. In its risk assessment, the Company has analysed how and where in the processes errors can arise. Issues that are important in risk assessment include whether assets and liabilities exist on a given date, accurate valuation, whether a business transaction occurred and whether items are recognised in accordance with laws and regulations. Currently, the Company's biggest risk is linked to economic developments in the markets where the Company operates.

Control activities

Based on the Company's risk assessments, several control measures have been established. These are of both a preventive nature, meaning that they are designed to avoid losses or errors in the reporting, and an investigative nature. The controls are also meant to ensure that errors are corrected.

Information and communication

Internal regulations, policies and procedural descriptions are available on the Company's internal network. Regular meetings, either in person or by phone, are used for internal communication to and from the Board and management.

To ensure that external communication with the stock market is accurate, there is a corporate communications policy that governs how investor relations are managed.

Monitoring

In 2022, internal control was mainly monitored as part of the business at regular Board meetings. The Company's process descriptions, policies and steering documents are updated as needed, but at least annually. The Board shall receive quarterly financial reports, including management's comments on operations. The Company's auditor participates in at least one Board meeting to present his/her observations about the Company's internal procedures and control systems.

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the general meeting of the shareholders in Crown Energy AB (publ), corporate identity number 556804-9598

Assignment and division of responsibilities
The board of directors is responsible for ensuring that the corporate governance statement for 2022 on pages 22–26 has been prepared in accordance with the Annual Accounts Act.

Focus and scope of the examination
Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The Auditor's Examination of the Corporate Governance Statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this examination has provided us with sufficient basis for our opinion.

Opinion
A corporate governance statement has been prepared. Disclosures in accordance with Chapter 6, Section 6, second paragraph, points 2–6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm on the date of our digital signature

Öhrlings PricewaterhouseCoopers AB

Bo Lagerström
Authorised Public Accountant

DIRECTORS' REPORT

The Board of Directors and CEO of Crown Energy AB (publ), 556804-8598, hereby issue the annual report for the financial year 1 January-31 December 2022.

OPERATIONS

Crown Energy AB (publ) with its subsidiaries ('Crown Energy', 'the Company' or 'the Group') is an international group in the oil, gas and service industries focused on under-explored areas in Africa and the Middle East.

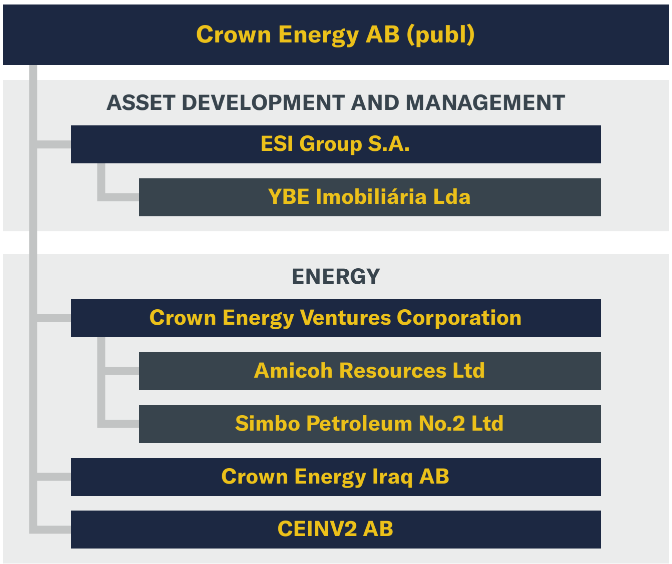
The Energy business area focuses on exploration opportunities with a high potential for recoverable reserves. Crown Energy seeks good risk diversification, both geographical and geological, and pursues farm-out opportunities as exit strategies to capitalise as much as possible on its assets.

The Company's Asset Development and Management business area delivers customised residential and office solutions to international companies that need to station staff abroad, primarily in Africa. This comprehensive offering of leasing and associated services enables customers to focus on their core business instead of worrying about major capital investments.

For a more detailed description of the Group's asset development and management business and business concept, see the section Asset Development and Management. The Parent Company has its registered office in Stockholm, Sweden, and is listed on NGM Main Regulated.

COMPANY STRUCTURE

Below is an overview of the Group's legal structure at 31 December 2022.



All units are wholly owned (100 per cent)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On March 3rd, Crown Energy announced that the joint venture Block 2B offshore in South Africa has signed an agreement for a semi-submersible rig, Island Innovator, to drill a well at Gazania-1 by October 2022.

Crown Energy announced on April 21st and October 21st, that the second and the third instalment of USD 8 million has been credited to the Company's account in accordance with the agreement for the disposal of the majority of its oil and gas assets signed on October 20th 2021. The total amount received in accordance with the agreement since October 2021 amounts to USD 91 million, out of the total fixed consideration of USD 180 million (not including the potential earn-out consideration of up to USD 270 million).

In September, the Company announced that the Island Innovator rig was mobilised and on its way to the drilling site at Gazania-1. In October, drilling activities did not encounter hydrocarbons in any commercial quantities and it was announced that the well was to be plugged and abandoned as planned.

On November 29th, the Board of Crown Energy announced that it no longer believed it was beneficial to the Company from a commercial or environmental standpoint to try to renegotiate and continue with the Madagascar Licence, thus, the asset has been written down in Q4 2022. Additionally, the Board of Crown Energy has decided to impair the South Africa license in Q4 2022.

During 2022, Crown Energy initiated the execution of moving the Company into a new and more socially responsible direction, with the focus being on responsibly exiting the oil and gas industry and investing in the medical technology industry and on improving its green footprint.

FINANCIAL OVERVIEW

Group, SEK thousand	01/01/2022 31/12/2022	01/01/2021 31/12/2021
Operating income	39,369	20,764
Operating expenses	1,809	6
Operating profit/loss	-201,099	-27,089
Net financial items	163,555	21,590
Net profit/loss for the period, after tax	-16,229	-30,591
Total assets	1,967,775	1,595,633
Earnings per share, SEK	-0.03	-0.06
Equity per share, SEK	1.52	1.32
Equity/assets ratio	37%	38%
Average number of employees	18.5	19.5

Parent Company, SEK thousand	01/01/2022 31/12/2022	01/01/2021 31/12/2021
Operating income	1,986	2,163
Operating expenses	-8,451	-11,631
Operating profit/loss	-6,464	-9,468
Net financial items	-48,548	45,940
Net profit/loss for the period, after tax	-71,195	36,472
Total assets	1,478,374	1,365,423
Number of employees	4	4

For definitions of key ratios, see Note 32 *Key ratios*.

COMMENTS ON FINANCIAL PERFORMANCE

Correction of error

During 2022, it was noted that a currency conversion error had occurred in Q4 2021 regarding the advance compensation received for the future disposal of oil and gas assets (see Note 2.4 for more information). Non-monetary liabilities should not be revalued at the balance sheet date in subsequent financial statements but should be reported at the exchange rate applicable when the advance payment was received. The error resulted in a foreign exchange difference of 33,007 TSEK being reported on this non-monetary liability in Q4 2021 among financial income and expenses.

Operating profit/loss

During the 2022 financial year ('the reporting period'), net revenue amounted to SEK 39,369 thousand, compared to SEK 20,764 thousand for the same period the previous year, an increase of 90 per cent. The increase is partly due to the strengthening of the Angolan currency since the beginning of 2022 and the properties' increased occupancy rate during the period. Soho Property was occupied during 2022. Property costs for the reporting period amounted to SEK -22,465 thousand (-10,982). The increase on the previous year is 105 per cent. Other external expenses amounted to SEK -27,145 thousand (-20,783), an increase of 30 per cent compared with the previous year. Employee benefit expenses for 2022 showed an increase of 60 per cent compared with 2021, mainly due to a stronger Angolan Kwanza as well as a one-time payment in Angola.

Net financial items

Net financial items for the reporting period amounted to SEK 163,555 thousand (21,590). Net exchange rate effects were SEK 133,956 thousand (16,970). Exchange rate effects mainly arise on translation of currency accounts. They also arise as a result of property valuations being made in USD and translated to AOA.

Changes in value

Changes in value during the reporting period amounted to SEK 19,921 thousand (32,596) and comprise unrealised changes in value for investment properties.

Tax

The deferred tax expense is primarily attributable to temporary differences between the fair value of the properties and the local taxable residual value. The positive amount of SEK 7,576 thousand (7,504) is due to lower valuation of Investment properties in local currency as well as the write-down of the exploration asset in Madagascar. As an effect of significant positive currency effects the Company has an income tax of SEK -6,181 thousand. For more information, see comments on financial position.

Other comprehensive income

Other comprehensive income includes total currency translation effects of SEK 110,132 thousand (101,588) arising on remeasurement of the subsidiaries' assets and liabilities from local currencies to SEK.

COMMENTS ON THE GROUP'S FINANCIAL POSITION

Non-current assets

The carrying amount of investment properties amounts to SEK 227,608 thousand. The net change since 2021-12-31 is SEK 65,359 thousand. The property valuations have been conducted externally. See Note 14 Investment properties for a summary of the period's changes.

The C-View property, as a property asset held for sale, is carried at fair value, which corresponds to the agreed purchase consideration, discounted over the payment period of three years. The fair value of SEK 411,385 thousand does not take into account the fact that the payments from the buyer will be adjusted in line with a price index based on the official inflation rate, which will be determined before the final payment. The increase of SEK 87,865 thousand since year-end 2021 is attributable to FX rate effects. For more information about the sale and its recognition, see Note 30 Sale of the C-View property.

As per 2022-12-31, exploration and evaluation assets totalled SEK 50,752 thousand (207,107). On November 29th, the Board of Crown Energy announced that it no longer believed it was beneficial to the Company from a commercial or environmental standpoint to try to renegotiate and continue with the Madagascar Licence, thus, the asset has been written down in Q4 2022. Additionally, the Board of Crown Energy has decided to impair the South Africa license in Q4 2022. This has resulted in a write-down of SEK 176,787 thousand. See Note 15 Exploration and evaluation assets for a summary of the changes for the period.

Due to the uncertainty of the Angolan currency, the Angolan subsidiary invests cash funds in Angolan government bonds that carry an interest rate of about 16 per cent. The total value of bonds amount to SEK 122,088 thousand. Nearly all bonds held at the end of the year have a remaining maturity of more than one year. For more information, see Note 16 Financial assets measured at amortised cost. A loan to Smartee Group which was subject for acquisition during 2023 amounts to SEK 34,887 thousand.

Current assets

Trade receivables consist of invoiced rent and service to customers as contracted. The balance sheet item for 2022 amounts to SEK 16,318 thousand (12,991). Other receivables consist mainly of a receivable of SEK 42,516 thousand from ESI Angola Lda. For more information about this receivable, see Note 27 Transactions with related parties.

Prepaid expenses and accrued revenue amount to SEK 125,526 thousand and consist mainly of prepaid expenses for sale of exploration assets, that amount to SEK 57,820 thousand prepaid expenses attributable to business development projects in progress and prepaid transaction costs associated with the C-View transaction that amount to SEK 54,474 thousand.

Non-current liabilities

Deferred tax liabilities amounted to SEK 103,710 (89,251) thousand and are attributable to surplus values in properties. Deferred tax has increased by SEK 14,534 thousand since the end of 2021. The increase is mainly due an exchange differences on the previous year's liability as well as earnings disposition in the Parent Company.

The Group's non-current lease liabilities amount to SEK 962 thousand and relate to future payments to landlords in Angola.

Other provisions of SEK 3,617 thousand concern an additional earn-out consideration attributable to an exploration asset has been written down during the period. See Note 21 Other provisions for further information.

Current liabilities

Contract liabilities are normally only related to revenue invoiced in advance. Contract liabilities attributable to the C-View sale amounted to SEK 298,397 thousand on 31 December 2022 (202,072). For more information about the C-View sale and its recognition, see Note 30 Sale of the C-View property.

COMMENTS ON CHANGES IN EQUITY

Changes in equity include other comprehensive income and exchange differences of SEK 110,132 thousand (101,588) arising on translation of subsidiaries.

COMMENTS ON CASH FLOWS

Interest income in 2022 of SEK 13,047 thousand (2,321) concerns interest on Angolan government bonds as well as interest from deposit account in the Parent Company. Cash flow from investing activities for the full year 2022 was SEK 117,849 thousand (526,472) and consists mainly of the first payment for the sale of exploration assets, amounting to SEK 165,562 thousand. The exchange rate gains/loses on cash and cash equivalents amounted to SEK 145,105 thousand (42,522).

DISPUTES

There were no disputes between Crown Energy and other parties as at this annual report's publication date.

CORPORATE GOVERNANCE REPORT

Please find the Corporate Governance Report on pages 22–26.

REMUNERATIONS

Please find information in the Corporate Governance Report, page 24.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

Events after the end of the financial year are only presented in notes. See Note 31 Events after end of reporting period.

OUTLOOK

Operations

Crown Energy is well-positioned with a balanced portfolio of exciting energy assets. Crown has entered into a sales and purchase agreement which covers our interests in Iraq. During 2022, Crown Energy initiated the execution of moving the Company into a new and more socially responsible direction, with the focus being on responsibly exiting the oil and gas industry and investing in the medical technology industry and on improving its green footprint.

Financing and going concern

As the Group now has a very significant cash balance, positive cash flows from investing activities and assets and no debt, the Group continues to hold very adequate working and investment capital for the future. The Company's main plan continues to be the fulfilment of all of its objectives, both in current and new business development and investments and day-to-day management, using existing funds in the next 12 months. However, it cannot be ruled out that the Company may need or wish to raise further capital from existing shareholders for investments beyond those described thus far. This may be done through new share issues, private placements or preferential rights issues or through other offers to existing shareholders, or alternatively by raising loans/issuing corporate bonds, or a combination of these.

Conflict in Ukraine

Sanctions introduced against Russia due to the conflict in Ukraine do not affect Crown Energy or its operations. However, the conflict has had impact on the oil price.

Significant risks and risk management

See Note 3 Operational risks and Note 4 Financial risk management for a summary of the Group's significant risks and risk management.

STAFF

For more detailed information about staff, see Note 9.

SHARES AND OWNERSHIP STRUCTURE

Share capital

For more detailed information about the Company's shares, see the Shares, shareholders and share capital section on pages 19–20.

Ownership structure

For information about the Company's ownership structure, see the Shares, shareholders and share capital section on pages 19–20.

ANNUAL GENERAL MEETING

The AGM is planned to be held on 1 June 2023 at 10:00 am at the Company's premises at Skeppargatan 27 in Stockholm, Sweden.

PARENT COMPANY

Comments on financial performance

The Parent Company's revenue for 2022 amounted to SEK 1,986 thousand (2,162). Revenue relating to the re-invoicing of expenses and subsidiary management fees.

Other external expenses amounted to SEK -4,231 thousand (-6,271), a decline from the previous year. The decline is mainly attributable to lower consulting costs and other savings measures.

Employee benefit expenses showed a decline of 22 per cent compared with 2021. This is due to staff changes in 2022.

The write-down of accounts receivable in subsidiaries amounts to SEK 195,912 thousand and comprises a weakened repayment capacity in subsidiaries due to write downs of assets in South Africa and Madagascar. This includes a write-down of SEK -65,247 in accrued interest income.

Currency conversion rate effects in liquid funds in the parent company amounted to SEK 138,993 thousand.

Comments on financial position

Participations in Group companies have remained unchanged.

PROPOSED APPROPRIATION OF PROFITS

The Board proposes that SEK 635,465,424 is to be carried forward.

Amounts in SEK	
Accumulated earnings	-973,453,192
Changes after the AGM	33,007,499
Share premium reserve	1,647,105,998
Net profit for the year	-71,194,880
Total	**635,465,424**

CONSOLIDATED INCOME STATEMENT

Amounts in SEK thousand	Note	01/01/2022 31/12/2022	01/01/2021 31/12/2021
Net revenue		39,369	20,764
Rental revenue	7	*31,167*	*14,041*
Service income	7	*8,202*	*6,723*
Other operating income	7	1,809	6
Property-related expenses		-22,465	-10,982
Other external expenses		-27,145	-20,783
Employee benefit expenses	9	-14,212	-8,915
Depreciation		-1,265	-1,056
Write-downs of the exploration assets	15	-176,787	
Other operating expenses		-403	-6,124
Operating profit/loss		**-201,099**	**-27,089**
Finance revenue	10, 11	198,774	58,547
Finance expenses	10, 11	-35,220	-36,957
Net financial items		**163,555**	**21,590**
Profit/loss before tax and changes in value		**-37,544**	**-5,499**
Changes in value		19,921	-32,596
Property, unrealised	14	*19,921*	-32,596
Assets held for sale, unrealised	30	–	–
Profit before tax		**-17,624**	**-38,095**
Income tax	12	-6,181	
Deferred tax	12, 20	7,576	7,504
Net profit		**-16,229**	**-30,591**

* Financial Income for 2021 was corrected with TSEK 33,007, due to incorrect revaluation of non-financial liabilities. See more in Note 2.4.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK thousand	01/01/2022 31/12/2022	01/01/2021 31/12/2021
Net profit	**-16,229**	**-30,591**
Other comprehensive income		
Items that can be reclassified to profit or loss:		
Currency translation effects	110,132	101,588
Total Items that can be reclassified to profit or loss	**110,132**	**101,588**
Other comprehensive income, net of tax	**110,132**	**101,588**
Total comprehensive income for the period	**93,903**	**70,997**
Comprehensive income for the period attributable to Parent Company shareholders	**93,903**	**70,997**

CONSOLIDATED BALANCE SHEET

Amounts in SEK thousand	**Note**	**01/01/2022 31/12/2022**	**01/01/2021 31/12/2021**
ASSETS			
Non-current assets			
Investment property	14	227,608	162,250
Equipment, tools, fixtures and fittings		6,643	1,522
Intangible assets	2	204	–
Exploration and evaluation assets	15	50,752	207,107
Financial assets measured at amortised cost	16	156,975	83,442
Deferred tax assets	20	–	–
Total non-current assets		**442,182**	**454,321**
Current assets			
Trade receivables	4, 17	16,318	12,991
Other receivables	16	56,796	41,519
Prepaid expenses and accrued revenue		125,526	102,974
Cash and cash equivalents	18	915,568	660,308
Total current assets		**1,114,208**	**817,792**
Real estate assets held for sale	30	411,385	323,520
TOTAL ASSETS		**1,967,775**	**1,595,633**
EQUITY			
Capital and reserves attributable to Parent Company shareholders			
Share capital	19	14,033	14,033
Other paid-in capital		859,523	859,523
Reserves		-502,872	-613,004
Accumulated earnings		371,114	401,706
Net profit		-16,229	-30,591
Total equity		**725,569**	**631,666**
LIABILITIES			
Non-current liabilities			
Finance lease liability	4, 22, 23	962	575
Deferred tax liabilities	20	103,710	89,176
Other provisions	4, 21	–	3,617
Total non-current liabilities		**104,672**	**93,368**
Current liabilities			
Finance lease liability	4, 22, 23	154	–
Accounts payable	4, 23	4,741	6,124
Current tax	12	6,124	–
Other current liabilities	4, 23	7,496	8,656
Accrued expenses and deferred revenue	25	813,563	649,756
Contract liabilities	24	305,456	206,063
Total current liabilities		**1,137,534**	**870,599**
TOTAL EQUITY AND LIABILITIES		**1,967,775**	**1,595,633**

* Accrued expenses and deferred income and Equity for 2021 was corrected with TSEK 33,007, due to incorrect revaluation of non-financial liabilities. See more in Note 2.4.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Parent Company shareholders				
Amounts in SEK thousand	**Share capital**	**Other paid-in capital**	**Reserves**	**Accumulated earnings**	**Total equity**
Opening equity 1 Jan 2021 as per approved AR	**14,033**	**859,523**	**-714,592**	**401,706**	**560,670**
Correction of error	–	–	–	–	–
Adjusted equity 1 Jan 2021	**14,033**	**859,523**	**-714,592**	**401,706**	**560,670**
Comprehensive income					
Net profit for the year	–	–	–	-30,591	**-30,591**
Exchange differences	–		101,588	–	**101,588**
Total comprehensive income	**–**	**–**	**101,588**	**-30,591**	**70,997**
Transactions with shareholders					
Total transactions with shareholders	**–**	**–**	**–**	**–**	**–**
Closing balance at 31 Dec 2021	**14,033**	**859,523**	**-613,004**	**371,115**	**631,666**
Opening equity 1 Jan 2022 as per approved AR	**14,033**	**859,523**	**-613,004**	**338,108**	**598,659**
Correction of error	–	–	–	33,007	**33,007**
Adjusted equity 1 Jan 2022	**14,033**	**859,523**	**-613,004**	**371,115**	**631,666**
Comprehensive income					
Net profit for the year	–	–	–	-16,229	**-16,229**
Exchange differences	–	–	110,132	–	**110,132**
Total comprehensive income	**–**	**–**	**110,132**	**-16,229**	**93,903**
Transactions with shareholders					
Total transactions with shareholders	**–**	**–**	**–**	**–**	**–**
Closing balance at 31 Dec 2022	**14,033**	**859,523**	**-502,872**	**354,884**	**725,569**

* Net profit and Comprehensive income for Year 2021 and Opening Balance for Year 2022 was corrected with TSEK 33,007, due to incorrect revaluation of non-financial liabilities. See more in Note 2.4.

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in SEK thousand	**Note**	**01/01/2022 31/12/2022**	**01/01/2021 31/12/2021**
Cash flow from operating activities			
Operating profit before financial items		-201,099	-27,089
Adjustments for items not included in cash flow:			
Depreciation		1,265	1,056
Write-downs of exploration assets	15	176,787	–
Exchange rate effects in operating profit		13,276	12,655
Interest received		13,047	2,321
Interest paid		-402	-1,235
Exchange rate effects realised		-6,942	–
Write-downs of commissions		-4,199	–
Tax paid		–	–
Cash flow from operating activities before change in working capital		**130**	**-12,292**
Changes in working capital:			
Increase/decrease in current receivables		-30,491	-1,836
Increase/decrease in current liabilities		23,704	97,316
Total changes in working capital		**-6,787**	**95,480**
Cash flow from operating activities		**-6,657**	**83,188**
Cash flow from investing activities			
Capital expenditures on investment properties	14	-22,273	-545
Capital expenditures on exploration and evaluation assets	15	-1,697	458
Capital expenditures on property, plant and equipment		-6,256	-363
Investments in/Sale of financial assets (government bonds)	16	-17,487	-60,691
Advance payment – Sale of exploration and evaluation assets		165,562	645,270
Prepayment of transaction fees for the sale of exploration and evaluation assets		–	-57,656
Cash flow from investing activities		**117,849**	**526,473**
Repayment of lease liability		-1,036	-3,299
Net cash flows from financing activities		**-1,036**	**-3,299**
Cash flow for the period		**110,155**	**606,361**
Cash and cash equivalents at start of period	18	660,308	42,522
Cash flow for the period		110,155	606,361
Exchange gains/losses on cash and cash equivalents		145,105	11,424
Cash and cash equivalents at end of period	**18**	**915,568**	**660,308**

PARENT COMPANY INCOME STATEMENT

Amounts in SEK thousand	Note	01/01/2022 31/12/2022	01/01/2021 31/12/2021
Net revenue	27	1,905	2,162
Other operating income		82	1
Total operating income		**1,986**	**2,163**
Other external expenses		-4,231	-6,271
Employee benefit expenses	9	-4,136	-5,272
Depreciation			
Other operating expenses		-84	-88
Total operating expenses		**-8,451**	**-11,631**
Operating profit/loss		**-6,464**	**-9,468**
Write-down of participations in Group companies	28	-195,912	-5,411
Dividend from Group companies		–	14,454
Interest income and similar items	10, 11	141,751	33,782
Interest income from Group companies	10, 27	6,084	3,373
Interest expenses and similar items	10, 11	-471	-258
Profit from financial items		**-48,548**	**45,940**
Profit before tax		**-55,012**	**36,472**
Accrual fund		-10,002	
Tax	12	-6,181	
Net profit		**-71,195**	**36,472**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK thousand	Note	01/01/2022 31/12/2022	01/01/2021 31/12/2021
Net profit		**-71,195**	**-36,472**
Other comprehensive income		**–**	**–**
Other comprehensive income, net of tax		**–**	**–**
Total comprehensive income for the year		**-71,195**	**-36,472**
Comprehensive income for the period attributable to Parent Company shareholders		**-71,195**	**-36,472**

* Interest income and similar items for Year 2021 was corrected with TSEK 33,007, due to incorrect revaluation of non-financial liabilities. See more in Note 2.4.

PARENT COMPANY BALANCE SHEET

Amounts in SEK thousand	Note	01/01/2022 31/12/2022	01/01/2021 31/12/2021
ASSETS			
Non-current assets			
Participation in Group companies	28	467,320	467,320
Financial assets measured at amortised cost		34,887	–
Property, plant and equipment		–	–
Receivables from Group companies		25,078	212,322
Total non-current assets		**527,285**	**679,642**
Receivables from Group companies		8	3,480
Other current receivables		223	1,374
Prepaid expenses and accrued revenue		58,576	58,027
Cash and bank balances	18	892,282	622,899
Total current assets		**951,089**	**685,781**
TOTAL ASSETS		**1,478,374**	**1,365,423**
EQUITY			
Equity			
Restricted equity			
Share capital	19	14,033	14,033
Total restricted equity		**14,033**	**14,033**
Non-restricted equity			
Share premium reserve	19	1,647,106	1,647,106
Accumulated earnings		-940,446	-976,918
Net profit for the year		-71,195	36,472
Total non-restricted equity		**635,465**	**706,660**
Total equity		**649,498**	**720,693**
Obeskattade reserver			
Periodiseringsfond		**10,002**	**–**
Current liabilities			
Accounts payable		232	926
Other current liabilities		6,552	364
Accrued expenses and deferred income	25	812,090	646,476
Total current liabilities		**818,874**	**647,766**
TOTAL EQUITY AND LIABILITIES		**1,478,374**	**1,368,459**

* Total Liabilities and Equity for Year 2021 was corrected with TSEK 33,007, due to incorrect revaluation of non-financial liabilities. See more in Note 2.4.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Attributable to Parent Company shareholders				
Amounts in SEK thousand	**Share capital**	**Other paid-in capital**	**Accumulated earnings**	**Net profit for the year**	**Total equity**
Opening equity 1 Jan 2021 as per approved AR	**14,033**	**1,647,106**	**-47,157**	**-929,761**	**684,221**
Correction of error	–	–	–	–	–
Adjusted opening equity 1 Jan 2021	**14,033**	**1,647,106**	**-47,157**	**-929,761**	**684,221**
Disposition of result as per decision at AGM	–	–	-929,761	929,761	–
Comprehensive income					
Net profit for the year	–	–	–	36,472	36,472
Other comprehensive income	–	–	–	–	–
Total comprehensive income	**–**	**–**	**–**	**36,472**	**36,472**
Transactions with shareholders					
Issue expenses (reversed reserve)	–	–	–	–	–
Total transactions with shareholders	**–**	**–**	**–**	**–**	**–**
Closing balance at 31 Dec 2021	**14,033**	**1,647,106**	**-976,918**	**36,472**	**720,693**
Opening equity 1 Jan 2022 as per approved AR	**14,033**	**1,647,106**	**-976,918**	**3,465**	**687,685**
Correction of error	–	–	–	33,007	33,007
Adjusted opening equity 1 Jan 2022	**14,033**	**1,647,106**	**-976,918**	**36,472**	**720,693**
Disposition of result as per decision at AGM	–	–	3,465	-3,465	–
Correction of error previous year	–	–	33,007	-33,007	–
Comprehensive income					
Net profit for the year	–	–	–	-71,195	-71,195
Other comprehensive income	–	–	–	–	–
Total comprehensive income	**–**	**–**	**–**	**-71,195**	**-71,195**
Transactions with shareholders					
Issue expenses (reversed reserve)	–	–	–	–	–
Total transactions with shareholders	**–**	**–**	**–**	**–**	**–**
Closing balance at 31 Dec 2022	**14,033**	**1,647,106**	**-940,446**	**-71,195**	**649,498**

* Net Profit for Year 2021 and Opening Balance for Year 2022 were corrected with TSEK 33,007, due to incorrect revaluation of non-financial liabilities. See more in Note 2.4.

PARENT COMPANY STATEMENT OF CASH FLOWS

Amounts in SEK thousand	Note	01/01/2022 31/12/2022	01/01/2021 31/12/2021
Cash flow from operating activities			
Operating profit before financial items		-6,464	-9,468
Adjustments for items not included in cash flow:			
Depreciation		–	–
Exchange rate effects in operating profit		-2,164	-2,520
Interest received		533	–
Interest paid		–	–
Tax paid		–	–
Cash flow from operating activities before change in working capital		**-8,096**	**-11,987**
Changes in working capital:			
Increase/decrease in current receivables		-32,400	-2,920
Increase/decrease in current liabilities		10,519	-3,315
Total changes in working capital		**-21,881**	**-6,235**
Cash flow from operating activities		**-29,977**	**-18,222**
Cash flow from investing activities			
Acquisitions, Group companies		–	–
Loans to Group companies		-5,195	-674
Advance payment for sale of subsidiary		165,562	645 270
Advance payment of transaction costs for divestment of shares in subsidiary		–	-57 656
Cash flow from investing activities		**160,367**	**586,938**
Net cash flows from financing activities		–	14,454
Cash flow for the period		**130,390**	**583,170**
Cash and cash equivalents at start of period	18	622,899	6,037
Cash flow for the period		130,390	583,170
Exchange rate effects on cash and cash equivalents		138,993	33,692
Cash and cash equivalents at end of period	**18**	**892,282**	**622,899**

NOTES

1 GENERAL INFORMATION

Crown Energy AB (publ) ('the Parent Company'), corporate identity number 556804-8598, with its subsidiaries ('Crown Energy', 'the Company' or 'the Group'), is an international group in the oil, gas and property industries focused on under-explored areas in Africa and the Middle East. The Parent Company is a public company registered in Sweden and domiciled in Stockholm. The Parent Company is listed on NGM Main Regulated. The visitors' address of the main office is Skeppargatan 27, 114 52 Stockholm, Sweden.

On 2 May 2023, the Board of Directors approved these consolidated accounts for publication. All amounts are presented in SEK thousands unless otherwise stated. Figures in parentheses refer to the previous year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of the reports

Crown Energy's consolidated accounts were prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Consolidated Accounting Standards, International Financial Reporting Standards (IFRS) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. The financial statements of the Parent Company were prepared in accordance with RFR 2, Accounting for Legal Entities and the Swedish Annual Accounts Act. Cases for which the Parent Company applies different accounting policies than the Group are listed separately at the end of this note. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Note 5 Critical accounting estimates and judgements discloses the areas that require a more thorough assessment, are complex or for which assumptions and estimates are very significant to the consolidated accounts. The principal accounting policies applied to these consolidated accounts are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 New standards that came into force in 2022

No new standards or interpretations that Crown Energy applies from 1 January 2022 have had any significant impact on the Group's consolidated financial statements.

Other changes

IAS 29 Financial Reporting in Hyperinflationary Economies

In 2018, Angola was classified as a hyperinflationary economy. IIMF data has shown that the three-year cumulative inflation rate was below 100 per cent in 2019. The qualitative indicators in 2020 also support the conclusion that Angola is no longer hyperinflationary. Crown Energy has, therefore, discontinued inflation-adjusted reporting in accordance with IAS 29 with effect from 1 January 2020. The amounts reported in the 2019 year-end financial statements are considered to be the carrying amounts for subsequent financial statements – that is, the restated amounts are the cost bases of any non-monetary items from 1 January 2020. Annual inflation rate in Angola fell to about 13,86 per cent in December 2022, which is the lowest inflation rate since early 2020. There is, therefore, a possibility that Angola will once again come to be considered a hyperinflationary economy, and that IAS 29 Financial Reporting in Hyperinflationary Economies will again have to be applied to the consolidated financial statements.

Standards, amendments and interpretations of existing standards that have not yet become effective and that the Group has not applied early

A number of new standards and amendments to interpretations and existing standards will enter into force for financial years beginning after 1 January 2022. None of these new standards and interpretations is expected to have any significant impact on the Group's consolidated financial statements.

2.3 Consolidated accounts

Subsidiaries

Subsidiaries are all entities (including structured companies) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and could affect those returns through its power over the entity. Subsidiaries are included in the consolidated accounts from the date on which the controlling influence is transferred to the Group. They are deconsolidated from the date that control ceases. In the event of the acquisition of a subsidiary, the Group determines whether the acquisition is a business combination, i.e. whether the acquired assets and assumed liabilities are an operation/business. If the acquired subsidiary cannot be defined as an operation/business, the transaction is recognised as an acquisition of assets.

Acquisition of operations

The acquisition method is used to recognise consolidated business combinations. The consideration for acquisition of a subsidiary is defined as the fair value of transferred assets, liabilities that the Group incurs from previous owners of the acquired company and the shares issued by the Group. The consideration includes the fair value of all assets or liabilities that are the result of a contingent consideration agreement. Identifiable acquired assets and liabilities assumed in a business combination are measured initially at their fair values on the acquisition date. For each acquisition, the Group determines whether non-controlling interest in the acquired company should be recognised at fair value or at its proportional share of the carrying amount of the acquired company's identifiable net assets. Expenses that are directly attributable to the acquisition are expensed as they are incurred. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gain or loss arising from remeasurement is recognised in profit/loss. Each contingent consideration to be transferred by the Group is recognised at fair value on the date of acquisition. Subsequent changes to the fair value of contingent consideration that is classified as an asset or liability are recognised in profit or loss. A contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity. Identifiable acquired assets, liabilities assumed and contingent liabilities in a business combination are measured initially at their fair values on the acquisition date regardless of the scope of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of identifiable acquired assets, liabilities and contingent liabilities is recognised as goodwill. If the cost of acquisition is less than the fair value of the acquired subsidiary's assets, liabilities and contingent liabilities, the difference is recognised directly in the income statement.

Acquisition of subsidiaries that are not operations/businesses

In cases where the acquired subsidiary is not deemed to meet the criteria for an operation/business, the transaction is accounted for as an acquisition of assets and will then follow the accounting for each asset's accounting standard. The cost of acquisition is divided among the individual identifiable assets and liabilities based on their relative fair values at the time of acquisition. Such an acquisition does not give rise to goodwill. Expenses directly attributable to the acquisition are capitalised as part of the cost of acquisition.

Joint arrangements
A holding in a joint arrangement is classified as either a joint operation or a joint venture depending on the contractual rights and obligations of each investor. A joint operation arises when the parties that have joint control over the arrangement have direct rights to the assets and responsibility for the liabilities in an arrangement. In such an arrangement, assets, liabilities, revenue and expenses are recognised based on the holders' share of these, that is, as per the proportional method. A joint venture arises when the parties that have joint control have rights to the net assets in an arrangement. In such an arrangement, the holder recognises its share as per the equity method. The Group currently has one joint arrangement that relate to the interest in the Block 2B in South Africa. Based on the joint operating agreements' terms and Crown Energy's working interest, the Group does not have joint control over these arrangements and is thus not a party to a joint operation. Crown Energy is deemed party to a joint arrangement and has rights to the assets and obligations with respect to the liabilities originating from the joint operation. As a result, Crown Energy recognises its working interest in this licence in accordance with IFRS 6 Exploration for and Evaluation of Mineral Resources. See section 2.7 Exploration and evaluation assets for more information about how the joint arrangement are managed in the accounts.

Other
Intra-Group transactions, balance sheet items and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, but any losses are viewed as an indication that assets may be impaired. Accounting policies for subsidiaries were modified as applicable to ensure the consistent application of Group policies.

2.4 Translation of foreign currencies

Functional and presentation currencies
Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Company's subsidiaries Amicoh Resources Ltd, Simbo Petroleum No.2 Ltd and ESI Group S.A. use USD as their functional currency. In addition, the Company's indirectly owned subsidiary YBE Imobiliária Angola Lda uses the Angolan currency kwanza (AOA) as its functional currency. The consolidated accounts are presented in SEK, which is the Parent Company's functional and presentation currency. The balance sheets and income statements of foreign Group companies are translated using the current rate method. All assets and liabilities of subsidiaries are translated at the closing day rate, while the income statements are translated at average rates for the year, except where it is considered more appropriate to use the transaction date rate. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are also translated at the closing day rate. Translation differences arising from the translation of foreign operations are recognised directly in the currency translation reserve in other comprehensive income.

Transactions and balance sheet items
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction date. Exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rate are recognised in the income statement. Exchange differences on lending and borrowing are recognised in net financial items, while other exchange differences are included in operating profit.

Exchange rates
The following exchange rates were used to prepare the financial statements (consolidation, annual accounts, etc.) in this report:

Currency	Closing rate, 2022	Average rate, 2022	Closing rate, 2021	Average rate, 2021
USD 1 in SEK	10.437	10.098	9.044	8.558
AOA 1 in SEK	0.021	0.022	0.016	0.014

Correction of error regarding conversion of prepaid revenues
During 2022, it was noted that an error had occurred in the currency conversion of the advance compensation received for the future disposal of oil and gas assets in Q4 2021, as well as in Q1 and Q2 of 2022 (see Note 4 for more information). When a company receives compensation in advance in a foreign currency, it is reported as a non-monetary liability on the balance sheet. Non-monetary liabilities should not be revalued at the balance sheet date in subsequent financial statements but should be reported at the exchange rate applicable when the advance payment was received. The error resulted in foreign exchange differences being recognized on this non-monetary liability in the Q1 and Q2 reports of 2022, as well as in Q4 2021 among financial income and expenses.

The error has been corrected by recalculating the affected items in the income statement for the earlier periods as follows:

Items in income statement, TSEK	Group			Parent Company		
	Jan–Dec 2021	Adjustments	Jan–Dec 2021	Jan–Dec 2021	Adjustments	Jan–Dec 2021
Operating result	**-27,089**	**–**	**-27,089**	**-9,468**	**–**	**-9,468**
Financial Income	25,540	33,007	58,407	915	33,007	33,922
Profit/loss before tax	**-71,102**	**33,007**	**-38,095**	**3,465**	**33,077**	**36,472**
Tax	7,503	–	7,503	–	–	–
Result for the Period	**-63,599**	**33,007**	**-30,592**	**3,465**	**33,077**	**36,472**
Result per share	*-0.13*		*-0.06*			

Items in balance sheet, TSEK	Group			Parent Company		
	Jan–Dec 2021	Adjustments	Jan–Dec 2021	Jan–Dec 2021	Adjustments	Jan–Dec 2021
Total equity	**687,686**	**33,007**	**720,693**	**687,686**	**33,007**	**720,693**
Accrued expenses and deferred income	682,763	-33,007	649,756	679,529	-33,007	646,522
Total liabilities	**1,595,633**	**-33,007**	**1,562,626**	**680,773**	**-33,007**	**647,766**

2.5 Revenue

The Group has two regular income streams: rental revenue from leases and income from service contracts with tenants. Rental revenue, which comprises most of the Group's revenue, is subject to IFRS 16 Leases and comes from the Company's investment properties. Service income is strongly linked to leases but originates in separate contracts with tenants and is recognised in accordance with IFRS 15 Revenue from Contracts with Customers. Other operating income is not significant and refers primarily to exchange rate effects attributable to the business. The Group may also generate revenue from property sales and this is also recognised in accordance with IFRS 15.

Rental revenue

Rental revenue is attributable to the Group's operating leases with tenants and is recognised in accordance with IAS 16 Leases. The revenue comes from the Company's investment properties. Rental revenue is accrued and recognised as income on a straight-line basis over the term of the lease if the terms and conditions of the lease are not of such a nature that another method of accrual reflects the change over time in the economic benefits attributable to leasing the investment property to lessees. Rent payments received in advance are recognised as deferred revenue. The Group does not have any income-based leases.

Service income

Service is normally performed for tenants who have a lease, but this is governed in a separate service agreement. Although the service is strongly linked to the lease, it is not a lease component and must, therefore, be recognised separately from the lease. The income is recognised when the Group has fulfilled its performance commitment, in other words over time and as the service is performed, which is normally assessed once a month. In some cases, the service is invoiced immediately after it is performed and sometimes it is invoiced in advance. In cases where the service has been invoiced in advance, in other words meaning that the Group has not yet fulfilled its performance commitments, it is recognised as a contract liability. Compensation for the service is fixed and the revenue is recognised at an amount that reflects the compensation that the Company is expected to be entitled to in exchange for the service rendered. The Group does not recognise any assets related to contract costs for acquiring the contracts or those directly attributable to fulfilment of the contract. All service income is attributable to the Asset Development and Management segment. At present, this segment only covers the Group's operations in Angola. Since revenue comes entirely from Angola, the current service income entails a currency risk due to the very high inflation Angola has suffered from in recent years. See the description of currency risks in Note 4 Financial risk management.

Revenue from property sales

Revenue generated on disposal of a property asset must be recognised when control over the property can be considered to have been transferred to the buyer. The income is normally recognised on the transfer date unless control (risks and rewards) was transferred at an earlier date. Control of the asset may have been transferred at an earlier date than the closing date and, if so, the income from the property sale is recognised at this earlier date. When assessing the income recognition date, consideration is given to the agreements between the parties regarding risks and rewards as well as involvement in current administration. In addition, consideration is given to factors that may affect the outcome of the transaction which are beyond the control of the seller and/or buyer. When selling properties with rent guarantees, the present value of the probable outflow of guarantee payments is calculated and recognised as a provision.

Other revenue

Interest income is recognised on a time proportion basis using the effective interest method. Dividend income is recognised when the right of the shareholders to receive payment has been established.

2.6 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-term 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. During 2022, the Group had two segments matching the two business areas: Energy (oil and gas exploration) and Asset Development and Management (property and service operations). The chief operating decision-maker is deemed the Board of the Parent Company.

2.7 Leases

A lease transfers the right to decide how an identified asset is used in exchange for compensation over a specific period. A lessee must recognise a right-of-use asset and a lease liability. A lessor must classify each lease as either an operating lease or a finance lease. A finance lease essentially transfers the economic risks and rewards incidental to ownership of the underlying asset. These risks and rewards are not transferred under an operating lease. Crown Energy is a lessor when it leases premises to tenants and a lessee for investment properties and the right of use to premises.

Lessees

A lessee must recognise a right-of-use asset and a lease liability. The right of use is measured at cost on the start date of the lease. The cost includes the total amount the lease liability was originally recognised at, all lease payments paid at or before the start date and the lessee's initial immediate expenses. At the start date, the lease liability is measured at the present value of the lease payments not yet paid at that time. The lease payments are discounted at the interest rate implicit in the lease if the rate can be readily determined. Otherwise, the lessee's incremental borrowing rate is used. The lease payments included are the fixed payments (including in-substance fixed payments), variable lease payments that vary depending on an index or price, residual value guarantees that are expected to be paid, exercise prices for options to purchase the asset and any penalties payable upon known termination. After the start date, the right of use is measured at cost less accumulated depreciation and impairment losses along with any revaluations. Depreciation is in line with the provisions of IAS 16 Property, Plant and Equipment. Given that the Group measures its investment properties at fair value, this method is also used for rights of use that meet the definition of investment property. The lease liability is measured after the start date by adding the interest on the lease liability to the carrying amount and subtracting the value of the lease payments made. After the start date, lease payments are apportioned between interest and depreciation. Depreciation and interest expenses are recognised in the statement of comprehensive income. Variable payments are recognised as an operating expense in profit or loss. This means that the asset is recognised at fair value and the lease payment is divided between interest and change in value of the investment property.

Lessors

Rental revenue from operating leases is recognised on a straight-line basis over the term of the lease.

Crown Energy's leases

Leases for right of use to buildings and land (property)

Crown Energy holds several leases covering both buildings and land that come under the definition of investment properties. This means that the asset is recognised at fair value and the lease payment is divided between interest and change in value of the investment property.

Leases for rights of use to office equipment/machinery

Crown Energy has opted to not recognise a right of use and a lease liability for leased office equipment and machinery in consideration of the low values of the underlying assets.

Leases for right of use to premises
The Group recognises a right-of-use asset and a lease liability for the Group's head office in Stockholm in accordance with the policies for lessees above.

Lease of premises to tenants
Crown Energy leases premises to tenants under operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the lease. See the description of rental revenue under section 2.5 Revenue.

2.8 Earnings per share

The calculation of earnings per share is based on the net profit (in total, from continuing and discontinued operations) for the period attributable to the Parent Company's shareholders and on the weighted average number of shares outstanding during the period. When calculating diluted earnings per share, earnings and the average number of shares are adjusted to reflect the effects of diluting potential ordinary shares. Dilution from options arises only when the exercise price is lower than the market price. Convertibles and options are not considered dilutive if they cause earnings per share from continuing operations to be better (larger gain or smaller loss) after dilution than before dilution.

2.9 Employee benefits

Personnel are employed by the Swedish Parent Company, as well as in the indirectly owned subsidiary YBE Imobiliária Angola Lda.

Retirement benefits
The Parent Company only has defined contribution pension plans. In defined contribution plans, the Parent Company pays fixed contributions into a separate legal entity and has no obligation to pay any additional contributions. Expenses are charged to Parent Company earnings as the benefits accrue. No pension contributions are paid in the subsidiary in Angola.

Termination benefits
Termination benefits are payable when employment is terminated by the Group before the normal retirement date or whenever an employee accepts voluntary termination in exchange for such benefits. A provision is recognised in connection with termination of employment only if the Group is demonstrably committed to terminate employment before the normal retirement date, or when benefits are offered to encourage voluntary termination. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.10 Current and deferred tax

Current tax expense is calculated using the tax rules that at the end of the reporting period were enacted or for all practical purposes enacted in the countries in which the Parent Company's subsidiaries are active and generate taxable revenue. Deferred tax is recognised in full using the balance sheet method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated accounts. Deferred tax is not recognised if it arises from a transaction that constitutes the initial recognition of an asset or liability that is not a business combination and that at the time of the transaction affects neither accounting nor taxable earnings. Deferred income tax is determined using tax rates (and tax laws) that were enacted or substantively enacted by the end of the reporting period and that are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is calculated on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Taxes related to property operations in Angola
In Angola, taxes are deducted from gross income from property management, i.e. 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 expenses directly attributable to service operations, are counted as deductible expenses when calculating income tax for the year, which means that the Angolan service business is expected to have no or very low income tax. Other property-related taxes, such as local property taxes, are recognised as property expenses.

2.11 Investment property

Properties owned or leased and held primarily for the purpose of generating rental revenue and service income are classified as investment property. 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 measured at fair value in accordance with IAS 40. Initially, investment properties are recognised at cost of acquisition, which includes expenses 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 is conducted in accordance with level 3 in the IFRS valuation hierarchy. 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, the valuation is updated at each accounting period. A description of the valuation methods applied and significant inputs in the value assessments can be found in Note 5 Critical accounting estimates and judgements. Both realised and unrealised changes in value are recognised in profit or loss. Realised changes in value refer to changes in value from the most recent measurement at fair value until the disposal date for properties disposed of during the period, considering 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 expenses. Property sales and purchases are recognised when the risks and rewards associated with ownership are transferred from the seller to the buyer (see Note 2.5 Revenue). Subsequent expenses are added to the carrying amount of investment properties only if it is probable that the future economic benefits associated with the expenses will flow to the Company and the cost of acquisition can be calculated reliably. All other subsequent expenses are recognised as expenses in the periods in which they arise. Expenses 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 expensed as the expenses arise. The fair value of an investment property held through a lease reflects expected cash flows. This means that if a valuation includes the payments that are expected to be paid, any recognised liabilities must be reversed so that they are not double counted in the accounts. The Group's valuation of properties includes these payments, which is why the double counting must be adjusted.

2.12 Property, plant, and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses. The cost includes expenses that are directly attributable to the acquisition of the asset. Subsequent expenditures are added to the asset's carrying amount or recognised as a separate asset only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The residual values and useful lives of the assets are reviewed at the end of each reporting period and adjusted if necessary. The asset is amortised on a straight-line basis over its useful life. The depreciation amount is recognised for each period in operating profit or loss. Leasehold improvements are capitalised as property, plant and equipment. The cost includes expenses that are directly attributable to the acquisition of the asset.

Useful life of property, plant and equipment:

Equipment, tools, fixtures and fittings	5 years
Leasehold improvements	10 years

2.13 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses. Intangible assets are measured using the cost method, which means that the asset is recognised following initial recognition at cost less accumulated amortisation and impairment losses. The residual values and useful lives of the assets are reviewed at the end of each reporting period and adjusted if necessary. The asset is amortised on a straightline basis over its useful life. The depreciation amount is recognised for each period in operating profit or loss. The useful life of current intangible assets is five years.

2.14 Exploration and evaluation assets

The Group complies with IFRS 6, Exploration for and Evaluation of Mineral Resources when recognising any exploration and evaluation expenses that arise.

Recognition of costs for exploration, evaluation and development
Exploration and evaluation assets are initially recognised at cost if it is probable that they will generate future economic benefits. All costs for acquiring concessions, licences or working interests in production sharing contracts and for technical surveys, drilling, and development of such interests are capitalised. This includes capitalisation of future decommissioning and restoration costs. Exploration and evaluation assets can be classified as both property, plant and equipment and intangible assets. Classification is done consistently over time. The Group currently only has intangible assets.

Amortisation
Exploration and evaluation assets classified as intangible assets are not amortised. Instead, the assets are regularly evaluated to determine whether any impairment exists. As the Group only holds intangible assets, no amortisation occurred during the reported periods.

Impairment
Exploration and evaluation assets are tested for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Examples of circumstances that may indicate an impairment exists are when the deadline for the exploration period has expired or will expire soon, there are no plans for further exploration, exploration and evaluation have not led to any discoveries of commercial size, or when conditions have deteriorated in terms of recovery of value from a sale. Impairment is tested for each cash generating unit, which in the Group's case consists of each individually acquired licence and concession along with stakes in any oil discoveries in the country in which they operate. An impairment loss is recognised in accordance with IAS 36 when an asset or cash generating unit's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the income statement. If assets were previously impaired, an assessment is made at least once a year to determine whether there are any indications that the impairment should be reversed.

Reclassification to oil and gas assets
When the technical feasibility and commercial viability of extracting oil and gas can be proven, assets are no longer classified as exploration and evaluation assets. Instead, they are classified as an oil or gas asset. They are then reclassified, after which they are recognised according to IAS 16 and IAS 38. Oil and gas assets comprise reclassified exploration and evaluation assets and capitalised development costs. Depreciation/amortisation of the relevant asset begins in conjunction with the start of production. The assets are tested for impairment regularly and if it is established that they are impaired, the asset is written off in the form of an impairment loss via the income statement. Oil and gas assets are categorised as either producing or non-producing. The Company applies the successful efforts method, which means that when the exploration of a project is completed, the project is tested to determine whether it should be transferred to producing assets or be abandoned. If the project is abandoned, all expenses incurred are expensed at that time. The Group does not hold any assets classified as oil and gas assets at this time.

Jointly owned assets in the form of licences
The Group's working interests in jointly controlled assets in the form of licences are based on the proportion of the licence. Licences that the Group holds are deemed wholly or jointly owned assets. The consolidated financial statements reflect the Group's share of investments in the licences. Exploration and evaluation are mostly managed by the operator. A budget for the licence is set annually, which all partners must approve. Based on these projected expenses, the operator then performs the agreed work. The expenses for this work are charged to the other partners based on each partner's working interest. The Group capitalises these expenses as exploration and evaluation assets.

Farm-outs
Farm-outs are reported in accordance with IFRS 6 in cases where they involve exploration and evaluation assets. Crown Energy recognises cash payments directly against the asset and retains the recognised share of the asset less cash payments received. As a result, no revenue is recognised in connection with farm-outs unless the cash payment exceeds the carrying amount of the farmed-out asset. Future payments are not recognised at the transaction date. Farm-outs that involve oil and gas assets are reported in accordance with IAS 16. Crown Energy then derecognises the carrying amount of the asset in proportion to the share of ownership farmed out and recognises any future payments in the balance sheet. Once a payment that is part of a transaction is received and posted, a capital gain or loss is recognised in the income statement. After completion of the transaction, Crown Energy assesses whether the cash generating units are impaired. Impairment losses impact the income statement.

2.15 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 sale 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 assets 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, which are either individual assets or part of a disposal group, are exempt from the above measurement rules.

2.16 Financial instruments

Financial instruments recognised under assets in the balance sheet include cash and cash equivalents, loan receivables, trade receivables, other current receivables and financial investments. Liabilities include loans liabilities, other provisions, lease liabilities, accounts payables and other current liabilities.

Recognition and derecognition from the balance sheet
A financial asset or liability is recognised in the balance sheet when the Company becomes a party to the contractual terms and conditions of the instrument. Trade receivables are recognised when an invoice is sent. Liabilities are recognised when the counterparty has delivered and there is a contractual obligation to pay, even if the invoice has not yet been received. A financial asset is derecognised from the balance sheet when the rights of the contract are realised, lapse or the Company loses con-

trol over them. The same applies to part of a financial asset. A financial liability is derecognised from the balance sheet when contractual obligations are fulfilled or otherwise lapse. A financial asset and a financial liability are offset and recognised at a net amount in the balance sheet only when there is a legal right to offset the amounts and when there is an intention to sell the items at a net amount or to simultaneously realise the asset and settle the liability.

Classification and measurement
At initial recognition, financial assets are to be classified at fair value through profit or loss, amortised cost or fair value through other comprehensive income. This classification is based on the Group's business model for managing financial assets and the characteristics of the contractual cash flows from the financial asset. A financial asset is measured at amortised cost if it is held for the purpose of collecting contractual cash flows and the terms and conditions of the asset give rise to cash flows at certain points in time that are strictly payments of principal and interest on the outstanding principal (hold to collect). If the asset is held for the purpose of collecting contractual cash flows and selling financial assets (hold to collect and sell), then the asset is measured at fair value through other comprehensive income. Financial assets measured neither at amortised cost nor through other comprehensive income are measured at fair value through profit or loss. All financial liabilities are classified as measured at amortised cost, with one exception. This exception is contingent consideration arising in connection with a business combination in accordance with IFRS 3 Business Combinations, and this provision is measured at fair value through profit or loss. The Group uses a simplified method with respect to impairment losses on lease receivables, contract assets and trade receivables. Crown Energy calculates expected credit losses based on the expected credit loss for the remaining term. The Group has established an impairment model based on the Group's historical credit losses adjusted for factors specific to the customer/tenant and the financial situation. See note 4.2 Credit risk for a breakdown of trade receivables and credit loss reserves by age.

Financial assets
The following are considered financial assets:

- Financial investments
- Trade receivables
- Other receivables
- Cash and cash equivalents

All financial assets are measured at amortised cost.

Financial liabilities
The following are considered financial liabilities:

- Lease liabilities
- Accounts payables
- Other current liabilities
- Other provisions

All financial liabilities are measured at amortised cost, except for Other provisions, which comprise contingent consideration (business combination), and are measured at fair value through profit or loss.

2.17 Trade receivables

Trade receivables comprise rent and service invoiced pursuant to contracts with customers. Trade receivables are initially measured at fair value and subsequently at amortised cost. The carrying amount of trade receivables is assumed to approximate their fair value, as this item is short-term in nature. Provisions for bad debts are calculated using a model based on the expected credit loss for the remaining term. The Group has established a provision model based on the Group's historical credit losses adjusted for factors specific to the customer/ tenant and the financial situation. Impairment losses on trade receivables are recognised in operating profit or loss. See Note 4.2 Credit risk for a breakdown of trade receivables and credit loss reserves by age.

2.18 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, bank balances and other short-term investments with maturities of three months or less from the acquisition date.

2.19 Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares are recognised in equity as a deduction from the proceeds.

2.20 Provisions

Provisions for contingent earn-out considerations that arose in connection with a business combination and are recognised in accordance with IFRS 3 are measured at fair value through profit or loss.

2.21 Lease liabilities

Lease liabilities that arise from leases are initially recognised at present value of future lease payments. See Note 2.7 for more information about the recognition of lease liabilities.

2.22 Accounts payables

Accounts payables are recognised initially at fair value and subsequently at amortised cost. The carrying amount of accounts payables is assumed to approximate their fair value, as this item is short term in nature. This means that accounts payables are measured without discounting at nominal cost.

2.23 Borrowing

Borrowing is recognised initially at fair value, net of transaction costs incurred. Borrowing is subsequently recognised at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the loan term using the effective interest method.

2.24 Parent Company accounting policies

The Parent Company applies RFR2 Accounting for Legal Entities. The Parent Company applies different accounting policies from the Group in the following cases.

Presentation of income statement and balance sheet
The Parent Company uses the formats listed in the Annual Accounts Act, which among other things means that a different presentation of equity is applied and that provisions are recognised under a separate heading in the balance sheet.

Shares in subsidiaries
Shares in subsidiaries are carried at cost less any impairment losses. Dividends received are recognised as revenue when the right to receive payment is established. Thereafter, the shares to which the dividend relates are tested for impairment. When there is an indication that shares and participations in subsidiaries have decreased in value, an estimate of the recoverable amount is made. If it is lower than the carrying amount, an impairment is made. Impairment losses are recognised under profit from working interests in Group companies. Cost also refers to transaction-related expenditures, unlike in the Group where transaction expenditures are normally expensed in the period in which they occur.

Shareholder contributions
Shareholder contributions are recognised as an increase in the value of shares and participations. An assessment is then made of whether the value of the shares and participations in question needs to be impaired.

Leases
The Parent Company does not recognise leases in accordance with IFRS 16. The Parent Company complies with RFR 2 and uses the exemption there in respect of IFRS 16, instead recognising leases in accordance with RFR 2.

Financial instruments
The Parent Company does not apply IFRS 9, as per the exemption rule in RFR 2. Financial instruments are measured at cost

considering the measurement provisions in the Swedish Annual Accounts Act for current assets and for non-current assets. Interest income and expenses are recognised using the effective interest method and dividend revenue is recognised when the dividend is established, it is probable that the economic benefits will flow to the Parent Company and the dividend can be measured reliably. The Parent Company uses the same policies as the Group for recognising and derecognising financial instruments in the balance sheet. In addition, the same IFRS 9 policies are used as for the Group for assessing and calculating whether receivables need to be impaired.

3 OPERATIONAL RISKS

Crown Energy's operations are subject to all the risks and uncertainties with which businesses focused on exploration and the acquisition, development, production and sale of oil and gas are associated. Even with a combination of experience, knowledge and careful evaluation, these risks cannot be completely avoided.

3.1 Operational and industry-related risks

Description of risks	Risk management	2022 outcome/Sensitivity analysis	Financial impact if risk occurs
>>> Revoked or suspended licences			
The Company's exploration activities depend on concessions and/or permits granted by governments and authorities. If the Company fails to meet the obligations and conditions related to operations and costs that are necessary for obtaining concessions and permits, then it may result in a smaller working interest in, or loss of, such permits and claims for damages, which may have a negative effect on the Company's business, earnings and financial position.	Crown Energy has a good dialogue with all the relevant authorities. Clear communication occurs regularly through meetings with the authorities and any other licence partners.	In Madagascar, the current licencing period expired in November 2019. Crown has had discussions with the authorities about changing any future licence terms and conditions to better adapt to the prevailing circumstances for oil exploration, especially for what is frontier exploration in its early stages. The Company is aware that costs have been increasing significantly for exploration projects. Under these circumstances, the Board of Crown no longer believed it was in our Company's interests from a commercial or environmental standpoint to try to renegotiate and continue with the Madagascar Licence. The licence and all research performed by Crown Energy will remain in the hand of the Madagascar Government, and the asset was written down in Q4 2022, amounting to a value of SEK 108,509 thousand as of 31 December 2022.	High
>>> Contract risks/joint ownership and partnerships			
Crown Energy is a partner in several licences with other companies. In these cases, it is difficult to influence how the licence is operated, especially in cases where Crown Energy only holds a small working interest and thus is unable to influence important decisions. If the Company or any of its partners should be deemed to have not fulfilled their obligations under a concession, licence or other agreement, it could also cause the Company's rights under them to be fully or partially eliminated, or cause Crown Energy to incur costs or obligations to meet the other party's obligations.	For licences where other partners besides Crown Energy are the operators, there are joint-operating agreements containing standards and requirements on how the operator is to conduct operations and how decisions are made within the partnership. In cases where Crown Energy farms out assets, the general rule is to only farm out assets to companies that are considered to have strong business, financial and technical capacity.	There are no known uncertainties or disputes regarding licences Crown Energy is involved in at this time. It is impossible to quantify the risk and thus also impossible to conduct a sensitivity test.	Medium
>>> Geological risks			
Any valuation of oil and gas reserves and resources contains a degree of uncertainty. In many cases, exploration activities never lead to development and production. Although oil companies try to minimise risks through seismic surveys, they can be very costly and require significant effort without leading to drilling. There is always a risk that the estimated volumes do not correspond to reality. Costly investigations that do not lead to drilling could negatively affect the Company's business and financial position.	Crown Energy has engaged employees that are highly competent in geology to reduce the risk of possible miscalculations. Crown Energy's valuations of reserves and resources are always prepared in accordance with established rules and standards. Internally prepared competent persons reports (CPR) are always certified by an independent appraiser to minimise the risk of incorrect assessments.	Exposure to this type of risk is considered comparable to other companies in the same industry. Crown Energy had an internal CPR prepared in 2017. This CPR encompassed all assets in the Energy business area. The report was certified by an independent appraiser. It is impossible to quantify the risk and thus also impossible to conduct a sensitivity test.	Medium–High

Description of risks	Risk management	2022 outcome/Sensitivity analysis	Financial impact if risk occurs
>>> Oil price risk			
Oil and gas prices are set on the world market and depend on many different factors beyond the con-trol of the Group. Crown Energy is not currently in a production phase, which limits its oil price risk. However, a significant and prolonged increase in prices rela-tive to average historical oil price levels may lead to possibilities in arranging financing for Crown Energy and interest in farm-out projects and similar arrangements. Operations in Angola involve a large proportion of customers active in the oil and gas industry. The Angolan economy and its development are strongly associated with demand and price trends in the oil market, and high demand for oil and high oil prices have an immediate impact on the Angolan property market. The oil price could indirectly impact Crown En-ergy's financing and refinancing capabilities. See the description of financial risks in Note 4.	As the Company is not currently involved in production, no oil price hedges are taken out. However, investment calculations are reviewed on an ongoing basis considering the current market situation to ensure that the decline in oil prices does not cause the Group's exploration and evaluation assets to be impaired. Investments are commonly postponed during periods of lower oil prices. Crown Energy regularly tracks developments in Angola and attempts to adapt its operations to the prevailing situation. Among other actions, Crown Energy attempts to achieve flexibility in rental and service agreements in terms of contract periods. At present, short contracts enable Crown Energy to wait and see how the Angolan market performs.	The oil price fluctuations in re-cent years have not caused impair-ment of any of the Company's ex-ploration and evaluation assets. See the Company's estimates in Note 5, Critical accounting estimates and judgements. In recent years, Crown Energy has been able to see some change in terms of customers operating in the oil industry. Among other things, Crown Energy has noted that this type of customer has shown an in-creased demand on leased apart-ments.. It is impossible to quantify the risk and thus also impossible to conduct a sensitivity test.	Low–High
>>> Property risk			
Rental revenue 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 revenue 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 business, financial position and earnings.	Crown Energy regularly tracks developments in Angola and attempts to adapt its operations to the prevailing situation. Among other actions, Crown Energy attempts to achieve flexibility in rental and service agreements in terms of contract periods. At present, short contracts enable Crown Energy to wait and see how the Angolan market performs.	In 2022, the value of investment properties has increased. The change in value is mainly based on generally more positive market expectations in Angola, given the prevailing Angolan economy. Assumptions about market rents and vacancy rates therefore continue to be cautious. A sensitivity analysis is conducted in conjunc-tion with valuation of the properties. The value range of the Group's property portfolio is SEK 214–240 million. The parameters used to produce the value range for the sensitivity analysis are ±0.5 per cent for yield requirements and WACC and ±5 per cent for current market rents	Medium–High

3.2 Political and societal risks

Description of risks	Risk management	2022 outcome/Sensitivity analysis	Financial impact if risk occurs
>>> Political, social and economic instability			
Given that Crown Energy is engaged in and may expand its activities in developing countries, the Company may be affected by political, social and economic instability, such as terrorism, military coercion, war and general social or political unrest. This includes the occurrence of corruption. Political, social and economic instability may thus have a very negative impact on the Company's operations, particularly as regards permits and partnerships.	In terms of new licences/new countries, Crown Energy attempts to avoid getting involved in countries where the political and security risks are too high. For existing licences, the risks are assessed as they arise. Crown Energy uses the OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones to seek guidance where needed.	It is impossible to quantify the risk and thus also impossible to conduct a sensitivity test. However, below is an overview of political and security risks prepared by Marsch/BMI Research:	Low–High

	Political risk	Operational security risk
Angola	Medium	High
Equatorial Guinea	Medium	High
Iraq	High	High
Madagascar	High	High
South Africa	Medium	Medium

Regarding the activities of Crown Energy in Iraq, the company are in continuous discussions with the regional administration of Salah ad-Din. Although the security situation has improved in recent years, Crown Energy has put activities in the licence area on hold for security reasons.

4 FINANCIAL RISK MANAGEMENT

Crown Energy is exposed to various financial risks in its operations. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance and liquidity due to financial risks.

4.1 Description of financial risks

Description of risks	Risk management	2022 outcome/Sensitivity analysis	Financial impact if risk occurs
>>> Financing and refinancing risk			
Financing risk is defined as the risk of the financing of Crown Energy's capital needs and refinancing of outstanding loans becoming more difficult or more expensive. Oil and gas exploration and property development are capital-intensive businesses. Depending on operational developments in general, Crown Energy may need additional capital to acquire assets, to develop new projects, to further develop the assets under conditions favourable for Crown Energy 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 the Company being unable to implement its long-term exploration plan. In addition, new shares may be issued under less favourable market conditions where interest is low and/or the cost of implementing the share issue is too high.	Crown Energy monitors and assesses financing and refinancing options on an ongoing basis to manage this risk.	No additional financing was raised in 2022. The Company's main plan for the next 12 months is to fulfil all outstanding obligations, including investments, day-to-day management and repayment of loans using regular cash flows from the Angola operations. The annual report was prepared with a going-concern assumption considering the Company's current business, its activities for the next 12 months and existing cash and cash equivalents. It is impossible to quantify the risk and thus also impossible to conduct a sensitivity test.	Medium–High
>>> Liquidity risk			
Liquidity risk is defined as the risk of not being able to fulfil commitments and pay debts on time or at a reasonable cost. This risk is related to the financing and refinancing risk.	Management carefully monitors rolling forecasts of the Group's cash and cash equivalents. As mentioned above, Crown Energy reviews financing options on an ongoing basis to be able to meet its obligations.	Through the sale of the C-view property,, the Group has a positive cash flow from operating activities and financing activity. Instalments related to sale of exploration assets has further strengthen the cash flow. It is impossi-ble to quantify the risk and thus also impossible to conduct a sensitivity test.	Medium–High
>>> Credit risk			
Credit risk is defined as the risk of the Group not receiving payment for recognised trade receivables.	Crown Energy regularly tracks its credit exposure to minimise losses attributable to unpaid trade receivables. This risk is managed via regular contact with the relevant customers and necessary provisions are made for bad debts.	Historically, the property business has not had any substantial bad debt losses. The provision model for credit loss reserves is presented in Note 4.2. At present, the Group estimates that the risk of incurred bad debt losses is not high.	Low–Medium
>>> Market risk – interest rate risk			
Net interest expenses are affected by the proportion of financing that has variable and fixed interest rates in relation to changes in market interest rates. The effect of a change in interest rates on earnings depends on the contractual terms of the loans and investments. Future increases in interest rates may, therefore, have an adverse effect on the Group's earnings and future business opportunities.	Crown Energy has no interest-bearing liabilities with variable interest rates, so there is no interest rate risk related to cash flows. Borrowings with fixed interest rates only expose the Group to interest rate risk in respect of fair value.	As the Group has no borrowings at variable interest rates, interest rate risk is not expected to be significant. Because of this, a sensitivity analysis was not prepared either.	Low

Description of risks	Risk management	2022 outcome/Sensitivity analysis	Financial impact if risk occurs
>>> Market risk – currency risk			
Currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.	Following the acquisition of ESI Group S.A., the company primarily has a significant exposure to the Angolan currency kwanza (AOA) and, after receiving the first three instalments for the sale of exploration assets, directly to USD. The company evaluates on an ongoing basis the needs, opportunities and costs for hedging the Group's currency risks.	At present, the Group has no borrowing in foreign currency. The Group's main transaction currencies, apart from SEK, are USD and AOA. See the sensitivity analysis of currency exposure in section 4.3 below.	Low–Medium
>>> Translation risk			
Currency exposure arising from holdings in a foreign subsidiary that has a functional currency different from the Group's reporting currency is a translation risk. Translation affects both earnings and equity (currency translation reserve). Exploration and evaluation assets and property assets acquired through a foreign operation are treated as assets of that operation and are, therefore, translated at the closing rate. As a result, the acquired exploration and evaluation assets and property assets are translated at each reporting period. The translation difference impacts the currency translation reserve in equity.	All translation risks refer to the USD/SEK and AOA/SEK exchange rates. Crown Energy does not currently hedge translation risk. As a result, there may be major fluctuations in the Group's earnings, the value of assets in foreign currency and in the currency translation reserve in equity between reporting periods.	The C-view property has had the same underlying value in kwanza since 2019, but in SEK the value has increased from SEK 323,520 thousand to SEK 411,385thousand, an increase of 27% which affects the Group's financial position. In section 4.4, a sensitivity analysis has been prepared for the translation exposure.	High

4.2 Credit risk

The Group uses an impairment model based on historical credit losses adjusted for factors specific to the customer/tenant and the financial situation.

Group, amounts in SEK thousand	Not overdue	1-90 days	91–180 days	180–360 days	Overdue >360 days*	Total
TOTAL TRADE RECEIVABLES						
31 December 2022						
Expected loss level in %	0.5%	0.5%	1%	5%	10%	
Gross carrying amount, trade receivables	–	7,238	2,235	–	7,670	**17,143**
Credit loss reserve		**-36**	**-22**	**–**	**-767**	**-826**
TRADE RECEIVABLES ATTRIBUTABLE TO RENTAL REVENUE						
31 December 2022						
Expected loss level in %	0.5%	0.5%	1%	5%	10%	
Gross carrying amount, trade receivables		5,769	1,494	–	5,330	**12,593**
Credit loss reserve	**–**	**-29**	**-15**	**–**	**-533**	**-577**
TRADE RECEIVABLES ATTRIBUTABLE TO SERVICE INCOME						
31 December 2022						
Expected loss level in %	0.5%	0.5%	1%	5%	10%	
Gross carrying amount, trade receivables	–	1,469	741	–	2,340	**4,550**
Credit loss reserve	**–**	**-7**	**-7**	**–**	**-234**	**-249**

* In some cases, for accounts receivable that are over 1 year old, the Company has chosen to write down the entire outstanding amount.

Group, amounts in SEK thousand	**Not overdue**	**1-90 days**	**91-180 days**	**180–360 days**	**Overdue >360 days**	**Total**
TOTAL TRADE RECEIVABLES						
31 December 2021						
Expected loss level in %	0.5%	0.5%	1%	5%	10%	
Gross carrying amount, trade receivables	–	5,378	1,855	3,626	6,147	**17,005**
Credit loss reserve		**-27**	**-19**	**-181**	**-3,787**	**-4,014**
TRADE RECEIVABLES ATTRIBUTABLE TO RENTAL REVENUE						
31 December 2021						
Expected loss level in %	0.5%	0.5%	1%	5%	10%	
Gross carrying amount, trade receivables		4,233	1,221	1,503	4,394	**11,351**
Credit loss reserve	**–**	**-21**	**-12**	**-75**	**-3,338**	**-3,447**
TRADE RECEIVABLES ATTRIBUTABLE TO SERVICE INCOME						
31 December 2021						
Expected loss level in %	0.5%	0.5%	1%	5%	10%	
Gross carrying amount, trade receivables	–	1,145	633	2,123	1,753	**5,654**
Credit loss reserve	**–**	**-6**	**-6**	**-106**	**-449**	**-567**

4.3 Sensitivity analysis, currency exposure

Crown Energy mainly executes transactions in Swedish krona (SEK), US dollar (USD), euro (EUR) and Angolan kwanza (AOA). Small transactions are also made on an ongoing basis in other foreign currencies, but they are not expected to have any significant impact on currency exposure. Transactions in foreign currencies mainly involve expenses attributable to the Company's exploration and evaluation assets as well as the service business. There are intra-Group receivables and liabilities in foreign currencies but, given that settlement is not planned or probably will not occur within the foreseeable future, they are considered to constitute a net investment in a foreign operation. As a result, they are not included in the sensitivity analysis for currency exposure. Crown Energy may from time to time be dependent on available external financing for further development of its business. External capital can be raised in various currencies but will be continuously translated and recognised in SEK, resulting in the possibility of an exchange rate risk. There were no liabilities of this type at year-end 2022. The Group's risk exposure in foreign currencies at the end of the reporting period expressed in thousands of SEK was as follows:

	31 December 2022			**31 December 2021**		
	AOA	**USD**	**EUR**	**AOA**	**USD**	**EUR**
Trade receivables	22,994	–	–	17,005	–	–
Other receivables	4,895	46,279	34,887	2,614	34,972	–
Trade payables	-194	4,703	0	223	4,976	–
Net exposure	**28,083**	**41,577**	**34,887**	**19,396**	**29,997**	**–**
Impact on profit after tax						
Change in SEK exchange rate, +10%	2,808	4,158	3,489	1,940	3,000	–
Change in SEK exchange rate, -10%	-2,808	-4,158	-3,489	-1,940	-3,000	–

4.4 Sensitivity analysis, translation exposure

Exchange rate changes impact the Group in conjunction with the translation of foreign subsidiary income statements to SEK when the Group's earnings are impacted and when net assets in foreign subsidiaries are translated to SEK, which impacts equity. The Group does not hedge this risk and it cannot be ruled out that fluctuating exchange rates could impact the Group's earnings and financial position negatively. As previously mentioned, the Group has translation exposure due to an earlier business combination, which resulted in an intangible asset in USD. This is translated in all reporting periods and impacts the Group's exploration and evaluation assets, deferred tax and equity. Below is a summary of the Group's translation exposure for 2022:

Group, amounts in SEK thousand	**31 December 2022**		**31 December 2021**	
Exploration and evaluation assets in the financial statements (SEK thousand)	50,752	50,752	207,107	207,107
Change, SEK/USD	+10%	-10%	+10%	-10%
Total impact on exploration and evaluation assets	**–**	**–**	**15,636**	**-15,636**
Investment properties in the financial statements	638,994	638,994	485,770	485,770
Change, SEK/AOA	+10%	-10%	+10%	-10%
Total impact on investment properties	**63,899**	**-63,899**	**48,577**	**-48,577**
Deferred taxes in the financial statements	101,650	101,650	89,176	89,176
Change, SEK/USD	+10%	-10%	+10%	-10%
Total impact on deferred tax	**–**	**–**	**1,570**	**-1,570**
Change, SEK/AOA	+10%	-10%	+10%	-10%
Total impact on deferred tax	**10,165**	**-10,165**	**7,348**	**-7,348**
Equity in the financial statements	733,810	733,810	631,666	631,666
Change, SEK/USD	+10%	-10%	+10%	-10%
Total impact on equity	**-15,386**	**15,386**	**-874**	**874**
Change, SEK/AOA	+10%	-10%	+10%	-10%
Total impact on equity	**51,513**	**-51,513**	**40,830**	**-40,830**
Profit/loss in the financial statements	-7,988	-7,988	-30,591	-30,591
Change, SEK/USD	+10%	-10%	+10%	-10%
Total impact on net profit/loss for the year	**-14,987**	**14,987**	**723**	**-723**
Change, SEK/AOA	+10%	-10%	+10%	-10%
Total impact on net profit/loss for the year	**160**	**-160**	**-5,376**	**5,376**

4.5 Liability terms

The following table presents the non-discounted cash flows of consolidated liabilities in the form of financial instruments based on the remaining contract terms at the end of the reporting period. As a result, the amounts do not always match the amounts reported in the balance sheet. Amounts falling due within 12 months correspond to their carrying amounts, as the impact of the discount rate is immaterial. Amounts in foreign currency were estimated using the exchange rates and interest rates applicable at the end of the reporting period.

Group, amounts in SEK thousand	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 years**
At 31 December 2022				
Lease liabilities	154	962	–	–
Other provisions	–		–	–
Trade payables	4,741	–	–	–
Other liabilities	7,496	–	–	–
Total	**12,391**	**962**	**–**	**–**
At 31 December 2021				
Lease liabilities	–	575	–	–
Other provisions	3,617		–	–
Trade payables	6,124	–	–	–
Other liabilities	8,656	–	–	–
Total	**18,398**	**575**	**–**	**–**

Parent Company, amounts in SEK thousand	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 years**
At 31 December 2022				
Trade payables	232	–	–	–
Other liabilities	6,552	–	–	–
Total	**6,784**	**–**	**–**	**–**
At 31 December 2021				
Borrowing	926	–	–	–
Accounts payables	364	–	–	–
Total	**1,290**	**–**	**–**	**–**

4.6 Fair value estimation

Crown Energy classifies fair value measurement using a fair value hierarchy that reflects the reliability of the inputs used in making the measurements. In accordance with IFRS 13, disclosures on fair value measurement at each level are required for financial instruments. The fair value hierarchy consists of these levels:

Level 1 – Quoted prices in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly as prices or indirectly as derived prices, for example.
Level 3 – Inputs for the asset or liability that are not based on observable information. The appropriate level is determined based on the lowest level of input that is significant to measuring the fair value.

For reconciliation of opening and closing balances, see Note 14 (Investment property) and Note 21 (Other provisions).

For information about measurement processes and sensitivity analyses, see Note 5 Critical accounting estimates and judgements.

Amounts in SEK thousand Closing balance at 31 Dec 2022	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value through profit or loss:					
Investment properties held under operating leases	5, 14			42,649	42,649
Total assets		**–**	**–**	**42,649**	**42,649**
Liabilities					
Financial liabilities measured at fair value through profit or loss:					
Provision for additional earn-out consideration, commercial discovery	5, 21, 27	–	–	–	–
Total liabilities		**–**	**–**	**–**	**–**

Amounts in SEK thousand Closing balance at 31 Dec 2021	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value through profit or loss:					
Investment properties held under operating leases	5, 14			32,952	32,952
Total assets		**–**	**–**	**32,952**	**32,952**
Liabilities					
Financial liabilities measured at fair value through profit or loss:					
Provision for additional consideration, commercial discovery	5, 21, 27	–	–	3,617	3,617
Total liabilities		**–**	**–**	**3,617**	**3,617**

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions about the future. The accounting estimates that result from them, by definition, seldom correspond to the actual results.

5.1 Fair value

The fair value of financial instruments not traded in an active market is determined using discounted cash flows. The carrying amount, less any impairment losses, of trade receivables and accounts payables is assumed to approximate their fair values due to their short-term nature. 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.

5.2 Deferred tax

The Group recognises a deferred tax liability on acquired exploration and evaluation assets since they are considered an asset to local know-how, which in synergy with the knowledge found within Crown Energy can facilitate exploitation of exploration rights. In addition, the Group reports a deferred tax liability relating to unrealised changes in value of properties. No deferred tax revenue was recognised in the income statement in this financial year or the prior year due to revaluation and capitalisation of tax losses. See Note 20 Deferred tax for detailed information on amounts.

5.3 Classification on acquisition of subsidiaries

When a company is acquired, an analysis must be made to determine whether the acquisition is to be regarded as a business combination or an asset acquisition. It is common for companies to acquire exploration licences. In such acquisitions, an analysis is performed to determine whether the acquisition meets the criteria for a business combination. Crown Energy investigates the intention of acquisitions, i.e. whether it is a business being acquired or merely an asset. Companies with only one or more exploration licences and no related management/administration are normally classified as asset acquisitions.

The following is a breakdown of Crown Energy's subsidiary acquisitions since 2011:

Date of acquisition	Type of asset	Classification
2011	100% of shares in Crown Energy Ventures Corporation BVI	Asset acquisition
2011	100% of shares in Amicoh Resources Ltd	Business combination
2013	100% of shares in Crown Energy Iraq AB	Asset acquisition
2015	100% of shares in Simbo Petroleum No. 2 Ltd	Asset acquisition
2017	100% of shares in ESI Group S.A.	Business combination
2020	100 % in CEINV2	Business combination

5.4 Provisions related to the acquisition of licences and subsidiaries

In the exploration industry, it is common for the parties negotiating acquisition of a licence to agree on future additional earn-out considerations that are dependent on future events. Typically, additional earn-out considerations involve payments to the seller in the event of a commercial discovery. A probability assessment must be made every year-end for each potential future additional earn-out consideration. The following is a description of the potential future additional earn-out considerations that existed at 31 December 2022.

Manja Block 3108 (Madagascar)

Besides the settled consideration for the acquisition of the licence (via Amicoh Resources Ltd) in 2011 and 2012, an additional earn-out con-sideration was agreed upon in the event of a commercial discovery in Madagascar. Under the acquisition agreement, the seller will receive USD 4,000 thousand in the event of a commercial discovery. When calculating the cost of acquisition of the licence, a provision was made for this additional earn-out consideration. Based on the geological reports that Crown Energy received, the average probability of a commercial discovery in the licence area is 10%. Based on this report, it was assessed that the probability that an additional earn-out consideration will be paid to the seller corresponds to the geological probability of a commercial discovery, i.e. 10%. In calculating the present value of the provision for the additional earn-out consideration, a discount factor before tax of 6.0% (6.0) was used. At 31 December 2022 (2021), the estimated amount was USD 400 thousand (400), corresponding to SEK 4,199 thousand (3,617). The amount was written down at year-end as Crown decided not to continue negotiations on extending the license.

Block 2B (South Africa)

A separate agreement was signed in addition to the purchase agreement in connection with the acquisition of Simbo Petroleum No. 2 Ltd, ('Simbo No.2'), which owns the working interest in Block 2B. This agreement stipulates that an additional earn-out consideration be paid if the licence leads to production. The additional earn-out consideration will be paid to the sellers of Simbo No.2. The first payment is due upon the start of production. The amount of the payment depends on the price of oil at the time of initial production. If oil prices are below USD 50 (minimum) at the start of production, the total payment will be SEK 66,828 thousand. The maximum additional earn-out consideration will amount to SEK 102,813 thousand if oil prices are and remain over USD 65. The payments will be made in instalments based on a share of Crown Energy's net revenue from production. There is currently great uncertainty about whether the previously mentioned additional earn-out consideration will be paid, not the least after the drilling results from 2022 which did not indicate any commercial quantities of hydrocarbons. There are several factors impacting the probability of settlement of the additional earn-out consideration that are beyond the control of Crown Energy: the probability of continued development on the license, successful future drilling (and advancing to production), the fact that the operation ownership has changed and that Azinam will essentially have control over the asset. At present, Crown Energy assesses the probability of settlement to be low, and the additional earn-out consideration does not meet the requirements for recognition as a provision. Instead, it is recognised as a contingent liability, outside of the statement of financial position. Recognition of the additional earn-out consideration will be assessed on an ongoing basis and may change as the conditions of the licence change. It should be noted that the assessment of the probability of settlement of the additional earn-out consideration has no connection with Crown Energy's commercial assessments of the licence . The contingent liability is recognised at the maximum possible amount of the additional earn-out consideration, i.e. SEK 102,813 thousand.

5.5 Impairment of exploration and evaluation assets

Exploration and evaluation assets are tested for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Impairment testing is done by cash generating unit, which in Crown Energy's case consists of each individu-ally acquired licence. Crown Energy has evaluated each individual licence and assessed that on certain licenses the recoverable amounts fall short of the carrying amounts. The facts and circumstances considered in this assessment include current oil prices, cost of exploration as well as other possible risks.

At the closing date, Crown has analyzed the value of its non-current assets to determine if there is any indicator of impairment. When it comes to Block 2B, although a development in the specific area is likely to proceed in the coming months, the carrying amount of the explora-tion and evaluation asset is unlikely to be recovered as it is uncertain how successful the drill might be and, therefore, Crown has opted for impairing the asset until the Joint Venture and Crown Energy could have further updates and a detailed program with the expected value. Crown Energy will monitor closely, on monthly basis, in order to assess the carrying value of the assets based on IFRS 6 and IAS 36 in order to assess if a reversal of the impairment might take place. The value of the license amounted to SEK 68,113 thousand.

In Madagascar, the current licencing period expired in November 2019. We have had discussions with the authorities about changing any future licence terms and conditions to better adapt to the prevailing circumstances for oil exploration, especially for what is frontier exploration in its early stages. The Company is aware that costs have been increasing significantly for exploration projects. Under these circumstances, the Board of Crown no longer believed it was in our Company's interests from a commercial or environmental standpoint to try to renegotiate and continue with the Madagascar Licence. The licence and all research performed by Crown Energy will remain in the hand of the Madagascar Government, and the asset has been written down in Q4 2022 with SEK 108,509 thousands.

5.6 Valuation of investment property

Valuation process

The property portfolio is valued internally each quarter, whereby independent external valuation consultants and experts in the local property market have quality assured assumptions about market rents, operating costs, vacancies and yield requirements. The portfolio is valued by an independent external valuation consultant at least once a year.

Basis of property valuation

The valuations are based on observable and non-observable inputs. Examples of observable inputs are current rent figures, actual operating and maintenance costs, planned investments and current vacancy rates. Current rents varies significantly between 10 and 30 USD per square meter per month, depending on the location and purpose of the property. The average vacancy rate is 26%. No significant in-vestments in properties are currently planned. Non-observable inputs include yield requirements, expected rent and vacancy levels and expected inflation and exchange rate trends. Yield requirement and expected rental levels varies between properties that are for office or recidences. Given that the Group conducts property operations in Angola, which is considered a high inflation country, careful analyses and discus-sions with independent external consultants are required for assumptions about inflation and future market rent levels.

Valuation method

Each property is valued individually without considering any portfolio impact. The valuation is based on a cash flow model with individually assessed yield requirements for each property. The yield requirement is used to assess the value through a present value calculation during the calculation period and through a present value calculation of the residual value at the end of the calculation period. The calculation period is five years for owned properties, and the calculation period for leased properties is based on the lease period for the right of use. During the calculation period, revenue consists of agreed rent levels until the lease expires or is up for renegotiation. For the subsequent period, the rental revenue is calculated at the estimated market rent.

Factors impacting the valuation include existing rent levels and market rent figures, existing tenants and contract structures, current and future vacancies, operating and maintenance costs in the long term (based on actual costs) and assumptions about inflation.

Sensitivity analysis, property valuation

The valuation reported at 31 December 2022 was conducted internally. Yield requirements were determined separately for residential and office premises and were set at 7 and 8 per cent respectively. The weighted average cost of capital (WACC) for the market was estimated at 14.5 per cent for the period, before tax.

In connection with the preparation of the valuation of the properties, a sensitivity analysis was carried out. According to the most recent valuation, the value range of the Company's property portfolio is SEK 214-240 thousand. The parameters used to produce the value range for the sensitivity analysis are ±0.5 per cent for yield requirements and WACC, and ±5 per cent for current market rents

The Ocean Corner property acquired in 2021 is, at 31 December 2021, valued at the adjusted agreed purchase consideration, which cor-responds to approximately SEK 43 million.

The Manhattan property where Crown through its Angolan subsidiary has increased its holding during 2022, is valued at SEK 58 million in line with the agreed price per square meter at the time of the acquisition. The company is carefully monitoring the price development in An-gola, to assess potential need for write-down, or if another valuation method becomes appropriate for the properties.

6 SEGMENT INFORMATION

Group, amounts in SEK thousand	Energy 2022	Property Development and services 2022	Other and eliminations 2022	Total 2022
Other operating income	–	41,096	82	41,178
Operating expenses	-176,242	-57,586	-8,449	-242,277
Operating profit/loss	**-176,242**	**-16,490**	**-8,367**	**-201,099**
Net financial items	14,310	7,672	141,572	163,555
Profit/loss before tax and changes in value	**-161,932**	**-8,818**	**133,205**	**-37,544**
Changes in value:				
Property, unrealised	–	19,920	–	19,920
Profit before tax	**-161,932**	**11,103**	**133,205**	**-17,624**
Income tax	–	–	-6,181	-6,181
Deferred tax	18,223	-8,587	-2,060	7,576
Net profit	**-143,709**	**2,516**	**124,964**	**-16,229**
Non-current assets at end of period				
Iraq	50,752			50,752
Angola		767,724		767,724
Sweden			35,091	35,091
	50,752	**767,724**	**35,091**	**853,567**

Group, amounts in SEK thousand	Energy 2021	Property Development and services 2021	Other and eliminations 2021	Total 2021
Total revenue	–	20,769	1	20,770
Operating expenses	-5,676	-30,101	-12,082	-47,859
Operating profit/loss	**-5,676**	**-9,332**	**-12,081**	**-27,089**
Net financial items	3,498	-13,898	-1,019	-11,419
Profit/loss before tax and changes in value	**-2,178**	**-23,228**	**-13,100**	**-38,507**
Changes in value:				–
Property, unrealised	–	-32,596	–	-32,596
Profit before tax	**-2,178**	**-55,824**	**-13,100**	**-71,103**
Income tax	–	–	–	–
Deferred tax	–	7,505	-1	7,504
Net profit	**-2,178**	**-48,320**	**-13,101**	**-63,599**
Non-current assets at end of period				
Madagascar	93,428			93,428
Sydafrika	62,931			62,931
Irak	50,752			50,752
Angola		570,735		570,735
	207,107	**570,735**	**–**	**777,846**

7 REVENUE

The Group has two main income streams: rental revenue from leases and revenue from service contracts with tenants. Rental revenue, which makes up most of the Group's income, is covered by IFRS 16, which is why it is excluded from IFRS 15 and its disclosure requirements. Other operating income is not significant and refers to exchange rate effects. All revenue comes from external customers.

Below is a summary of the Group's revenue categories, based on income from contracts with customers. The summary is based on the Group's operating segments:

Operating segments Group, amounts in SEK thousand	Energy 2022	Property Development and services 2022	Other and eliminations 2022	Total 2022
Rental revenue	–	31,167	–	**31,167**
Service income	–	8,202	–	**8,202**
Other revenue	–	1,727	82	**1,808**
Total revenue	**–**	**41,096**	**82**	**41,177**
Of which revenue from contracts with customers, subject to IFRS 15	**–**	**8,202**	**–**	**8,202**
Time of revenue recognition				
At a specific time	–	–	–	–
Over time	–	8,202	–	8,202
	–	**8,202**	**–**	**8,202**

Operating segments Group, amounts in SEK thousand	Energy 2021	Property Development and services 2021	Other and eliminations 2021	Total 2021
Rental revenue	–	14,041	–	**14,041**
Service income	–	6,723	–	**6,723**
Other revenue	–	5	1	**6**
Total revenue	**–**	**20,769**	**1**	**20,770**
Of which revenue from contracts with customers, subject to IFRS 15	**–**	**6,723**	**–**	**6,723**
Time of revenue recognition				
At a specific time	–	–	–	–
Over time	–	6,723	–	6,723
	–	**6,723**	**–**	**6,723**

8 REMUNERATION OF AUDITORS

Group, amounts in SEK thousand	01/01/2022 31/12/2022	01/01/2021 31/12/2021
PwC:		
Audit services	1,219	1,253
Auditing aside from audit engagements	110	102
Tax consulting	–	–
Valuation services	–	–
Other services	95	94
Other audit firms:	–	–
Audit services	143	126
Auditing aside from audit engagements	–	–
Tax consulting	–	–
Other services	–	–
Group total	**1,566**	**1,575**
Of which PwC	*1,424*	*1,449*

Parent Company, amounts in SEK thousand	01/01/2022 31/12/2022	01/01/2021 31/12/2021
PwC:		
Audit services	854	497
Auditing aside from audit engagements	–	–
Tax consulting	–	–
Valuation services	–	–
Other services	–	94
Parent company total	**854**	**591**

Audit services comprise examination of the annual financial statements, accounting records and administration of the Board and CEO, other procedures required to be carried out by the Company's auditors and advice.

9 SALARIES, FEES, OTHER REMUNERATION AND PAYROLL OVERHEAD

REMUNERATION OF SENIOR EXECUTIVES AND THE BOARD

Remuneration 2022

Amounts in SEK thousand	Basic salary/ Board fee	Variable remuneration	Other benefits	Pension expenses	Total
Board of Directors					
Pierre-Emmanuel Weil, Chairman of the Board	300	–	–	–	**300**
Jean Benaim, member	150	–	–	–	**150**
Alan Simonian, member*	See below	–	–	–	**–**
Yoav Ben-Eli, member**	7,088	–	–	–	**7,088**
Senior executives		–	–	–	
Other senior executives	1,524	162	–	134	**1,821**
Total Board and senior management	**9,062**	**162**	**–**	**134**	**9,359**

Remuneration 2021

Amounts in SEK thousand	Basic salary/ Board fee	Variable remuneration	Other benefits	Pension expenses	Total
Board of Directors					
Pierre-Emmanuel Weil, Chairman of the Board	150	–	–	–	**150**
Jean Benaim, member	75	–	–	–	**75**
Alan Simonian, member*	See below	–	–	–	**–**
Yoav Ben-Eli, member**	2,595	–	–	–	**2,595**
Senior executives		–	–	–	
Andreas Forssell, CEO	1,481	–	–	390	**1,871**
Other senior executives	1,462	–	–	153	**1,616**
Total Board and senior management	**5,763**	**–**	**–**	**543**	**6,307**

* Alan Simonian does not receive any remuneration as a Board member. His salary and pension costs are recognised under Other senior executives

** Yoav Ben-Eli's employment is not included among the senior executives.

Terms and guidelines relating to remuneration of and benefits for senior executives

See the Corporate Governance Report.

AVERAGE NUMBER OF EMPLOYEES	2022 Average number of employees	2022 Of whom men	2021 Average number of employees	2021 Of whom men
Group				
Sweden	3.0	3.0	4.5	4.0
Angola	13.0	7.0	13.0	7.0
The Netherlands	0.0	0.0	0.0	0.0
Group total	**16.0**	**10.0**	**17.5**	**11.0**
Parent Company				
Sweden	3.0	3.0	4.5	4.0
Parent company total	**3.0**	**3.0**	**4.5**	**4.0**

GENDER BREAKDOWN OF BOARD MEMBERS AND OTHER SENIOR EXECUTIVES	2022 Number at end of reporting period	2022 Of whom men	2021 Number at end of reporting period	2021 Of whom men
Group				
Board members	4	4	4	4
CEO and other senior executives	3	3	3	3
Group total	**7**	**7**	**7**	**7**
Parent Company				
Board members	4	4	4	4
CEO and other senior executives	3	3	3	3
Parent Company total	**7**	**7**	**7**	**7**

SALARIES, REMUNERATION AND PAYROLL OVERHEAD, amounts in SEK thousand	Group 01/01/2022 31/12/2022	Group 01/01/2021 31/12/2021	Parent Company 01/01/2022 31/12/2022	Parent Company 01/01/2021 31/12/2021
Salaries, fees and benefits				
Fees to Board members	450	171	450	171
CEO	564	1,481	564	1,481
Other senior executives	1,687	1,462	1,687	1,462
Other employees	10,165	3,801	570	449
Total salaries, fees and benefits	**12,866**	**6,915**	**3,271**	**3,563**
Contractual pension expenses				
CEO	0	390	0	390
Other senior executives	140	153	140	153
Other employees	55	10	55	10
Total pension expenses	**195**	**553**	**195**	**553**
Payroll overhead, incl. special employer's contribution				
Board members	–	–	–	–
CEO	177	560	177	560
Other senior executives	526	354	526	354
Other employees	674	378	192	144
Total payroll overhead, incl. special employer's contribution	**1,377**	**1,292**	**895**	**1,057**

10

FINANCE REVENUE AND EXPENSES

Group, amounts in SEK thousand	**01/01/2022 31/12/2022**	**01/01/2021 31/12/2021**
Finance revenue		
Exchange gains	168,069	51,632
Interest income	26,474	6,765
Provisions, reversal of discount effect	4,199	–
Other finance revenue	31	149
Total finance revenue	**198,774**	**58,546**
Finance expenses		
Exchange losses	-34,114	-35,624
Interest expenses, leases	-88	-68
Other interest expenses	-968	-1,231
Provisions, reversal of discount effect	–	–
Dividend tax	-50	-34
Total finance expenses	**-35,220**	**-36,957**
Net profit from financial items	**163,555**	**21,589**

Parent Company, amounts in SEK thousand	**01/01/2022 31/12/2022**	**01/01/2021 31/12/2021**
Interest income and similar items		
Exchange differences		
Exchange gains	138,994	33,782
Interest income, Group Companies	6,084	3,115
Other finance revenue	2,757	–
Total interest income and similar items	**147,835**	**36,897**
Interest expenses and similar items		
Exchange losses	–	–
Other finance expenses	-471	–
Total interest expenses and similar items	**-471**	**–**
Net profit from financial items	**147,364**	**36,897**

Finance revenue for Year 2021 was corrected with TSEK 33,007, due to incorrect revaluation of non-financial liabilities. See more in Note 2.4.

11

NET EXCHANGE DIFFERENCES

Exchange differences are recognised in the income statement as follows:

Group, amounts in SEK thousand	**01/01/2022 31/12/2022**	**01/01/2021 31/12/2021**
Exchange differences on operating receivables and liabilities	-855	-1,243
Net financial items	133,956	-16,999
Total exchange differences	**133,100**	**-18,242**

Parent Company, amounts in SEK thousand	**01/01/2022 31/12/2022**	**01/01/2021 31/12/2021**
Exchange differences on operating receivables and liabilities	-2	-87
Net financial items	138,994	36,897
Total exchange differences	**138,992**	**-87**

12 TAX

Tax reported in profit/loss:

Group, amounts in SEK thousand	**01/01/2022 31/12/2022**	**01/01/2021 31/12/2021**
Current tax	-6,181	–
Deferred tax	7,576	7,504
Total tax	**1,395**	**7,504**

Parent Company, amounts in SEK thousand	**01/01/2022 31/12/2022**	**01/01/2021 31/12/2021**
Current tax	-6,181	–
Deferred tax	–	–
Total tax	**-6,181**	**–**

Differences between the recognised tax expense and estimated tax expense based on current tax rates are as follows:

Group, amounts in SEK thousand	**01/01/2022 31/12/2022**	**01/01/2021 31/12/2021**
Profit before tax	-17,624	-38,095
Income tax calculated as per the Group’s current tax rate	3,631	7,848
Tax effects of:		
Non-taxable revenue	18,564	4,209
Non-deductible expenses	-13,540	-2,571
Expenses to be deducted but not included in net profit		73
Tax losses for which no deferred income tax asset was recognised	-24,356	3,705
Effect of foreign tax rates	-2,269	1,863
Effect of changed tax rates	–	–
Adjustment of current tax for previous years	18,223	10
Other adjustments	1,142	-7,633
Recognised tax	**1,395**	**7,503**

Parent Company, amounts in SEK thousand	**01/01/2022 31/12/2022**	**01/01/2021 31/12/2021**
Profit before tax	-55,012	36,472
Income tax calculated as per the current tax rate	11,332	-7,513
Tax effects of:		
Non-taxable income	–	-2,978
Non-deductible expenses	-26,924	-1,129
Expenses to be deducted but not included in net profit	2,060	–
Taxable revenue not included in recognised profit/loss		–
Tax losses for which no deferred income tax asset was recognised	7,350	11,619
Recognised tax	**-6,181**	**0**

* Crown Energy AB will make an open request to the Tax Agency that the SEK 65 million relating to write-downs and accrued interest income from its subsidiaries are tax-deductible.

13 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

At 31 December 2022, the Parent Company did not have any warrants or other equity-related instruments issued.

EARNINGS PER SHARE AND NUMBER OF SHARES

At 31 December 2022, the Parent Company had 477,315,350 shares outstanding and no warrants or derivatives outstanding, resulting in no dilutive effect. The average number of shares in 2022 was 477,315,350. Profit before tax was SEK -17,624 thousand (38,095), and profit after tax was SEK -16,229 thousand (30,591), corresponding to SEK -0.02 (-0,06) per share.

14 INVESTMENT PROPERTY

The Group's properties are held for the purpose of generating rental revenue and service income. For more information about how fair value was calculated, see Note 5 Critical accounting estimates and judgements.

At 31 December 2022, five of the Group's 13 properties were owned fully or partially and the rest were held under leases with the property owner. During 2022, the Company has expanded its holdings in the Manhattan property with three apartments.

For information about lease liabilities attributable to the investment properties, see Note *22 Leases*. For information about the Group's operating leases where Crown Energy is the lessor, see Note *22 Leases*.

Changes in carrying amount:

Group, amounts in SEK thousand	01/01/2022 31/12/2022	01/01/2021 31/12/2021
Opening carrying amount	**162,250**	**179,375**
+ Capital expenditure for the period	21,953	545
+ Acquisitions for the period	–	–
+/- Unrealised changes in value:	–	–
+/- Change in fair value	19,320	-31,946
+/- Change in lease liability	601	-2,921
Change in leases not affecting income	–	–
Reclassification to property assets held for sale	–	–
+/- Exchange rate effects*	23,484	17,197
Closing carrying amount	**227,608**	**162,250**

* Exchange rate effects due to revaluation from the US dollar to the Angolan kwanza and then to the Swedish krona.

Group, amounts in SEK thousand	31/12/2022	31/12/2021
Owned properties	185,171	129,298
Investment property held under lease	42,437	32,952
Total carrying amount	**227,608**	**162,250**

Lease expenses for rights of use are included in calculation of fair value, which means that the lease liability is reversed to avoid double counting these costs:

Group, amounts in SEK thousand	31/12/2022	31/12/2021
Fair value, investment properties	226,471	161,674
Reversal of lease expenses recognised as lease liabilities	1,137	575
Carrying amount at end of reporting period	**227,608**	**162,250**

The amounts recognised in profit or loss are as follows (note that service income and expenses attributable to service are included in this breakdown):

Group, amounts in SEK thousand	31/12/2022	31/12/2021
Rental revenue	31,167	14,041
Service income	8,201	6,723
Direct expenses for the investment properties that generated rental revenue during the period	-22,194	-10,151
Direct expenses for the investment properties that did not generate rental revenue during the period	-272	-830
Amount recognised in profit/loss	**16,903**	**9,782**

Group, amounts in SEK thousand	31/12/2022	31/12/2021
Offices	40,914	
Residences	186,694	
Amount recognised in profit/loss	**227,608**	–

	Offices	Residential
Market rents, USD	29	23–30
Yields	8%	7%
WACC	15%	15%
Long term Occupancy rate	80%	85%

	2023-12-31	2024-12-31	2025-12-31	2026-12-31	2027-12-31
Inflation, AOA	11.80%	9.90%	7.90%	6.80%	6.40%
Inflation, USD	3.50%	2.20%	2.00%	2.00%	2.00%

15 EXPLORATION AND EVALUATION ASSETS

Changes in carrying amount:

Group, amounts in SEK thousand	01/01/2022 31/12/2022	01/01/2021 31/12/2021
Opening carrying amount	**207,107**	**201,774**
Capital expenditure for the period	1,697	-247
Disposals for the period	-108,509	-5,192
Increase through business combination	-68,278	–
Translation and revaluation effects	18,735	10,981
Carrying amount	**50,752**	**207,107**

On our Energy Assets, as previously reported on October 20th 2021, Crown Energy successfully entered an agreement with a buyer that the right to acquire Crown Energy's upstream oil and gas assets including Iraq and Madagascar for a total consideration of for a total considera-tion of USD 450 million prior to deduction of transaction costs. In accordance with IFRS 15, no write-up of the assets has been made until the control of the assets har been transferred to the buyer.

As of 31 December 2022, apart from the value of the license, which amounts to SEK 108,674 thousands, there were two liabilities linked to Manja License which have also written down in the Q4 2022. These liabilities were linked to the inception of the Purchase Price Allocation where a Deferred Tax Liability arose as a well as a potential Earn Out payment to the seller. As highlighted above, the write off has taken place which have been registered as Deferred Tax and Financial Income respectively in the Consolidated statements of comprehensive income and the amounts connected to this write down are SEK 18,823 thousand and SEK 4,199 thousand, respectively.

At the closing date, Crown has analyzed the value of its non-current assets to determine if there is any indicator of impairment. When it comes to Block 2B, although a development in the specific area is likely to proceed in the coming months, the carrying amount of the explora-tion and evaluation asset is unlikely to be recovered as it is uncertain how successful the drill might be and, therefore, Crown has opted for impairing the asset until the Joint Venture and Crown Energy could have further updates and a detailed program with the expected value. Crown Energy will monitor closely, on monthly basis, in order to assess the carrying value of the assets based on IFRS 6 and IAS 36 in order to assess if a reversal of the impairment might take place. The value of the license amounted to SEK 68,113 thousand.

16 FINANCIAL ASSETS MEASURED AT AMORTISED COST

The following is a breakdown of the Group's financial assets measured at amortised cost, with fair values for disclosure purposes.

As of December 31, 2022, the company has lent SEK 34,887 thousand to SmarTee Group, which was acquired in 2023. The loans have maturities of approximately 4 years.

Due to the uncertainty of the Angolan currency, the Angolan subsidiary invests funds in Angolan government bonds indexed against the USD, which reduces the Group's currency risk somewhat. The bonds carry an interest rate of 16.5 per cent. Bonds with a maturity of more than one year have been recognised as non-current financial assets.

The receivable from ESI Angola Lda carries a market interest rate, which is recognised as accrued revenue.

Other current receivables mostly comprise prepaid preliminary tax and VAT receivables along with a receivable for the payment of C-View amounting to SEK 6,239 thousand.

Group, amounts in SEK thousand	31/12/2022		31/12/2021	
	Carrying amount	Fair amount	Carrying amount	Fair amount
Financial assets:				
Government bonds	122,088	124,529	83,442	74,271
Receivable from SmaTee Group	34,887	34,887	–	–
Current assets:				
Receivable from ESI Angola Lda	42,516	42,516	34,972	34,972
Other current receivables	14,280	14,280	6,547	6,547
Financial assets measured at amortised cost	**213,771**	**216,212**	**124,961**	**115,790**

17 TRADE RECEIVABLES

Carrying amount, trade receivables:

Group, amounts in SEK thousand	31/12/2022	31/12/2021
Trade receivables	22,994	17,005
Bad debt loss reserves	-6,676	-4,014
Carrying amount, trade receivables	**16,318**	**12,991**

Changes in trade receivables:

Group, amounts in SEK thousand	2022	2021
1 January	**12,991**	**7,974**
Net changes during the year	-59	2,378
Change in bad debt loss reserves for the period	-1,876	-524
Exchange rate effects	5,263	3,162
Closing carrying amount at 31 December	**16,318**	**12,991**

Carrying amount of trade receivables by revenue type (rental and service income):

Group, amounts in SEK thousand	31/12/2022	31/12/2021
Trade receivables attributable to revenue recognised under IFRS 16:		
Trade receivables attributable to rental revenue	12,593	11,351
Bad debt loss reserves attributable to rental revenue	-577	-3,447
Carrying amount of trade receivables attributable to rental revenue	**12,017**	**7,905**
Trade receivables attributable to revenue recognised under IFRS 15:		
Trade receivables attributable to service income	4,550	5,654
Bad debt loss reserves attributable to service income	-249	-567
Carrying amount of trade receivables attributable to service income	**4,301**	**5,087**

18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in balance sheet and cash flow statement:

Group, amounts in SEK thousand	31/12/2022	31/12/2021
Cash and cash equivalents	906,917	660,308
Short-term investments	8,651	–
Total cash and cash equivalents in balance sheet and cash flow statement	**915,568**	**660,308**

Parent Company, amounts in SEK thousand	31/12/2022	31/12/2021
Cash and cash equivalents	892,282	622,899
Total cash and cash equivalents in balance sheet and cash flow statement	**892,282**	**622,899**

19 SHARE CAPITAL AND OTHER CONTRIBUTED CAPITAL

The share capital consists of 477,315,350 shares with a quota value of SEK 0.029.

Parent Company, amounts in SEK thousand	Number of shares	Share capital	Other paid-in capital	Total
Opening balance at 1 January 2021	**477,315,350**	**14,033**	**1,647,106**	**1,661,139**
Closing balance at 31 December 2021	**477,315,350**	**14,033**	**1,647,106**	**1,661,139**
Opening balance at 1 January 2022	**477,315,350**	**14,033**	**1,647,106**	**1,661,139**
Closing balance at 31 December 2022	**477,315,350**	**14,033**	**1,647,106**	**1,661,139**

20 DEFERRED TAX

The deferred tax liability recognised is expected to be settled after 12 months.
Deferred tax assets and liabilities are allocated in the balance sheet as follows:

Group, amounts in SEK thousand	31/12/2022	31/12/2021
Deferred tax assets(+)/liabilities (–)		
Deferred tax on surplus value in exploration assets	–	-15,698
Deferred tax on surplus value in investment properties	-101,650	-73,478
Deferred tax on accrual fund	-2,060	–
Total deferred tax liabilities	**-103,710**	**-89,176**

The Parent Company does not recognise any deferred tax.

Changes in deferred tax assets and liabilities for the year:

Group, amounts in SEK thousand	Surplus values in exploration and evaluation assets	Surplus values in investment properties	Other	Total deferred tax liability (net)
At 1 January 2021	**14,214**	**63,222**	**-1**	**77,435**
Recognised in income statement	–	-7,505	1	-7,504
Recognised in other comprehensive income	1,484	17,760	–	19,244
At 31 December 2021	**15,698**	**73,478**	**–**	**89,176**
At 1 January 2022	**15,698**	**73,478**	**–**	**89,176**
Recognised in income statement	-18,223	8,587	2,060	-7,576
Recognised in other comprehensive income	2,525	19,585	–	22,110
At 31 December 2022	**–**	**101,650**	**2,060**	**103,710**

21 OTHER PROVISIONS

Group, amounts in SEK thousand	Acquisition of Amicoh Resources Ltd Additional earn-out considerations	Total provisions
At 1 January 2021	**3,276**	**3,276**
Recognised in income statement:		
Discount and revaluation effect	–	–
Exchange differences	342	342
At 31 December 2021	**3,617**	**3,617**
At 1 January 2022	**3,617**	**3,617**
Recognised in income statement:		
Discount and revaluation effect	–	–
Impairment	-4,199	–
Exchange differences	582	582
At 31 December 2022	**–**	**–**

Group, amounts in SEK thousand	31/12/2022	31/12/2021
Long-term component	–	3,617
Total provisions	**–**	**3,617**

For more information and a detailed description of the Company's assessments and assumptions regarding these provisions, see Note 5 *Critical accounting estimates and judgements*.

22 LEASING

Crown Energy as lessee

The consolidated balance sheet recognises the following amounts related to leases.

Group, amounts in SEK thousand	2022	2021
Right-of-use assets		
Investment property	962	575
Offices	154	–
Total	**1,116**	**575**

Lease liabilities:

Group, amounts in SEK thousand	2022	2021
Non-current	962	575
Current	154	–

The consolidated income statement recognises the following amounts related to leases:

Group, amounts in SEK thousand	31/12/2022	31/12/2021
Changes in value in leased properties included in unrealised changes in value for the period	-575	-650
Depreciation of premises	-204	-412
Interest expense for lease liability	-88	-68
Expenses attributable to finance leases that are included in net profit	**-867**	**-1,130**
Total cash flow regarding leases	**-1,036**	**-3,299**

23 FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

The following is a breakdown of the Group's financial liabilities measured at amortised cost, with fair values for disclosure purposes.

	31/12/2022		31/12/2021	
Group, amounts in SEK thousand	**Carrying amount**	**Fair amount**	**Carrying amount**	**Fair amount**
Lease liabilities	1,116	1,115	575	575
Accounts payables	4,741	4,741	6,124	6,124
Tax debts	6,124	6,124	–	–
Other current liabilities	7,496	7,496	8,656	8,656
Financial liabilities measured at amortised cost	**19,477**	**19,477**	**15,356**	**15,356**

Other current liabilities mainly comprise local taxes in the form of employee-related taxes and property-related taxes.

24 CONTRACT LIABILITIES

Below is a presentation of contract liabilities attributable to revenue recognised in accordance with IFRS 15:

Group, amounts in SEK thousand	31/12/2022	31/12/2021
Deferred service income	7,060	3,990
Prepaid payment for C-View	298,396	202,073
Total contract liabilities	**305,456**	**206,063**

The performance commitment for service income is met on delivery of the service, which is normally once a month.

Payments from Minfin are reported as prepaid revenue, classified as a contract liability, until the financial control is transferred to Minfin. The contract liability related to the C-View sale amounted to SEK 298,396 thousand at 31 December, 2022, which in local currency corresponds to 68 per cent of the total purchase price.

At 31 December 2022, all contract liabilities were current.

25 ACCRUED EXPENSES AND DEFERRED REVENUE

Group, amounts in SEK thousand	31/12/2022	31/12/2021
Payroll overhead and other employee-related expenses	364	539
Various consultancy expenses	79	79
Audit fees	779	746
Board fees	359	134
Other accrued expenses	1,151	2,987
Deferred revenue	810,831	678,278
Total accrued expenses and deferred revenue	**813,563**	**682,763**

Parent Company, amounts in SEK thousand	31/12/2022	31/12/2021
Payroll overhead and other employee-related expenses	214	426
Various consultancy expenses	210	184
Audit fees	460	446
Board fees	359	134
Other accrued expenses	15	15
Deferred revenue	810,832	645,270
Total accrued expenses and deferred revenue	**812,090**	**646,476**

26 FINANCIAL INSTRUMENTS – CLASSIFICATION AND MEASUREMENT CATEGORIES

All of Crown Energy's financial assets are held for the purpose of collecting contractual cash flows, which means that they are measured at amortised cost. Most of Crown Energy's financial liabilities are measured at amortised cost. However, the provision attributable to additional earn-out consideration (in accordance with IFRS 3 Business Combinations) is measured at fair value through profit or loss.

		Measurement category			
Group, amounts in SEK thousand	**Note**	**Fair value through profit or loss**	**Amortised cost**	**Fair value through profit or loss**	**Fair value through other comprehensive income**
31/12/2022					
Financial assets					
Financial assets measured at amortised cost	16	–	156,975	–	–
Trade receivables	17	–	16,318	–	–
Other receivables	16	–	56,796	–	–
Cash and cash equivalents	18	–	915,568	–	–
Total financial assets		**–**	**1,145,657**	**–**	**–**
Financial liabilities					
Lease liabilities	22	–	1,115	–	–
Accounts payables	23	–	4,741	–	–
Other current liabilities	23	–	7,496	–	–
Tax debts	23		6,124		
Other provisions	21	–	–	–	–
Total financial liabilities		**–**	**19,477**	**–**	**–**

		Measurement category			
Group, amounts in SEK thousand	**Note**	**Fair value through profit or loss**	**Amortised cost**	**Fair value through profit or loss**	**Fair value through other comprehensive income**
31/12/2021					
Financial assets					
Financial assets measured at amortised cost	16	–	83,442	–	–
Trade receivables	17	–	12,991	–	–
Other receivables	17	–	41,519	–	–
Cash and cash equivalents	18	–	660,308	–	–
Total financial assets		**–**	**798,260**	**–**	**–**
Financial liabilities					
Lease liabilities	22	–	575	–	–
Accounts payables	23	–	6,124	–	–
Other current liabilities	23	–	8,656	–	–
Other provisions	21	3,617	–	–	–
Total financial liabilities		**3,617**	**15,356**	**–**	**–**

27 TRANSACTIONS WITH RELATED PARTIES

The Parent Company and its subsidiaries are deemed to be related parties. Related parties are also defined as Board members, senior executives and their close relatives. Senior executives are defined as individuals who, with the CEO, comprise the management team. At Crown Energy, the employed senior executives comprise the CEO, COO and CFO.

PURCHASES AND SALES WITHIN THE GROUP

Of the Parent Company's revenue for 2022 (2021), 100 per cent (100) represents re-invoicing to other companies within the Group. Of the Parent Company's total interest income in 2022 (2021), 100 per cent (100) relates to other entities within the Group.

LOANS GRANTED TO RELATED PARTIES

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 Angola Lda as from 1 January 2017. Owing mainly to prepaid rent in 2016 for 2017, this resulted in YBE Imobiliária Angola Lda acquiring a receivable from ESI Angola Lda. ESI Angola Lda. is controlled by Yoav Ben-Eli, who is CEO, a Board member and prin-cipal owner of the Parent Company. At 31 December 2022 , this receivable amounted to the equivalent of SEK 42,516 thousand , of which accrued interest amounted to SEK 10,242 thousand (6,966).

PURCHASE OF SERVICES

Since 1 February 2021, Yoav Ben-Eli, Board member and largest shareholder in the Company, is remunerated by the Group's subsidiary in Angola through a consulting agreement and since January 2022 is employed by the parent company. The agreement amounts to EUR 40,500 per month, and the total payments for the period correspond to SEK 6,524 thousand for the period.

Yoav Ben-Eli received a salary of approximately SEK 47 thousand per month from the parent company for the period January-December 2022.

Peter Mikkelsen works in his management position under a consultancy agreement. The services are purchased on normal commercial terms and work performed is invoiced regularly. Invoicing from Peter Mikkelsen amounts to SEK 58 thousand during 2022.

The Companies' main shareholder Yoav Ben-Eli owns 100 per cent of ESI Angola Lda and in accordance with a service agreement ESI Angola Lda provides property management and other services to YBE Imobiliária Angola Lda. The Group's purchases of services from ESI Angola Lda amounted to SEK 15,076 thousand during the reporting period.

REMUNERATION OF SENIOR EXECUTIVES

For information on the remuneration of senior executives, see Note 9 Salaries, fees, other remuneration and payroll overhead.

The following is a summary of services purchased from related parties in 2022 and 2021. The amounts at 31 December were calculated based on an average exchange rate for the year.

Key personnel in senior positions received the following remuneration:

		Amounts in thousands of the invoicing currency		Amounts in SEK thousand	
Group, amounts in SEK thousand	**Invoicing currency**	**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**
Remuneration for consulting (technical services), Peter Mikkelsen	GBP	5	4	58	46
Remuneration for consulting (technical services), ESI Angola Ltd.	AOA	682,935	562,966	15,076	7,753
Remuneration for consulting (management services), Yoav Ben-Eli	AOA	295,587	184,823	6,524	2,545
Total				**21,657**	**10,343**

28 PARTICIPATIONS IN GROUP COMPANIES

Parent Company, all amounts in SEK thousand	**31/12/2022**	**31/12/2021**
Opening cost	467,320	466,410
Shareholder contribution, Crown Energy Iraq AB	–	1,000
Crown Asset Development BV	–	-90
Closing carrying amount	**467,320**	**467,320**

The following is a breakdown of the Parent Company's subsidiaries:

	Corporate identity number	**Registered office**	**Share of equity**	**No. of shares**	**Carrying amount, amounts in SEK thousand**	
					31/12/2021	**31/12/2020**
Crown Energy Ventures Corporation	79456	British Virgin Islands	100%	100	500	500
Crown Energy Iraq AB	556673-5329	Stockholm	100%	100	27,204	27,204
CEINV2 AB	559288-5080	Stockholm	100%	250	25	25
ESI Group S.A.	B-179346	Luxembourg	100%	50,000	439,591	439,591
Closing carrying amount					**467,320**	**467,320**
Indirectly owned Group companies						
Amicoh Resources Ltd	667642	British Virgin Islands				
Simbo Petroleum No.2 Ltd	8542642	UK				
YBE Imobiliaria Lda.	2079-17	Angola				

29 PLEDGED ASSETS AND CONTINGENT LIABILITIES (PARENT COMPANY)

Contingent liabilities refer to the additional earn-out consideration for Simbo Petroleum No.2 Ltd and the Group has recognised it at the maximum amount that may be paid at the time of settlement. For more information on the additional earn-out consideration, see Note 5 Critical accounting estimates and judgements. No changes to the estimate of the contingent liability have been made since the previous financial year. The following is a summary of pledged assets and contingent liabilities:

Group, amounts in SEK thousand	**31/12/2022**	**31/12/2021**
Pledged assets	–	–
Contingent liabilities		
Additional earn-out consideration Block 2B	102,813	102,813
Total pledged assets and contingent liabilities	**102,813**	**102,813**

Parent Company, amounts in SEK thousand	**31/12/2022**	**31/12/2021**
Pledged assets	–	–
Contingent liabilities	–	–
Total pledged assets and contingent liabilities	**–**	**–**

30 SALE OF THE C-VIEW PROPERTY

Background

On 30 April 2019, Crown Energy concluded an agreement for the sale of the C-View property in Angola. The buyer is the Angolan government via the Ministry of Finance (MINFIN). The transaction was made in Angolan kwanza and will be paid over three years. The payments will be adjusted with an official inflation rate. The inflation compensation is determined before the final instalment is paid.

Accounting during 2022

C-View, up until the economic control is transferred to the buyer, continues to be managed by Crown Energy, which means that it was classi-fied as an asset held for sale The asset is recognised at fair value, which corresponds to the contractual purchase consideration (in accord-ance with IAS 40), discounted over the agreed payment period of three years. Transaction costs will be accounted for as a part of the net realised result of the transaction, in connection with the transfer of the economic control. As of 31 December 2022, the client did not take over economic control of the property, despite reaching the required threshold of 1/3 of the purchase price in April 2021, thus the property is still accounted for as an asset held for sale. Crown Energy will recognise the profit and costs associated with sale of the asset in accordance with IFRS 15, as soon as the buyer assumes the economic control of the asset.

The payments from Minfin are recognised as deferred income(-classified as a contract liability) until economic control is transferred to Min-fin. As per 31 December 2022, the contract liability related to the C-View sale amounts to SEK 298,396 thousand, which in local currency corresponds to 66per cent of the total sales price. The original agreement stipulated a payment schedule and the transfer of economic rights to the client as well as an inflation compensation provision. For the following two reasons the transfer of the economic control was postponed and YBE immobiliaria has continued the upkeep of the property. The first results from to the changes in payments schedule of the agreement by the Angolan Governmental buyer. The second is that we still await a decision by the Angolan Government as to which ministry or entity will be purposed with the use of the C-View property The parties are now in negotiations regarding the final settlement (including the inflation compensation) and amendments to the agreement, that will permit finalising the transfer of economic control, which in turn will trigger the recognition of sale of the property for the Crown Energy Group in accordance with IFRS 15. The title for the C-View property in accordance with local laws will be transferred to the buyer after final settlement is received by the YBE immobiliaria, which is when the transfer will be recognised in local accounting. During those negititions YBE Immobiliaria has continued to receive payments for the property which have reached 80% of the original purchase price. Due to an uncertain timeline for this payment and the amount depending on future inflation Crown Energy did not account for the inflation compensation in 2022.

31 EVENTS AFTER END OF REPORTING PERIOD

On 10 January 2023, Crown Energy AB announced that the Company had entered into a letter of intent for the acquisition of a company group within the medtech sector. Crown Energy on 3 February entered into a Sales and Purchase Agreement for the acquisition of 85 percent of the shares in SmarTee, a Luxembourg company which is the parent holding company of the Italian registered AccYouRate Group (the "Acquisition"). AccYouRate Group focuses on wearable medical technologies and currently holds exclusive patents on advanced and cutting-edge technologies in the advanced wearable textiles' technologies market. The total purchase price amounts to EUR 163 million and will be payable in nine instalments over a period of 48 months of which the first instalment amounts to EUR 75 million and will be paid upon signing of the SPA.

Due to the Company's current scale of operations operations, Crown Energy does not expect the Acquisition to have a significant effect on Crown Energy's income statement. In the parent company, the shares in the subsidiary will be booked for the total consideration of EUR 163 million. Additional EUR 10.5 million will be accounted on the balance of the Group as additional provision for the purchase of shares, subject to future investment in SmarTee or its affiliates.

After the transfer of initial purchase price of EUR 75 million, the rest of the purchase price amounting to EUR 88 million will be accounted for as contractual obligations.

Crown has initiated, with the help of Ernst & Young Rome, the conversion of the local accounts into IFRS and consolidation of the Group in order to perform the full Purchase Price Analysis. More financial information about the Company's financial position after the Acquisition will be available after a formal Purchase Price Analysis is performed in first or second quarter of 2023.

By 20 april 2023, the fourth instalment of USD 8 million has been credited to the Company's account in accordance with the agreement for the disposal of the majority of its oil and gas assets signed on 20 October, 2021. The total amount received in accordance with the agreement since October 2021 amounts to USD 99 million.

Crown Energy has also during Q1 2023 received a payment for the C-view property of about SEK 61 million, the total payments corresponds to 80% of the agreed consideration.

32 KEY RATIOS

Amounts in SEK thousand unless otherwise stated	01/01/2022 31/12/2022	01/01/2021 31/12/2021	01/01/2020 31/12/2020	01/01/2019 31/12/2019
PROFIT				
Rental and service income	39,369	20,764	29,759	48,788
Other operating income	1,809	6	226	2,728
Operating profit/loss	-201,099	-27,089	-16,083	-996
Net profit/loss for the period, after tax	-16,229	-30,591	45,046	133,599
PROPERTY-RELATED KEY RATIOS				
Rental revenue	31,167	14,041	21,163	34,155
Service income	8,201	6,723	8,596	14,633
Property-related expenses	-22,465	-10,982	-12,183	-17,121
Operating net	16,903	9,782	17,575	31,667
Operating surplus ratio, property portfolio, %	43%	47%	59%	65%
Revenue backlog, SEK thousand	33,018	16,680	13,698	31,145
Rent backlog, SEK thousand	26,694	12,885	10,217	25,519
Contracted annual rental revenue, SEK thousand	38,761	24,552	11,846	25,302
Contracted annual rental and service income, SEK thousand	30,797	17,217	17,896	34,503
Area occupancy rate, %*	75%	56%	71%	73%
Economic occupancy rate, %*	74%	44%	47%	58%
WAULT, months**	10.4	9.0	10.1	12.1
Market value of portfolio	226,471	162,250	176,261	149,860
Leasable area, thousands of square metres*	19.9	19.9	19.9	20.0
Number of properties at end of period	13.00	14.00	14.00	15.00
FINANCIAL KEY RATIOS				
Return on equity (ROE), %	neg.	neg.	7.1%	2.5%
Return on assets (ROA), %	neg.	neg.	5.4%	2.0%
EBITDA	-199,835	-26,033	-15,058	-8,186
EBITDA margin, %	neg.	neg.	neg.	neg.
Equity/assets ratio, %	37%	38%	74%	77%
Total assets	1,967,775	1,595,633	754,730	914,342
Equity	725,569	631,666	560,670	701,051
Average equity	678,618	596,168	630,861	756,475
Average assets	1,781,704	1,175,182	834,536	947,394
DATA PER SHARE				
Basic shares outstanding, thousand	477,315	477,315	477,315	477,315
Diluted shares outstanding, thousand	477,315	477,315	477,315	477,315
Average number of shares, thousand	477,315	477,315	477,315	477,315
Average no. of shares after dilution, thousand	477,315	477,315	477,315	477,315
Basic earnings per share, SEK	-0.03	-0.06	0.09	0.28
Equity per share, SEK	1.52	1.32	1.17	1.47
EMPLOYEES				
Average number of employees	16.9	16.9	18.4	18.3

* For 2019, the C-View property is not included in the key ratios area/economic occupancy rate and leasable area.

The Board and CEO confirm that the consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and provide a true and fair view of the Group's financial position and performance. The Parent Company's financial statements have been prepared in accordance with generally accepted accounting principles and provide a true and fair view of the Parent Company's financial position and performance. The Directors' report for the Group and Parent Company provides a true and fair overview of the development of the operations, financial position and performance of the Parent Company and Group and describes material risks and uncertainties faced by the Parent Company and Group companies.

The results of the Group's and Parent Company's operations and their financial positions at the end of the financial year are presented in the income statements, balance sheets, cash flow statements and related notes.

Balance sheets and income statements will be presented for approval at the AGM planned to be held on 1 June 2023.

Stockholm, Sweden, 2 May 2023

Pierre-Emmanuel Weil
Chairman of the Board

Alan Simonian
Board member

Jean Benaim
Board member

Yoav Ben-Eli
CEO
Board member

Our audit report was submitted on 2 May 2023
Öhrlings PricewaterhouseCoopers AB

Bo Lagerström
Authorised Public Accountant

Unofficial translation
This version of our report is a free translation of the original, which was prepared in Swedish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matter of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

AUDITOR'S REPORT

To the annual general meeting of shareholders in Crown Energy AB (publ), corporate registration number 556804-8598

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Crown Energy AB (publ) for the year 2022 except for the sustainability report and th corporate governance statement on pages 15–16 and 22–26, respectively. The annual accounts and consolidated accounts of the company are included on pages 28–70 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover either the sustainability report or the corporate governance statement on pages 15–16 and 22–26, respectively. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where the managing director and board of directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

The operations in Sweden comprise the parent company and five wholly owned subsidiaries in Sweden, the Netherlands, Luxembourg and the British Virgin Islands as well as three indirectly owned group companies in the UK, Angola and the British Virgin Islands. The company is managed, administered and controlled from the head office in Stockholm, Sweden. The operations relating to exploration and evaluation assets are controlled by the parent company via holding companies. The operations relating to property activities in Angola consists of one company that owns, rents and leases residential and offices to other legal entities in Angola.

Our audit has focused on operations pursued via the parent company and in Angola taking into account the control environment, current business processes and group management's oversight and follow-up activities.

We have examined the annual accounts for the group, including the parent company and consolidation as well as subsidiaries. We have conducted an assessment of key controls of the financial reporting based on the scope and organisation of the operations. The group engagement team also conducted the statutory audit in Sweden for all Swedish subsidiaries. Operations in Angola were reviewed by the local team in Angola in accordance with instructions from the group team.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing, and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts, as a whole, but we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Carrying value of the exploration and evaluation assets We refer to note 2.14 Exploration and evaluation assets (intangible assets), note 5.4, 5.5 Important estimates and judgments for accounting purposes and note 15 Exploration and evaluation assets. The group's balance sheet includes exploration and evaluation assets totaling SEK 51 million. The assets make up a significant proportion of the group's balance sheet, and the assessment of whether there may be a need for impairment is, therefore, a particularly important area in the audit. The assets include both contingent and prospective assets. During 2022, in accordance with the requirements of IFRS 6 and IAS 36, the Company has assessed the carrying value in order to assess if there were indications of a need to write down or impair the assets in any region. As a consequence of the assessment of the carrying value the Company has recorded an impairment in the exploration assets in the amount of SEK 177 million. The significance of the estimates and judgments involved in assessing the recoverable amount of exploration and evaluation assets, together with the fact that the amounts are significant, make exploration and evaluation asset valuation a key audit matter of the audit.	In our audit, we performed a number of audit activities to verify that the judgments conducted by Crown Energy of a possible impairment are also based on accepted valuation methods and reasonable assumptions regarding among others as future cash flows and discount rates. We have, among other things, carried out the following procedures: • We have reviewed the company's assessments regarding indications of the need for impairment. • We have evaluated assumptions that have been used regarding, among other things, the price of oil. • We have evaluated the sensitivity analysis of changes in assumptions that may lead to deviations from estimated fair values. • We have compared the values reported by Crown Energy with available market data and transactions, whenever possible and relevant, and in particular with regard to the transaction regarding the subsidiary Crown Energy Iraq AB and its holding of exploration and evaluation assets in Salah ad Din in Iraq.
Valuation of investment properties We refer to Crown Energy's discussion of the valuation of the investment properties in the management report, in note 2.11 Investment properties, note 5.6 Important estimates and judgments for accounting purposes and in note 14 Investment properties. As of 31 December 2022, all properties have been internally valued by the company. The value of the investment properties as of 31 December 2022 amounts to SEK 228 million. The management properties form a significant part of the balance sheet. The valuation of the investment properties is inherently subjective and subject to management's assessments of, among other things, the specific property's location, condition and future rental income. In determining the property’s fair value, the appraiser takes into account relevant information about the specific property, such as current leases, rental income and operating expenses. In order to arrive at the final valuation, the appraiser uses assumptions and makes assessments of future cash-flow, net operating income and estimated market rent, as well as assumptions of prevailing yield requirements and comparable market transactions. The importance of the estimates and assessments included in work to establish the fair value, combined with the fact that amounts are significant, makes the valuation of investment properties a key audit matter in our audit.	We have reviewed and evaluated the management’s valuation process. We have reviewed a selection of the company’s internally prepared valuations. Our audit procedures were performed to verify that the company’s valuations comply with accepted valuation methods and are mathematically correct and are based on the use of reasonable assumptions of, among others, future cash-flow estimates and return requirements. The following actions were taken in our audit: • Assisted by our valuation specialists, we verified the reasonableness of the company’s assumptions and assessed the model used to calculate the fair value of the investment properties. • We assessed the significant assumptions used as a basis for the projected cash flows such as market rents and operating profit. • We compared the values reported by the company with known market information when possible and relevant. • We have evaluated the sensitivity analysis of changes in the assumptions that could lead to deviations from the estimated fair value. • We have examined the company’s disclosures relating to investment properties in the financial statements.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–26 and 76–77. Other information includes the remuneration report, which we expect to gain access to after the date of this auditor’s report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors' and the Managing Director's of Crown Energy AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts [and consolidated accounts] in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Crown Energy AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Crown Energy AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards, and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 22–26 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance report has been drawn up. Information in accordance with Chapter 6 Section 6, second paragraph, points 2–6 of the Annual Accounts Act and Chapter 7 Section 31 second paragraph of the same act are compatible with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Auditor's report on the statutory sustainability report

It is the board of directors who is responsible for the statutory sustainability report on pages 15–16 and that it has been prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 17 Stockholm, Sweden, was appointed auditor of Crown Energy AB (publ) by the general meeting of the shareholders on the 15th June 2022 and has been the company's auditor since the 27th August 2010.

Stockholm on the date of our digital signature

Öhrlings PricewaterhouseCoopers AB

Bo Lagerström
Authorised Public Accountant

GLOSSARY AND KEY RATIO DEFINITIONS

ALTERNATIVE PERFORMANCE MEASURES

The Company applies the European Securities and Markets Authority's (ESMA) guidelines on alternative performance measures. The alternative key financial performance indicators are defined as financial measures of historical or future earnings trends, financial position, financial performance or cash flows that are not defined or specified in the applicable regulations for financial reporting, IFRS and the Annual Accounts Act. These measures should not be regarded as a substitute for measures defined in accordance with IFRS.

If an alternative performance measure cannot be identified directly from the financial statements, a reconciliation is required. All indicators are alternative unless stated otherwise.

DEFINITIONS OF KEY RATIOS

Financial key ratios

Total assets
Total assets at the end of the period. Total assets is a measure of the value of Crown Energy's assets at the end of the period.

Return on equity (ROE)
The amount of net income returned as a percentage of shareholders' equity. Return on equity is used to highlight Crown Energy's ability to generate profit on shareholders' capital in the Group.

Return on assets (ROA)
This ratio measures profitability relative to total assets. Return on assets is used to highlight Crown Energy's ability to generate profit on the Group's assets, unaffected by the Group's financing.

EBITDA
Earnings before interest, taxes, depreciation and amortisation. EBITDA is used by Crown Energy to measure earnings from operating activities, independently of depreciation, amortisation and impairment losses.

Adjusted EBITDA
Earnings before financial items, tax, depreciation/amortisation and impairment, adjusted for effects of reverse acquisition. EBITDA is used by Crown Energy to measure earnings from operating activities, independently of depreciation, amortisation and impairment losses.

EBITDA margin
Measurement of the company's operating profit as a percentage of sales. The EBITDA margin is used to compare EBITDA in relation to sales.

Equity, SEK
Equity at end of period.

Average equity
Calculated as opening equity + closing equity divided by two. Used to calculate return on equity.

Average capital
Calculated as opening capital employed + closing capital employed divided by two. Used to calculate return on equity.

Average assets
Calculated as opening total assets + closing total assets divided by two. Used to calculate return on assets.

Operating profit excl. effect of reverse acquisition
Earnings before financial revenue and expenses and taxes, adjusted for the effect of the reverse acquisition. Used to measure operating profitability.

Operating profit incl. effect of reverse acquisition
Earnings before financial revenue and expenses and taxes. Used to measure operating profitability.

Equity/assets ratio, %
Equity including the minority as a percentage of total assets. Equity/assets ratio is used by Crown Energy to highlight its interest rate sensitivity and financial stability.

Data per share

*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. Equity per share, used to highlight the shareholders' portion of the company's total assets per share.

*Earnings per share, SEK**
Earnings after tax divided by average number of shares for the period. Used to show the shareholders' share of a company's earnings per share.

Employees
*Average number of employees***
Average number of employees during the period.

PROPERTY-RELATED DEFINITIONS AND GLOSSARY

Economic occupancy rate**
Calculated by dividing contracted annual rental revenue by rental value. This figure is used to help facilitate the assessment of rental revenue in relation to the total value of available, unleased area. Note that this calculation does not include service income.

Rental value means rental revenue plus assessed market rent for unleased area.

Operating net
Total revenue less property costs.

Rental income*
Billed rent, rent surcharges and rental guarantees less rent discounts.

Rent backlog**
Outstanding rental revenue during remaining contract term. Rent backlog is used to highlight the Group's remaining contract value for rental revenue at a given point in time. Cannot be derived from the Company's financial reporting.

Revenue backlog**
Outstanding rental and service income during remaining contract term. Revenue backlog is used to highlight the Group's total remaining contract value to be invoiced to the tenant at a given point in time. Cannot be derived from the Company's financial reporting.

Service income*
Service billed in accordance with client contract. Service may, depending on how the contract is designed, include everything from operating costs to internet and catering costs.

Weighted average unexpired lease term (WAULT)**
Used to illustrate the average lease term until expiry for the entire property portfolio, weighted after total contractually agreed rental revenue. Calculated by dividing contracted rental revenue until expiry by annual contracted rent. Normally expressed in years, but Crown Energy uses months.

Area occupancy rate**
Leased area in relation to total leasable area at the end of the period.

Leasable area, sqm**
Leased area plus leasable vacant area.

Surplus ratio**
Operating net divided by total revenue.

CONCEPTS AND MEASUREMENTS RELATED TO THE OIL INDUSTRY

Block/Concession/Licence
A country's exploration and production areas are divided into different geographical blocks. Agreements are entered with the host country that 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 geographical exploration area in which commercial quantities of oil or gas have been found.

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 progressed in working on the licence, whether 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 reserves. Resources are divided into contingent and prospective resources. 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, amongst other things, to localise occurrences of hydrocarbons.

* Measures defined by IFRS/IAS.
** Measures not covered by ESMA's guidelines for alternative performance measures (physical, non-financial or not based on disclosures in the financial reports).

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