

# INTERIM REPORT JANUARY-MARCH 2020



## Q1 – JANUARY-MARCH 2020

- ▶ Revenue amounted to SEK 9,108 thousand (13,046).
- ▶ Operating loss amounted to SEK -5,851 thousand (3,002).
- ▶ Net financial items amounted to SEK 29,585 thousand (24,194).
- ▶ Unrealised changes in property values amounted to SEK -6,186 thousand (-30,061).
- ▶ Profit before tax amounted to SEK 17,549 thousand (-2,865), and profit after tax amounted to SEK 11,303 thousand (-22,239), corresponding to SEK 0.02 (-0.05) per share.

## KEY EVENTS DURING THE REPORTING PERIOD JANUARY-MARCH 2020

- ▶ Progress in the South African license Block 2B - Crown Energy's partner Africa Energy has signed two farm-out agreements.
- ▶ From January 2020 until the release of this interim report, the spread of the COVID-19 virus has had major effects on the global world economy. The effects are still difficult to review and conditions change daily. The pandemic has not affected the Group's results during the first quarter.
- ▶ During the quarter, oil prices have fallen drastically to just under USD 30 per barrel. The decline has had no financial impact on the Group's results and financial position during the first quarter.
- ▶ From 1 January 2020, the Angolan accounts are no longer adjusted for inflation (in accordance with IAS29). This is a result of the fact that Angola is no longer considered a hyper inflationary economy.

## EVENTS AFTER THE END OF THE REPORTING PERIOD

- ▶ On April 21, Crown Energy announced that due to prevailing circumstances, with an ongoing pandemic, the Company will postpone the Annual General Meeting 2020 from April 27, 2020 to an undetermined date. The Annual General Meeting will be held no later than June 30.

## CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Group	JAN-MAR	JAN-MAR	FULL YEAR
All amounts in SEK thousands	2020	2019	2019
Operating income	9,108	13,453	51,516
Operating expenses	-14,958	-10,450	-52,512
Operating profit/loss	-5,851	3,002	-996
Net financial items	29,585	24,194	112,981
Net profit/loss for the period. after tax	11,303	-22,239	133,599
Earnings per share	0.02	-0.05	0.28
Equity per share	1.47	1.66	1.47
Change in cash and cash equivalents	-15,584	-9,576	-15,083

## CEO statement

### DEAR SHAREHOLDERS AND INVESTORS,

Crown Energy has obviously been affected by the opening months of 2020, with extreme fluctuations in oil prices, and of course with the COVID-19 pandemic situation. This affects our ability to attract partners and customers to our offerings in new markets. By contrast, prices in the real estate market in Angola's capital Luanda are starting to look attractive to possibly carry out transactions. The company is considering selling or converting existing, simpler housing units, which generate lower incomes, into apartments that can generate higher incomes. At the same time, opportunities are opening up to capitalize on the strong cash liquidity that Crown Energy has in its subsidiary in Angola to identify and possibly acquire new real estate assets in Angola with potentially higher revenues, thus strengthening the asset portfolio at the same time. Such sales, conversions and/or acquisitions are dependent on the right market conditions being further met.

### ASSET DEVELOPMENT AND MANAGEMENT

Although the Angolan government has imposed severe restrictions on people to move freely, as a result of the outbreak of COVID-19, real estate operations have continued during the quarter with relatively unchanged scope compared to the previous quarter. This is due to Crown Energy finding solutions to maintain full service to its tenants while complying with the Angolan health and safety rules.

During the first quarter of 2020, net sales revenue, due to the devaluation of the Angolan currency in 2019, decreased by 30 percent compared to the same period last year. However, net sales in local currency increased by 5 percent in the same period. Property costs for the reporting period amounted to SEK -3,751 (-3,611). The 9 per cent increase compared to the previous year is mainly explained by local taxes on rental income that fall due only upon the tenant's payment of invoices. Other external expenses amounted to TSEK -7,867 (-4,077), which is an increase of 85 percent compared to the same period last year. The sharp increase is partly due to a provision for uncertain accounts receivable, which is SEK 3,319 thousand higher than last year. The reserve is attributable to two clients in the C-View property, where some payment uncertainty prevails. The second explanation for the increase in other external costs is higher consulting costs as a result of tax advice attributable to both C-View sales and dividends within the Group.

The buyer of the C-View property, the Angolan Ministry of Finance, has continued to pay our subsidiary in Angola. The first instalment of a total of six payments was received in full earlier this year and after that additional payments have been made. Up to March 31 this year, a total of 20 percent of the agreed purchase price has been paid.

### ENERGY

We are all aware of the recent drop in oil prices, as a result of a fall in demand caused by the COVID-19 pandemic, but also the involvement of political pressure on oil production and the price of oil. Of course, we take into account all such circumstances in our management of existing assets within the Energy business area. South Africa has introduced major shutdowns in society as a result of COVID-19. Our partner and licensing operator Africa Energy has however informed us that the application to enter the next exploration phase for the Block 2B license, which includes drilling the exploration well, and the processing of the deployment where two new partners enter the license (which we reported in a press release on 25 February) is now with the authorities in South Africa for review and approval. Furthermore, we have now also been notified by our partners in the Block P license in Equatorial Guinea (Vaalco Energy and Atlas Petroleum) that the Ministry of Mines and Hydrocarbons, due to the negative pressure caused by the COVID-19 pandemic, grants all oil companies operating in Equatorial Guinea, an extension of their exploration licenses by two years.

The price of crude oil (Brent) has fluctuated between USD 68 down to USD 25 per barrel in the first quarter of 2020 and at one time was the price of oil down to USD 22. After the reporting period, the price has continued to fluctuate sharply and was very briefly down to USD 9 per barrel. At the time of this report the price is a price around USD 35 per barrel. The market believes that the price of oil may continue to fluctuate around today's levels, but that the price may rise as a result of balancing supply. Demand and production cutbacks. Of course, it is very difficult to predict the oil price going forward, since it has been largely affected by the ongoing COVID-19 pandemic, and no one knows how long it is likely to last, or what impact it will continue to have on the markets. Most analysts, however, believe in an oil price around USD 50 to 60 per barrel in the slightly longer term. Oil prices at these levels can continue to stimulate the market to invest in projects such as Crown Energy's. As for Madagascar, the current licensing period expired in November 2019. Crown has applied for an extension and is discussing this with the authorities. However, Crown Energy continues to

evaluate the value of the license. Crown will await feedback from the authorities before deciding on the best way forward for the Company regarding this license.

New business remains the Company's most important objective. However, with the ongoing COVID-19 pandemic, this is still taking longer than we hoped. For this reason, management and the board of directors continue to focus on reducing costs, both in ongoing operative business and in overhead.

Andreas Forssell  
CEO, Crown Energy

# Crown Energy's position regarding COVID-19

During the first months of 2020, the world was hit by the worldwide virus COVID-19. Since March 11, the epidemic has been classified by the WHO as a pandemic, which has entailed extensive restrictions and shutdowns of communities and businesses worldwide. The pandemic has had major effects on the global world economy. Among other things, there are extensive layoffs potential and bankruptcies and the oil prices and stock exchange levels around the world have fluctuated a lot. The effects are difficult to foresee at present and conditions change daily. Crown Energy is monitoring the course of events surrounding the spread of the virus and is following the recommendations of the authorities. The situation is unpredictable, and Crown Energy cannot currently quantify any effects that the virus has or could have on the Group's operations. Crown Energy does however not believe that the pandemic had any effect on the Group's profit during the first quarter of 2020. Below is a summary of the Group's two business areas until this interim report is released and how the outbreak of COVID-19 has affected and may affect them.

## **Asset Development and Management**

The business area currently only operates in Angola and according to official information there has only been a few reported cases of COVID-19. The government in Angola has imposed strict restrictions in the country in order to reduce and contain the possible spread of the COVID-19 virus. As a result of travel restrictions, a lower oil price (see more on this below) and a general downturn in the global economy, there is a risk that international companies will have to scale down their operations temporarily or even long term in Angola. Angola is a country that is highly dependent on international companies and depending on the effects of the COVID-19 outbreak on these companies, the Group's property operations could also be affected going forward. For example, there is the risk that when short-term leases expire, current tenants may hesitate to extend them. Such a situation can affect both the Group's income and the valuation of property assets in the short and long term. Property operations are crucial to the Group as that is what currently generates cash flow. If business slows as a result of the effects of COVID-19, it could affect the Group's ability to raise financing.

Crown Energy has, despite the restrictions in Angola, managed to find applicable solutions to maintain full service to tenants while complying with Angolan health and safety regulations whilst at the same time continuing to provide its clients with a full suite of support and management services. Client feedback shows that satisfaction with our services remains high. To this point there has been no disruption or interruption to our local business activities and rental and service revenues continue to be received as normal. In the first quarter of 2020, we have not noticed any effects in the leasing due to COVID-19, but in times like these, we have started reviewing our cost structure and are trying to reduce it.

## **Energy**

Since January 2020, oil prices have plummeted dramatically, from around USD 60 to just under USD 30 USD per barrel. The fall in the price of oil can be explained by several events. Initially, demand from China dropped in January as a result of both COVID-19 and a general decline in the country's growth. Around the same time, a price war began between the players in the oil market since there are different opinions on supply and demand and since they are all defending their market share. In February and March, travel restrictions were introduced in large parts of the world and factories etc. had to be closed as a result of COVID-19, which directly affected general demand for oil and fuel. As stated in the Group's risks (see Note 3 Operational risks and Note 4 Financial risk management in the Annual Report 2019), a long-term decline in oil prices may affect the valuation of the Group's exploration assets. If the exploration projects can no longer be considered economically viable, the assets must be written down.

South Africa has introduced major lockdowns as a result of COVID-19. This is however not something that has directly affected the Group so far, as no major work is performed currently on the license. As for Block P in Equatorial Guinea, our partners have been notified that the Ministry of Mines and Hydrocarbons, as a result of the COVID-19 pandemic, is granting all oil companies operating in Equatorial Guinea an extension of their exploration licenses by two years.

Crown Energy has not taken any specific measures so far but will continuously review the underlying financial calculations that form the basis for the valuation of each exploration asset.

# Asset Development and Management business area

15

Properties

19,623

Leasable area, sqm  
(excl. C-View)

Angolan Kwanza (AOA) to Swedish Krona (SEK)

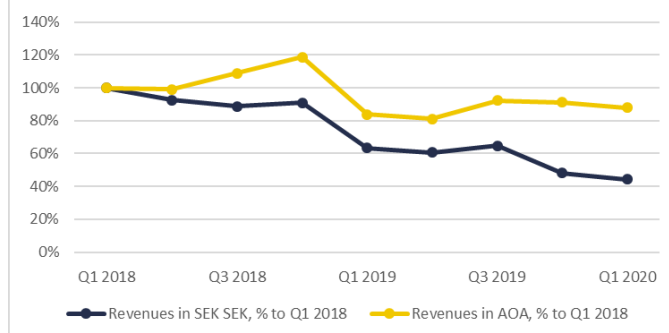


## THE PROPERTY MARKET AND CURRENCY IN ANGOLA

As described in the 2019 annual report, the Angolan currency ("kwanza", "AOA") was sharply devalued during the fourth quarter of 2019, as a result of the Angolan central bank in Angola ("BNA") allowing the currency to flow freely. In one quarter, the Angolan currency was devalued by 34 percent against the Swedish krona, which had significant effects on the Group's earnings and financial position, among other things, both the value of C-View and the quarter's revenues in Swedish kronor fell by 26 percent. After the depreciation in kwanza in November 2019, the currency stabilized somewhat and during the first quarter of 2020, the currency devalued by about 3 percent against the Swedish krona. The graph down to the left, illustrates the development of the kwanza against SEK from 2016 up until today.

The devaluation has however over the years had consequences on the reported revenue in Swedish SEK. Although revenue in local currency has declined somewhat over the past two years, the decline is not as significant as in SEK. The graph below shows the development of revenue since the first quarter of 2018.

Revenue development Q1 2018-Q1 2020, AOA vs SEK



As a result of continued devaluation and the virus outbreak of COVID-19, annual inflation in Angola rose. From lying around 16.9 percent in December 2019, it rose to 19.6 percent in March 2020. (Source: Banco Nacional de Angola). This is the highest rate of inflation since May 2018.

Angola's real estate market is strongly linked to the oil sector. The effects of the oil sector decline, have the effect that the tenants within the office segment look for office size optimisation and cost reductions, which in turn has led to renegotiations and relocations to smaller spaces. The recent development is that companies try to avoid long-term commitments. This means that the landlord must offer flexible contracts; shorter duration or adjustable for immediate needs. Alternative concepts to traditional leasing system, such as business centers, are emerging in the market. A need for residential spaces for the office activity, in which Crown Energy has its residential segment, can still be seen and follows the same development as the office segment in general. (Source: Zreport – Angola Property market-Overvie/Outlook 2019/2020.)

## SUMMARY OF PROPERTY-RELATED KEY RATIOS

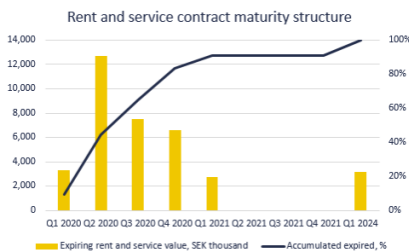
For definitions of key ratios please see pages 21-22.

ALL AMOUNTS IN SEK THOUSANDS	2020-03-31	2019-12-31
Revenue backlog, SEK thousand	32,281	31,145
Rent backlog, SEK thousand	25,323	25,519
Contracted annual rental and service revenues, SEK thousand	36,095	34,503
Contracted annual rental revenues, SEK thousand	26,070	25,302
Area occupancy rate (excl. C-View) %	74%	73%
Economic occupancy rate (excl. C-View), %	61%	60%
WAULT rent and service, months	11.7	12.1
Market value of portfolio (excl. C-View), SEK thousand	159,551	149,860
Market value C-View, SEK thousand	372,781	383,586

**SEK 32 M**  
Revenue backlog

**12 months**  
WAULT

**74%**  
Area occupancy rate



## COMMENTS ON PROPERTY-RELATED KEY RATIOS

### Changes in the first quarter of 2020

Below is a list of changes in revenue and rent backlog for the first quarter of 2020.

ALL AMOUNTS IN SEK THOUSANDS	REVENUE BACKLOG	RENT BACKLOG
<b>Backlog at 31 December 2019</b>	<b>31,145</b>	<b>25,519</b>
Changes in the first quarter 2020:		
Contracted revenue	-8,311	-6,060
New/extended contracts	6,055	3,845
Contracts terminated early	-145	-120
Exchange rate effects	3,537	2,140
<b>Backlog at 31 March 2020</b>	<b>32,281</b>	<b>25,323</b>

During the first quarter of 2020, nine new contracts were signed. Additionally, twelve leases were extended and two expired. Contracted rental value and service value of extended and new contracts amount to SEK 3,845 thousand and SEK 2,210 thousand, totalling SEK 6,055 thousand. Five contracts were terminated prematurely, which means that the revenue backlog decreased by a total of SEK 145 thousand. In total 78 lease agreements remain. Due to exchange rate effects, the Group's revenue backlog and rent backlog have increased with SEK 3,537 thousand and SEK 2,140 thousand respectively.

The distribution between USD and AOA contracts amounts to 39 and 61 per cent, respectively.

Due to new signings and renewals of previous contracts, many of the key ratios have not changed much during the first quarter 2020 compared to the fourth quarter 2019. The Company's WAULT has decreased since the fourth quarter 2019 only from 12.1 to 11.7 months. Both the area occupancy rate and economic occupancy rate have been stable in first quarter 2020 at respectively 74 (73) per cent and 61 (60) per cent.

The chart on the left illustrates the value of the expiring contracts over time and the accumulated expiring in per cent, as it appears on March 31, 2020. The value of the expiration in each period represents the respective expiring contract's annual rental and service revenue.

Crown Energy's view is that there is still low demand in the Luanda property market and that it is currently "the tenant's market". Although a couple of larger contracts expired without renewal during the first quarter, Crown Energy has continued to extend and renew contracts in recent quarters, which has resulted in that the occupancy rate has started to increase again. How recent exchange rate developments will affect rental levels and demand remains to be seen.

## Energy business area

**20-60**  
**USD/bbl**

Oil price in Q1 2020

### MARKET

At the beginning of 2020 the price of Brent oil, the international benchmark, was around USD 60 per barrel and global demand and consumption was still very firm. This was of course before the world started to be affected by the coronavirus pandemic. Since the early part of the year prices have come down significantly from the USD 60 level to just under USD 30 per barrel. The prices have varied between USD 20-70 per barrel and the average was around USD 50. The price of WTI oil, the US benchmark, has been affected to a greater level than Brent.

The fall in the price of oil can be explained by several significant events. Initially, demand from China dropped in January/February as a result of both COVID-19 and a general decline in the country's growth. Around the same time, a price war erupted between some major producers in the oil market who had different opinions on how supply and demand should be treated and on how to maintain their own market shares of production. In February and March, travel, lockdowns and other very significant restrictions were introduced in large parts of the world and factories etc. had to be closed as a result of COVID-19, in order to try and control and reduce the spread of the pandemic. This huge reduction in all forms of activity across the world directly and heavily affected general demand for both oil and all other forms of energy in general and an excess of supply of oil onto the market. Until there is an increase in international industrial activities and travel etc, and a reduction in the threat of COVID-19, it is expected that the oil price will remain under pressure.

### EXPLORATION PROJECTS

In South Africa we received the positive news that our partner Africa Energy successfully farmed out a part of their share in the Block 2 B Licence to two new partners, Azinam and Panoro Energy during the month of February. Africa Energy also submitted the applications to the South African authorities - first to take our joint venture into the next extension phase of the Licence for a further two years with the intention to drill a well and; secondly to formally bring our new partner companies onto the Licence.

In Equatorial Guinea we have been working with our partners Vaalco and Atlas to assist them in taking over a portion of the operator GEPetrol's equity in the Licence as well as supporting Vaalco in taking on a greater role in the operational management of the Licence.

In Madagascar, we have been in contact with the authorities about the future of the Licence and have requested an extension. However, since the outbreak of the COVID-19 pandemic, we had not progressed these communications. Crown will await feedback from the authorities before deciding on the best way forward for the Company, in relation to the continuation of this licence.

No other significant changes have occurred in Crown Energy's exploration projects during the reporting period. For a detailed description of the assets, see the 2019 Annual Report and the Company's website.

**4**  
Exploration licences

# Financial overview

## KEY EVENTS DURING THE REPORTING PERIOD JANUARY-MARCH 2020

On February 25, 2020, Africa Energy Corp ("Africa Energy"), Crown Energy's partner and also the operator of Block 2B in South Africa, announced that they had signed two farm-out agreements, whereby Africa Energy transfers 62.5 percent share in the exploration license, for a carry through the next exploration well, Gazania-1, where drilling is expected to commence at the end of 2020. Africa Energy will retain a 27.5 percent stake in the Block 2B license. Under the terms of the two farm-out agreements concluded with Azinam Limited and Panoro Energy ASA, Africa Energy will pay 50 and 12.5 percent of its shares, respectively, and transfer the operatorship in Block 2B to Azinam Limited. The applications to move into the next phase of the Licence, including the drilling of the well, and the admission of our new partners onto the Licence, is with the Petroleum Authority of South Africa to be processed and approved.

From January 2020 until the release of this interim report, the spread of the COVID-19 virus has had major effects on the global world economy. The effects are still difficult to review and the conditions change daily, which is why Crown Energy cannot quantify any effects the virus could have on the Group's operations. Crown Energy's assessment is that the Group was not affected financially during the first quarter of 2020. For more information on how Crown Energy handles COVID-19, see the section Crown Energy's position regarding COVID-19 on page 8.

As of January 1, 2020, the Angolan accounts are no longer adjusted in accordance with IAS29. This is because Angola is no longer considered a hyper inflationary economy. More on this in Note 1 *Accounting principles*.

## COMMENTS ON FINANCIAL PERFORMANCE

### Operating profit/loss

During the first quarter of 2020 ("the reporting period"), net sales decreased by 30 percent compared to same period last year. The decrease is due to the depreciation of the Angolan currency in 2019, as the net sales in local currency increased by 5 percent in the same period. Please see more information about this in the section Asset Development and Management.

Property costs for the reporting period amounted to SEK -3,751 thousand (-3,611). The decrease of 9 percent compared to last year is explained by Angolan local taxes on rental revenue, where the obligation to pay arises first if and when a tenant pays its invoices. Due to this, the cost for these taxes can vary between different periods.

Other external costs totalled SEK -7,867 thousand (-4,077), which is an increase of 85 per cent compared to same period previous year. The sharp increase is partly due to a provision for doubtful accounts receivables, which is SEK 3,319 thousand higher than last year. The provision is attributable to two clients in the C-View property, where there are some payment uncertainties. The second explanation is higher consulting costs as a result of tax advice attributable to both C-View sales and dividends within the Group.

### Net financial items

Net financial items during the reporting period amounted to SEK 29,585 thousand (24,194). The net exchange rate effects amount to SEK 27,742 thousand (22,927). The currency effects are a result of re-valuations of both internal and external balances in foreign currency. In addition, the property valuations are made in USD and recalculated into AOA.

### Changes in value

Changes in value during the reporting period amount to SEK -6,186 thousand (-30,061) and refers during the first quarter to unrealised changes in investment property. The changes in investment property are attributable to updates of the property valuations as at 31 March 2020.

### Other comprehensive income

Other comprehensive income includes translation differences of SEK -10,333 thousand (3,335), which arose as a result of revaluation of the subsidiaries' assets and liabilities from local currencies to SEK. From the first quarter of 2020, there are no longer any inflation adjustments, please see Note 1 *Accounting principles* for more information.



## COMMENTS ON CONSOLIDATED FINANCIAL POSITION

### Assets

The carrying amount of investment properties totalled SEK 162,963 thousand. Net change since year-end 2019 totalled SEK 8,568 thousand. See note 3 for a summary of the period's changes.

The C-View property is classified as a property asset held for sale. C-View is reported to a fair value amounting to AOA 19,853 million, which corresponds to the agreed purchase price, discounted over the payment period of three years. This corresponds to a value of SEK 372,781 as per 31 March 2020. The decrease of SEK -10,805 thousand since year-end 2019 is solely attributable to FX rate effects. For more information about the C-View sale and the accounting of the transaction, see note 7.

Exploration and evaluation assets totalled SEK 225,568 thousand. The change compared to the annual accounts for 2019 amounts to SEK 9,827 thousand and refers mainly to exchange rate effects. See Note 4 for a summary of the changes.

Financial assets reported at amortised costs refers to investments in Angolan government bonds indexed against the USD. The Group has during the past year increased its investments in USD indexed government bonds due to the uncertainty in the Angolan currency.

Prepaid costs and deferred income amount to SEK 34,338 thousand and has increased by SEK 7,316 thousand since year-end 2019. The reason are prepaid transaction costs relating to the C-View transaction.

### Liabilities

The Group's long-term leasing liability amounts to SEK 631 thousand and refers to the head office premises in Stockholm. The Group's short-term leasing liability amounts to SEK 4,651 thousand and is mainly leased investment property. There are only minor changes since year-end 2019.

Contract liabilities relate normally only to revenues, invoiced in advance. In December 2019, the Group started to receive payments from the Angolan finance ministry (MINFIN), for the C-View sale, which also are included in the contract liabilities. These payments are accounted for as contract liabilities, until the economic control is transferred to MINFIN, which occurs when the second instalment (of six) is fully paid. The contract liability related to the C-View sale amounts as per 31 March 2020 to SEK 67,387 thousand, which is an increase of SEK 4,462 thousand since year-end 2019. For more information about the C-View sale and the accounting of this, see note 7.

## COMMENTS ON CASH FLOWS

The cash flow for the period amounts to SEK -15,199 (-9,713) thousand. The negative cash flow is explained by a negative cash flow from operating activities and due to investments, mainly in Angolan governmental bonds. Net investments in bonds amount to SEK -5,436 thousand.

Cash flow from financing activities refers to payments of rent to landlords and amount to SEK -2,314 (-2,331) thousand.

### PARENT COMPANY

The Parent Company's revenue for first quarter of 2020 amounted to SEK 2,788 thousand (3,123). Revenue related to re-invoicing of costs and management fees to subsidiaries.

Other external expenses of SEK -1,820 thousand (-2,616) decreased slightly from previous year. The decrease is mainly attributable to lower consulting costs.

There were 5 persons (5) employed by the Parent Company at the end of the period.

## Consolidated statements of comprehensive income

ALL AMOUNTS IN SEK THOUSANDS	NOTE	JAN-MAR 2020	JAN-MAR 2019	FULL YEAR 2019
<b>INCOME STATEMENT</b>				
Revenue, of which		9,108	13,046	48,788
<i>Rental revenues</i>	<b>2</b>	<i>6,706</i>	<i>8,956</i>	<i>34,155</i>
<i>Service revenues</i>	<b>2</b>	<i>2,402</i>	<i>4,090</i>	<i>14,633</i>
Other operating income	<b>2</b>	0	407	2,728
Property-related expenses		-3,751	-3,611	-17,121
Other external costs		-7,867	-4,077	-24,054
Employee benefit expenses		-2,758	-2,557	-10,502
Depreciation		-561	-206	-835
Other operating expenses		-22	-	-
<b>Operating profit/loss</b>		<b>-5,851</b>	<b>3,002</b>	<b>-996</b>
Financial income		30,615	24,738	130,198
Financial expenses		-1,030	-544	-17,217
<b>Net financial items</b>		<b>29,585</b>	<b>24,194</b>	<b>112,981</b>
<b>Profit/loss before tax and changes in value</b>		<b>23,735</b>	<b>27,196</b>	<b>111,985</b>
Changes in value, of which		-6,186	-30,061	94,198
<i>Property, unrealised</i>	<b>3</b>	<i>-6,186</i>	<i>-30,061</i>	<i>-47,679</i>
<i>Assets held for sale, unrealised</i>	<b>7</b>	<i>-</i>	<i>-</i>	<i>141,877</i>
<b>Earnings before tax</b>		<b>17,549</b>	<b>-2,865</b>	<b>206,183</b>
Income tax		138	100	3,162
Deferred tax		-6,384	-19,474	-75,746
<b>Net profit/loss for the period</b>		<b>11,303</b>	<b>-22,239</b>	<b>133,599</b>
<b>Earnings per share and share related data</b>				
Average number of basic and diluted shares, thousands		477,315	477,315	477,315
Basic and diluted earnings per share, SEK		0.02	-0.05	0.28
<b>COMPREHENSIVE INCOME</b>				
<b>Net profit/loss for the period</b>		<b>11,303</b>	<b>-22,239</b>	<b>133,599</b>
Other comprehensive income:				
Inflation adjustments, IAS 29		-	640	-9,544
Translation differences		-10,333	3,335	-234,866
<b>Total items that can be reclassified to profit or loss</b>		<b>-10,333</b>	<b>3,975</b>	<b>-244,410</b>
<b>Other comprehensive income, net of tax</b>		<b>-10,333</b>	<b>3,975</b>	<b>-244,410</b>
<b>Total comprehensive income for the year</b>		<b>970</b>	<b>-18,264</b>	<b>-110,811</b>
<b>Comprehensive income for the period attributable to Parent Company shareholders</b>		<b>970</b>	<b>-18,264</b>	<b>-110,811</b>

## Condensed consolidated statements of financial position

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2020-03-31	2019-03-31	2019-12-31
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment property	3	162,963	602,086	154,395
Property assets held for sale	7	372,781	-	383,586
Equipment, tools, fixtures and fittings		1,239	750	456
Intangible assets	4	2,179	616	484
Exploration and evaluation assets		225,568	209,995	215,741
Financial assets valued at amortised cost		49,049	13,724	43,208
Deferred tax asset		1	9	3
<b>Total non-current assets</b>		<b>813,779</b>	<b>827,181</b>	<b>797,872</b>
<b>Current assets</b>				
Trade receivables		12,969	24,861	16,216
Other receivables	5	38,728	29,944	30,655
Prepaid expenses and accrued income		34,338	10,743	27,022
Cash and cash equivalents		26,992	48,084	42,576
<b>Total current assets</b>		<b>113,028</b>	<b>113,633</b>	<b>116,469</b>
<b>TOTAL ASSETS</b>		<b>926,807</b>	<b>940,814</b>	<b>914,342</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
<b>Total equity attributable to Parent Company shareholders</b>		<b>702,020</b>	<b>793,598</b>	<b>701,051</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Non-current lease liability		631	-	-
Deferred tax liabilities		120,438	105,431	115,743
Other provisions		3,953	3,435	3,602
<b>Total non-current liabilities</b>		<b>125,023</b>	<b>108,866</b>	<b>119,345</b>
<b>Current liabilities</b>				
Current lease liability		4,651	4,820	4,535
Accounts payable		10,052	6,447	9,899
Tax liabilities		-	3,439	-
Other current liabilities		3,939	6,039	6,770
Accrued expenses and deferred income		4,165	5,610	3,880
Contract liabilities		76,956	11,994	68,862
<b>Total current liabilities</b>		<b>99,763</b>	<b>38,349</b>	<b>93,945</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>926,806</b>	<b>940,813</b>	<b>914,342</b>

## Condensed consolidated statement of changes in equity

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2020-03-31	2019-03-31	2019-12-31
<b>Reported opening balance</b>		<b>701,051</b>	<b>811,900</b>	<b>811,900</b>
Change in accounting policies, IFRS 16 Leases		-	-37	-37
<b>Adjusted opening balance</b>		<b>701,051</b>	<b>811,863</b>	<b>811,863</b>
Net profit/loss for the period		11,303	-22,239	133,599
Other comprehensive income, net of tax		-10,333	3,975	-244,411
<b>Comprehensive income for the period</b>		<b>970</b>	<b>-18,264</b>	<b>-110,812</b>
<b>Closing balance attributable to parent company shareholders</b>		<b>702,021</b>	<b>793,599</b>	<b>701,051</b>

## Condensed consolidated statements of cash flows

ALL AMOUNTS IN SEK THOUSANDS	NOTE	JAN-MAR 2020	JAN-MAR 2019	FULL YEAR 2019
<b>Cash flow from operating activities before change in working capital</b>		<b>-895</b>	<b>4,816</b>	<b>-3,961</b>
Changes in working capital		-5,058	-3,738	58,891
<b>Cash flow from operating activities</b>		<b>-5,953</b>	<b>1,078</b>	<b>54,930</b>
Capital expenditures on investment properties		-485	-557	-2,995
Capital expenditures on exploration and evaluation assets		-98	-1,888	-7,200
Capital expenditures on other fixed assets		-914	-	-11
Investments in financial assets (government bonds)		-5,436	-6,014	-36,753
Paid tax on dividends		-	-	-5,797
<b>Cash flow from investing activities</b>	<b>3, 4</b>	<b>-6,932</b>	<b>-8,460</b>	<b>-52,755</b>
<b>Cash flow from financing activities</b>		<b>-2,314</b>	<b>-2,331</b>	<b>-4,934</b>
<b>Cash flow for the period</b>		<b>-15,199</b>	<b>-9,713</b>	<b>-2,759</b>
Cash and cash equivalents at start of period		42,576	57,659	57,659
Cash flow for the period		-15,199	-9,713	-2,759
Exchange losses on cash and cash equivalents		-385	137	-12,324
<b>Cash and cash equivalents at end of period</b>		<b>26,992</b>	<b>48,083</b>	<b>42,576</b>

## Consolidated key ratios

For definitions of key ratios, see pages 21-22.

### QUARTERLY SUMMARY – GROUP

ALL AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
<b>EARNINGS</b>									
Rental and service revenues	9,108	9,923	13,327	12,492	13,046	18,713	18,260	19,060	20,599
Other operating income	-	1,260	689	374	407	172	-134	146	30
Operating profit/loss	-5,851	-8,388	2,528	1,861	3,002	4,248	5,468	5,329	7,029
Net profit/loss for the period after tax	11,303	18,696	28,569	108,572	-22,239	16,981	-3,759	164,320	9,367
<b>PROPERTY-RELATED KEY RATIOS</b>									
Rental revenues	6,706	7,295	9,407	8,496	8,956	13,128	13,050	14,163	13,007
Service revenues	2,402	2,628	3,920	3,995	4,090	5,585	5,211	4,897	7,592
Property-related expenses	-3,751	-3,906	-4,924	-4,689	-3,611	-7,920	-5,082	-4,893	-5,987
Operating net	5,357	6,017	8,403	7,803	9,435	10,793	13,178	14,167	14,612
Operating surplus, property portfolio, %	59%	61%	63%	62%	72%	58%	72%	74%	71%
Revenue backlog	32,281	31,145	37,829	43,795	61,594	51,222	64,347	*	*
Rent backlog	25,323	25,519	31,460	34,504	43,044	32,646	44,911	*	*
Contracted annual rental and service revenues	26,070	34,503	45,327	46,046	45,822	78,865	78,918	*	*
Contracted annual rental revenues	36,095	25,302	33,711	30,782	30,040	60,374	60,368	*	*
<b>FINANCIAL KEY RATIOS</b>									
EBITDA	-5,290	-8,186	2,742	2,075	3,208	4,249	5,583	5,442	7,074
EBITDA margin, %	neg.	neg.	20%	16%	24%	22%	31%	28%	34%
<b>RATIOS PER SHARE</b>									
Basic and diluted shares outstanding, thousand	477,315	477,315	477,315	477,315	477,315	477,315	477,315	477,315	477,315
Average number of shares, thousand	477,315	477,315	477,315	477,315	477,315	477,315	477,315	477,315	477,315
Diluted earnings per share, SEK	0.02	0.04	0.06	0.23	-0.05	0.04	-0.01	0.34	0.02
<b>EMPLOYEES</b>									
Average number of employees	19.0	18.3	18.0	18.0	18.0	18.0	17.0	17.0	16.0

## FULL-YEAR SUMMARY – GROUP

ALL AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED	Q1 2020	Q1 2019	FYLL YEAR 2019	FULL YEAR 2018	FULL YEAR 2017	FULL YEAR 2016
<b>EARNINGS</b>						
Rental and service revenues	9,108	13,046	48,788	76,633	110,483	150,161
Other operating income	-	407	2,728	214	811	-
Operating profit/loss	-5,851	3,002	-996	22,075	-105,254	99,191
Operating profit/loss before items affecting comparability	-5,851	3,002	-996	22,075	69,332	99,191
Net profit/loss for the period, after tax	11,303	-22,239	133,599	186,909	-67,275	32,808
<b>PROPERTY-RELATED KEY RATIOS</b>						
Rental revenues	6,706	8,956	34,155	53,349	67,160	99,332
Service revenues	2,402	4,090	14,633	23,284	43,323	50,829
Property-related expenses	-3,751	-3,611	-17,121	-23,883	-21,089	-39,436
Operating net	5,357	9,435	31,667	52,750	89,394	110,725
Operating surplus, property portfolio, %	59%	72%	65%	69%	81%	74%
Revenue backlog	32,281	61,594	31,145	51,222	*	*
Rent backlog	25,323	43,044	25,519	32,646	*	*
Contracted annual rental and service revenues	26,070	30,040	34,503	78,865	*	*
Contracted annual rental revenues	36,095	45,822	25,302	60,374	*	*
Area occupancy rate, %***	74%	45%	73%	55%	73%	87%
Economic occupancy rate, %***	61%	27%	60%	44%	*	*
WAULT rent and service, months**	11.7	15.6	12.1	6.7	14.3	**
Market value of portfolio	159,551	597,730	149,860	603,703	618,344	631,108
Leasable area, thousands of square meters	20.0	40.1	19.6	31.7	40.1	30.2
Number of properties at end of period	15	16	15	16	16	19
<b>FINANCIAL KEY RATIOS</b>						
Return on equity (ROE), %	1.6%	neg.	2.5%	22%	neg.	7%
Return on assets (ROA), %	1.23%	neg.	2.0%	18%	neg.	5%
EBITDA	-5,290	3,208	-8,186	22,349	-105,212	99,191
Adjusted EBITDA	-5,290	3,208	-8,186	22,349	69,374	99,191
EBITDA margin, %	neg.	23.85	neg.	19%	neg.	66%
Adjusted EBITDA margin, %	neg.	24%	neg.	19%	62%	66%
Equity/assets ratio, %	76%	84%	77%	83%	82%	72%
<b>RATIOS PER SHARE</b>						
Basic and diluted shares outstanding, thousand	477,315	477,315	477,315	477,315	477,315	353,268
Average number of basic and diluted shares, thousands	477,315	477,315	477,315	477,315	401,297	353,268
Basic and diluted earnings per share, SEK	0.02	-0.05	0.28	0.39	-0.17	0.09
Equity per share, SEK	1.47	1.66	1.47	1.70	1.83	1.64
<b>EMPLOYEES</b>						
Average number of employees	19.0	18.0	18.1	16.8	15.5	15.0

\*From the third quarter of 2018, several new key ratios were calculated and produced. The time spent and cost of producing data for periods farther back was weighed against the added value of presenting the information. The assessment is that it is more relevant for the Group to calculate these key ratios from Q3 2018 onwards and that time spent and cost were not reasonable for calculating these key ratios.

\*\*WAULT means a weighted average unexpired lease period. For periods before Q3 2018, the average remaining contract length is not weighted. Key ratio for 2016 has not been calculated.

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

# Parent Company

## CONDENSED INCOME STATEMENT – PARENT COMPANY

ALL AMOUNTS IN SEK THOUSANDS	NOTE	JAN-MARCH 2020	JAN-MARCH 2019	FULL YEAR 2019
Revenue	5	2,788	3,123	14,742
Other operating income		70	23	213
Other external costs		-1,820	-2,616	-16,926
Employee benefit expenses		-1,697	-1,812	-6,821
Depreciation/amortisation		-9	-9	-36
Other operating expenses		-38	-94	-194
<b>Operating profit/loss</b>		<b>-706</b>	<b>-1,385</b>	<b>-9,022</b>
Interest income and similar items		1,428	530	534
Interest income, intercompany	5	1,112	997	4,059
Interest expenses and similar items		-	-16	-28
<b>Earnings before tax</b>		<b>1,834</b>	<b>126</b>	<b>-4,458</b>
Tax		-	-	-
<b>Net profit/loss for the period</b>		<b>1,834</b>	<b>126</b>	<b>-4,458</b>

## CONDENSED BALANCE SHEET – PARENT COMPANY

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2020-03-31	2019-03-31	2019-12-31
<b>ASSETS</b>				
<b>Non-current assets</b>				
Participations in Group companies		1,387,998	1,385,798	1,387,998
Intangible assets		9	45	18
Receivables from Group companies		220,191	218,779	223,157
<b>Total non-current assets</b>		<b>1,608,198</b>	<b>1,604,622</b>	<b>1,611,173</b>
<b>Current assets</b>				
Receivables from Group companies		2,885	2,837	2,213
Current receivables		5,131	4,868	5,312
Cash and bank balances		5,558	14,209	4,203
<b>Total current assets</b>		<b>13,573</b>	<b>21,913</b>	<b>11,727</b>
<b>TOTAL ASSETS</b>		<b>1,621,772</b>	<b>1,626,535</b>	<b>1,622,900</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Total equity</b>		<b>1,615,816</b>	<b>1,618,565</b>	<b>1,613,982</b>
<b>Total liabilities</b>		<b>5,957</b>	<b>7,971</b>	<b>8,920</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,621,772</b>	<b>1,626,535</b>	<b>1,622,900</b>

## CONDENSED STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2020-03-31	2019-03-31	2019-12-31
<b>Opening equity</b>		<b>1,613,982</b>	<b>1,618,440</b>	<b>1,618,440</b>
Net profit/loss for the period		1,834	126	-4,458
Other comprehensive income for the period		-	-	-
<b>Comprehensive income for the period</b>		<b>1,834</b>	<b>126</b>	<b>-4,458</b>
<b>Total equity</b>		<b>1,615,816</b>	<b>1,618,565</b>	<b>1,613,982</b>

## Other information

### COMPANY INFORMATION

The Parent Company, Crown Energy AB (publ), with corporate ID 556804-8598, is a limited company registered in Sweden and domiciled in Stockholm. The Parent Company's ordinary shares are listed on NGM Equity. The street address of the main office is Brahegatan 30, 114 37 Stockholm.

The number of employees in the Group at the end of the reporting period is 19; 13 linked to the operations in Angola, five employed in the Parent Company in Sweden and one in the subsidiary Crown Asset Development B.V in Netherlands.

### OWNERSHIP STRUCTURE

The number of shares registered in Crown Energy AB's share register (as per Euroclear) as of publication of this report is 477,315,350 with a quotient value of SEK 0.03 per share.

The Company's ordinary shares are listed on NGM Equity and are traded under the ticker name CRWN with ISN code SE0004210854.

SHAREHOLDERS	NUMBER OF SHARES	SHARES (%)	NUMBER OF VOTES	VOTES (%)
Yoav Ben-Eli, via company 1)	343,817,971	72.0%	343,817,971	72.0%
Cement Fund SCSp	63,000,000	13.2%	63,000,000	13.2%
Alan Simonian, privately and via family	3,429,521	0.7%	3,429,521	0.7%
Other shareholders	67,067,858	14.1%	67,067,858	14.1%
<b>Total number of shares</b>	<b>477,315,350</b>	<b>100.0%</b>	<b>477,315,350</b>	<b>100.0%</b>

1) The shares are owned by YBE Ventures Ltd, which is controlled by Yoav Ben-Eli.

### SEASONAL VARIATIONS

We estimate that there are not any significant seasonal variations in any of the Group's business areas or in Crown Energy as an individual company.

### RISKS AND UNCERTAINTIES

A detailed description of the Group's and Parent Company's risks and risk management can be found in Crown Energy's 2018 Annual Report. During 2019 and until this interim report is released, no decisive changes to significant risks or uncertainties have occurred compared to that stated in the annual report. Regarding the development during 2020 of the COVID-19 virus, this is separately described in the section *Crown Energy's position regarding COVID-19* on page 4.

## Notes

### 1 ACCOUNTING POLICIES

This interim report was prepared pursuant to IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act, and RFR 1 Supplementary Accounting Regulations for Groups. As with the 2019 annual accounts, the consolidated accounts were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act. The financial statements of the Parent Company were prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's RFR 2 Accounting for Legal Entities.

The same accounting policies were used during the period as were used for the 2019 financial year and as described in the 2019 Annual Report. New or revised standards, interpretations, or amendments adopted by the EU which influenced the Group's earnings or position, have been described below.



**Note 1 Accounting policies (continued)**

This interim report does not contain all the information and disclosures contained in the Annual Report, so the interim report should be read alongside the 2019 Annual Report.

**OTHER****IAS 29 Financial Reporting in Hyperinflationary Economies**

2018 Angola was classified as a hyper-inflationary economy. IMF data now shows that the three-year cumulative inflation rate was below 100% in 2019. Also the development during 2020, shows that the qualitative indicators suggest that Angola is no longer hyper-inflationary. Crown Energy has therefore ceased the accounting of inflation adjustments in accordance with IAS 29. The amounts reported in the financial statements in year-end 2019 are considered to be the carrying amounts for the subsequent financial statements – that is, the restated amounts are the cost bases of any non-monetary items from 1 January 2020.

**2 REVENUE CATEGORIES**

The Group has two revenue streams: rental revenue from leases and revenue from service contracts with tenants. Rental revenue, which makes up most of the Group's revenue, is covered by IAS 17, which is why it is excluded from IFRS 15 and its disclosure requirements.

Regarding accounting principles and risks linked to these revenues, see the Annual Report 2019.

REVENUE CATEGORIES, AMOUNTS IN SEK THOUSANDS	Energy	Asset Development and Management	Other and eliminations	Total
<b>Q1 2020</b>				
Rental revenue	-	6,706	-	6,706
Service revenue	-	2,402	-	2,402
Other revenue	-	-	-	-
<b>Total revenue</b>	-	<b>9,108</b>	-	<b>9,108</b>
<b>Of which revenue from contracts with customers, subject to IFRS 15</b>	-	<b>2,402</b>	-	<b>2,402</b>
<b>Q1 2019</b>				
Rental revenue	-	8,956	-	8,956
Service revenue	-	4,090	-	4,090
Other revenue	-4	482	-71	407
<b>Total revenue</b>	<b>-4</b>	<b>13,528</b>	<b>-71</b>	<b>13,453</b>
<b>Of which revenue from contracts with customers, subject to IFRS 15</b>	-	<b>4,090</b>	-	<b>4,090</b>

**3 INVESTMENT PROPERTY**

Changes in carrying amount:

GROUP, ALL AMOUNTS IN SEK THOUSANDS	JAN-MAR 2020	JAN-MAR 2019	FULL YEAR 2019
Opening carrying amount	154,395	653,073	653,073
+ Capital expenditures for the period	485	557	2,995
+ Acquisitions for the period	-	-	-
- Disposals for the period	-	-	-
+/- Unrealised changes in value	-2,976	-27,428	-43,279
+/- Change leasing liability	-3,209	-2,634	-4,400
Changes in leasing contracts, no effect on result	932	-42,476	-43,052
Re-classification to property assets held for sale*	-	-	-435,767
+/- Exchange rate effects*	13,336	20,993	24,825
<b>Closing carrying amount</b>	<b>162,963</b>	<b>602,086</b>	<b>154,395</b>

\*Re-classification of property assets held for sale refers to C-View and the value corresponds the fair value in AOA, as per 31 March 2019 and translated into the closing balance rate as per the same date.

**Note 3 Investment property (continued)**

The valuation of the investment properties has been prepared internally as per 31 March 2020. Required returns were determined separately for housing and office premises and are set at 12 and 13 per cent respectively, before tax. The weighted average cost of capital (WACC) for the market (Luanda, Angola) was estimated at 16.7 per cent for the period, after tax.

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

GROUP, ALL AMOUNTS IN SEK THOUSANDS	JAN-MAR 2020	JAN-MAR 2019	FULL YEAR 2019
Fair value, investment properties	159,551	597,730	149,860
Reversal of lease costs recognised as lease liabilities	3,412	4,355	4,535
<b>Carrying amount at end of reporting period</b>	<b>162,963</b>	<b>602,085</b>	<b>154,395</b>

**4 EXPLORATION AND EVALUATION ASSETS**

Changes in carrying amount:

GROUP, ALL AMOUNTS IN SEK THOUSANDS	JAN-MAR 2020	JAN-MAR 2019	FULL YEAR 2019
Opening carrying amount	215,741	204,151	204,151
Capital expenditures for the period	98	1,888	7,200
Translation and revaluation effects	9,729	3,956	4,390
<b>Closing accumulated cost of acquisition</b>	<b>225,568</b>	<b>209,995</b>	<b>215,741</b>

**5 TRANSACTIONS WITH RELATED PARTIES****PURCHASES AND SALES WITHIN THE GROUP**

Of the Parent Company's revenue for the first quarter of 2020, 100 per cent (100) represents re-invoicing and management fees to other companies within the Group. Of the Parent Company's total interest income, 100 per cent (100) relates to other entities within the Group.

**PURCHASE OF SERVICES**

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 15 thousand during the first quarter of 2020.

The Company's principal shareholder Yoav Ben-Eli owns 100 per cent of ESI Angola Lda and according to a service contract, 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 3,828 thousand during the first quarter of 2020.

**ESI Angola**

In addition to these ongoing purchases of services, Crown Energy has a receivable from ESI Angola Lda,. For more information about the receivable, please see the Annual Report 2019. At 31 March 2020, this receivable amounted to the equivalent of SEK 36,540 thousand including interest.

Since 1 december 2019, Yoav Ben-Eli, Board member and largest shareholder in the Parent Company, is employed by the Group's subsidiary in the Netherlands. Yoav Ben-Elis salary amounts to EUR 5,000 per month, which corresponds to SEK 144 thousand for the period January-March 2020.

All transactions are performed on normal commercial terms.

## 6 OPERATING SEGMENTS

OPERATING SEGMENTS, SEK THOUSANDS	Energy Q1 2020	Asset Development and Management Q1 2020	Other and eliminations Q1 2020	Total Q1 2020
Operating income	-47	9,101	54	9,108
Operating expenses	-932	-11,509	-2,519	-14,959
<b>Operating profit/loss</b>	<b>-979</b>	<b>-2,407</b>	<b>-2,465</b>	<b>-5,851</b>
Net financial items	5,330	22,743	1,512	29,585
<b>Profit/loss before tax and changes in value</b>	<b>4,351</b>	<b>20,336</b>	<b>-953</b>	<b>23,735</b>
<b>Changes in value</b>				
Property, unrealised	-	-6,186	-	-6,186
<b>Earnings before tax</b>	<b>4,351</b>	<b>14,150</b>	<b>-953</b>	<b>17,549</b>
Income tax	-	138	-	138
Deferred tax	-	-6,383	-1	-6,384
<b>Net profit/loss for the period</b>	<b>4,351</b>	<b>7,906</b>	<b>-954</b>	<b>11,303</b>
Non-current assets at end of period	225,568	586,031	2,180	813,779

OPERATING SEGMENTS, SEK THOUSANDS	Energy Q1 2019	Asset Development and Management Q1 2019	Other and eliminations Q1 2019	Total Q1 2019
Operating income	-4	13 528	-71	13 453
Operating expenses	-359	-6 822	-3 269	-10 450
<b>Operating profit/loss</b>	<b>-364</b>	<b>6 707</b>	<b>-3 341</b>	<b>3 002</b>
Net financial items	1 996	21 613	586	24 194
<b>Profit/loss before tax and changes in value</b>	<b>1 632</b>	<b>28 320</b>	<b>-2 755</b>	<b>27 196</b>
<b>Changes in value:</b>				
Property, unrealised	-	-30 061	-	-30 061
<b>Earnings before tax</b>	<b>1 632</b>	<b>-1 742</b>	<b>-2 755</b>	<b>-2 865</b>
Income tax	-	100	-	100
Deferred tax	-	-19 474	-	-19 474
<b>Net profit/loss for the period</b>	<b>1 632</b>	<b>-21 115</b>	<b>-2 756</b>	<b>-22 239</b>
Non-current assets at end of period	209 995	616 561	625	827 181

## 7 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. Buyer is the Angolan State via the Ministry of Finance ("MINFIN"). The transaction is made in Angolan kwanza and will be paid over three years. The payments will be adjusted with an official inflation rate. The inflation compensation will be determined before the last instalment. For more information about the transaction and how it will be accounted for, please see Note 30 Sale of the C-View Property in the Annual Report 2019.

### Accounting during the first quarter 2020

C-View will, up until the economic control is transferred to the buyer, continue to be managed by Crown Energy, which means that it was classified as an asset held for sale. The asset is valued at fair value (in accordance with IAS 40), which corresponds to the agreed purchase price, discounted

**Note 7 Sale of the C-View property (continued)**

over the repayment 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.

The payments from MINFIN are accounted for as a prepaid revenue (classified as contractual liability), until the economic control is transferred to MINFIN. The contract liability related to the C-View sale amounts as per 31 March 2020 to SEK 67,387 thousand, which in local currency corresponds to 20 percent of the total sales price. Based on initial calculations of the amounts to be received, this would have corresponded to approx. SEK 115,141 thousand, but due to the devaluation of the Angolan kwanza, the received amounts only correspond to SEK 67,387 thousand.

**8 EVENTS AFTER THE END OF THE REPORTING PERIOD**

On April 21, Crown Energy announced that due to prevailing circumstances, with an ongoing pandemic, the Company will postpone the Annual General Meeting 2020 from April 27, 2020 to an undetermined date. The Annual General Meeting will be held no later than June 30.

The Board and CEO hereby certify that this interim report gives a fair overview of the Parent Company's and Group's operations, position, and earnings, and describes significant risks and uncertainty factors to which the Group and its companies are exposed.

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

Stockholm, 22 May 2020

Pierre-Emmanuel Weil  
Chairman of the Board

Yoav Ben-Eli  
Board member

Jean Benaim  
Board member

Alan Simonian  
Board member

Andreas Forssell  
CEO

**PUBLICATION**

This information constitutes such information as Crown Energy AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication on 22 May 2020 at the time stated by Crown Energy's news distributor Cision at the publication of this information.

**REPORTING DATES**

- |                               |                            |
|-------------------------------|----------------------------|
| ▶ Annual General Meeting 2020 | No later than 30 June 2020 |
| ▶ Half Year Report 2020       | 21 August 2020             |
| ▶ Nine-month report 2020      | 20 November 2020           |

**FINANCIAL INFORMATION**

All financial information is posted at [www.crownenergy.se](http://www.crownenergy.se) as soon as it is released. Shareholders, other players in the stock market, and the public are free to subscribe to the Company's press releases and financial reports through Cision's news service, at <http://news.cision.com/se/crown-energy>.

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# Glossary and definitions

## 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

#### *Adjusted EBITDA*

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

#### *Average assets*

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

#### *Average capital*

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

#### *Average equity*

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

#### *EBITDA*

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

#### *EBITDA margin*

Measurement of a company's operating profitability as a percentage of its total revenue. The EBITDA margin is used to compare EBITDA in relation to revenue.

#### *Equity, SEK*

Equity at end of period.

#### *Equity/assets ratio, %*

Equity including the minority as a percentage of total assets. Used to highlight the Company's interest rate sensitivity and financial stability.

#### *Operating profit/loss excl. effect from reverse acquisition*

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

#### *Operating profit/loss incl. effect of reverse acquisition*

Earnings before financial income and expenses and taxes. Used to measure operating profitability.

#### *Return on assets (ROA), %*

This ratio measures profitability relative to total assets. Return on assets is used to highlight a company's ability to generate profit on the group's assets, unaffected by the group's financing.

#### *Return on equity (ROE), %*

The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

#### *Total assets*

Total assets at the end of the period. Total assets are a measure of the value of assets at the end of the period.

### Ratios 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 the Group's earnings per share.

#### *Equity per share, SEK*

Equity at end of period divided by number of shares at end of period. Used to highlight the shareholders' portion of the company's total assets 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.

**Employees*****Average number of employees\*\****

Average number of employees during the period.

**PROPERTY-RELATED DEFINITIONS AND GLOSSARY*****Area occupancy rate\*\****

Leased area in relation to total leasable area at the end of the period.

***Economic occupancy rate\*\****

Calculated by dividing contracted annual rental revenue in relation to the rental value. This figure is used to help facilitate the assessment of rental revenue in relation to the total value of available, unleased area. Note that this calculation does not include service revenues. Relates to contracted annual rent plus assessed market rent for vacant premises.

***Leasable area, sqm\*\****

Leased area plus leasable vacant area.

***Operating net***

Total revenue less property costs.

***Rent backlog\*\****

Outstanding rental revenues during remaining contract period. Rent backlog is used to highlight the Group's remaining contract value for rental revenues to be invoiced to the tenant, at a given point in

time. Cannot be derived from the Company's financial reporting.

***Rental revenue\****

Billed rents, rent surcharges and rental guarantees less rent discounts.

***Revenue backlog\*\****

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

***Service revenue\****

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

***Surplus ratio\*\****

Operating net divided by total revenue.

***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 and service revenues. Calculated by dividing contracted revenue (rent and service) until expiry by annual contracted rents and service. Normally expressed in years, but Crown Energy uses months.

*\*Key ratio defined by IFRS/IAS.*

*\*\*Key ratio not covered by ESMA's guidelines for alternative performance measures (physical, non-financial or not based on information from the financial reports).*

## About Crown Energy

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

In the *Asset Development and Management* business area, the Company offers a one-stop-shop concept for housing, offices and associated services to international companies. Crown Energy's offering covers the entire chain from needs-adapted design and construction, to leasing, property management and value-added services.

The *Energy* business area focuses on exploration opportunities with high potential for recoverable reserves. Value is created by developing assets in early stages and then introducing suitable oil and gas industry players to the projects for further development and production.

### VISION

To be an established player and an obvious partner in the international energy market, both in exploration and in development of customised residential and office solutions and value-added services.

### GOALS

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

### STRATEGY

Crown Energy's strategy is based on the overall objective of generating the highest possible return for shareholders with a balanced risk awareness. This includes:

- ▶ Establishing service operations in more markets requiring residential and office solutions in the oil and gas industry
- ▶ Carefully selecting exploration areas where the chance of oil and gas discoveries is high
- ▶ Exploiting synergies between the two business areas and reinvesting some of the cash flow from service operations to further develop the exploration assets
- ▶ Offering exploration and production partners tailored residential premises and offices in proximity to the assets
- ▶ Pursuing farm-out opportunities as exit strategies to capitalise as much as possible on the assets
- ▶ Creating a good risk spread through several parallel projects

### ADVANTAGES OF COMBINED OPERATIONS

Several advantages are created by the combination of the Asset Development and Management business areas, and the Energy business area. Together, the business becomes more diversified, which means reduced risk. The cash flow generated within the service business can be used to further develop exploration assets. Establishing customer relationships with some of the world's leading energy companies in Asset Development and Management also increases Crown Energy's opportunities to capitalise on existing exploration assets. Crown Energy can also offer exploration and extraction partners related services in the form of customised residential properties and offices close to the assets.