

NINE MONTH REPORT



Crown Energy AB (publ) Nine Month Report 2018

**SEK 58.0
million**

Revenue for interim period
January-September

**SEK 17.8
million**

Operating profit
January-September

The consolidated financial statements of the Crown Energy Group (“Crown Energy”, “the Group”), of which Crown Energy AB (publ) with corporate identity number 556804-8598 is the parent company (“the Parent Company”), are hereby presented for the nine-month period ended on 30 September 2018.

Q3 – JULY-SEPTEMBER 2018

- ▶ Revenue amounted to SEK 18,126 thousand (27,466).
- ▶ Operating profit amounted to SEK 5,468 thousand (12,689).
- ▶ Unrealised changes in property values amounted to SEK -1,048 (58,402) thousand.
- ▶ Profit before tax was SEK 25,967 thousand (73,681), and profit after tax was SEK -1,850 thousand (53,781), corresponding to SEK -0.004 per share (0.12).

NINE MONTH PERIOD- JANUARY-SEPTEMBER 2018

- ▶ Revenue amounted to SEK 57,962 thousand (86,535).
- ▶ Operating profit amounted to SEK 17,827 thousand (48,123).
- ▶ Unrealised changes in property values amounted to SEK -39,475 (48,134) thousand.
- ▶ Profit before tax was SEK 258,026 thousand (-75,686) and profit after tax was SEK 179,781 thousand (-71,170), corresponding to SEK 0.38 per share (-0.18).

KEY EVENTS JANUARY-SEPTEMBER 2018

- ▶ Angolan Central bank stopped in January 2018 pegging the Angolan currency Kwanza to the USD, which led to major currency exchange rate effects over the whole reporting period
- ▶ In February 2018 the South African authorities granted the right to move forward to phase two of the exploration in Block 2B in South Africa. Thus, the new phase lasts until February 2020 and contains drilling of an appraisal well.
- ▶ In March 2018 Crown Energy communicated that the Company entered into a strategic co-operation with the Italian Engineering firm Proger S.p.A. By this co-operation Crown Energy continues to strengthen its Asset Development and Management business. Crown Energy and Proger have agreed to work together to seek and identify commercial projects where each company's competencies complement the other and to represent each other in each company's network.
- ▶ On 12 June 2018 Crown announced that the Company entered into an agreement with ABG Sundal Collier ASA (“ABG”) in which ABG will act as market maker for the Crown Energy share starting from 18 September 2018. The purpose is to increase the liquidity and turnover and facilitate the trading in the share.

CONDENSED CONSOLIDATED FINANCIAL INFORMATION

GROUP ALL AMOUNTS IN SEK THOUSANDS	2018-07-01 2018-09-30	2017-07-01 2017-09-30	2018-01-01 2018-09-30	2017-01-01 2017-09-30	2017-01-01 2017-12-31
Operating income	18,126	27,446	57,962	86,535	111,294
Operating expenses	-12,658	-14,757	-40,135	-38,411	-41,962
Operating profit/loss excl. effect from reverse acquisition	5,468	12,689	17,827	48,123	69,332
Earnings effect from reverse acquisition	-	-	-	-174,586	-174,586
Net financial items	21,546	2,590	279,674	2,642	2,397
Net profit/loss for the period, after tax	-1,850	53,781	179,781	-71,170	-63,257
Earnings per share	-0.004	0.12	0.38	-0.18	-0.13
Equity per share	1.62	1.57	1.62	1.49	1.62
Change in cash and cash equivalents	-8,781	6,472	-30,991	40,830	101,821

3

Number of
owned properties

13

Number of
leased properties

4

Number of
oil licenses

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*.

Asset Development and Management

In Asset Development and Management business area, the Company offers a one-stop-shop concept for housing, offices and associated services to international companies. Value is created by offering international companies a one-stop-shop concept for residential premises, offices and associated services.

Energy

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.

For more information on respective business areas please see pages 6-12.



CEO statement

DEAR SHAREHOLDERS AND INVESTORS,

We are continuing to focus on developing Crown Energy business, both on existing and potential asset portfolio, but also on upgrading our reporting to the market. This interim report makes a start of including extended new information on the Asset Development and Management business. We believe that the information is relevant to the stock market and it is intended to facilitate a more effective and relevant assessment of the company's business. Among other information we are releasing further information on existing properties, with earnings ratios, rental- and service situation, property values and other relevant market data.

We also invest much efforts into new potential business. There has been encouraging work results on our underlying Asset Development segment as well as in our Energy assets which we continue to hope to capitalise on in the near future. The oil and gas industry and the energy sector in general are continuing to improve and we maintain a very positive view on new client acquisition and a substantial growth over time.

Revenues, in local currency, have increased during the third quarter this year, while the revenues in SEK have decreased in the same period. Hence, the Group's results in SEK have continued to be influenced as well by the 2018 devaluation and release of and the Kwanza as by the high inflation in Angola. In the underlying local business, we have been able to reverse some of the effects from the devaluation during this year. This is due to the fact that almost half of our existing client contracts are denominated in dollars. The invoices are issued in local currency, but adjusted towards the underlying dollar rate.



Crown Energy reports for the period revenues of SEK 58.0 million (86.5). The rental incomes amount to SEK 40.2 million (52.3), and our service incomes are SEK 17.7 million (33.4). Due to positive currency effects in the financial net we are reporting a profit before tax significantly higher than in previous periods. The profit before tax (EBT) amounts to SEK 258 million (last year 98.9 adjusted for the effect of reverse acquisition) and is as mentioned, affected by the substantial fluctuations in currencies during the period. In addition to the currency effects, our comparison figures must be seen in light of the ESI Group reverse acquisition of last year. Due to the reverse acquisition the old Crown Energy group costs were not reported during the first six months 2017.

Our oil and gas projects have in general continued to develop well until today. The oil price has held steadily around 80 USD/bbl during the third quarter and until today. Such price levels can continue to stimulate the appetite in the industry for the type of projects that Crown Energy offers. Investments into the energy industry are assumed to speed up going forward. Oil

"This interim report makes a start of including extended new information on the Asset Development and Management business. We believe that the information is relevant to the equities market and it is intended to facilitate a more effective and relevant assessment of the company's business"

companies will need to invest in order to replace depleting oil fields that naturally decrease in production. Exploration for potential new oil fields will likely be included in such investment activities. Exactly when such investment needs will be met is hard to say, but we can conclude the fact that there have been a number of announcements from industry players for bringing new oil- and gas fields on stream and in general investing in energy infrastructure.

BUSINESS DECISIONS THAT AFFECTED THE COMPANY'S PERFORMANCE

After the acquisition of ESI Group in 2017 much work has been invested to implement acquired business into the Crown Energy systems. And more importantly a massive amount of effort has been invested in order to establish our asset development concept in new markets, mainly through new customer acquisition and sales. With the release of increased guidance data to the market we are now supporting transparency in order to facilitate easier evaluation of the Company's business.

OUTLOOK

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

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

Andreas Forssell,
CEO Crown Energy

Asset Development and Management Business area

16

Properties

31,683

Leasable area, sqm

BUSINESS MODEL

Crown Energy delivers customised residential and office solutions to international companies which 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.

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

CROWN ENERGY'S PROPERTY PORTFOLIO

At 30 September 2018, the portfolio comprises 16 property assets in Luanda, Angola. The properties are located in two out of four business districts in Luanda: Downtown and Talatona. Three of the properties, corresponding to approximately 47 per cent of the leasable area, are wholly owned by Crown Energy. The remaining assets are held via leases (37 per cent) with landowners or via shared ownership (18 per cent).

Rent to landowners is based on revenue or is set at a fixed cost. In principle, the larger properties have revenue-based rent, which means that if the property is vacant, no rent is payable to the landowner. Based on area, revenue-based contracts account for 85 per cent of the total leased area.

Regarding one of the leased property assets, "Maria", Crown Energy will at 1 February 2018 receive, at no cost, a participating interest of 40 per cent of the property. Crown can then opt to continue with rental operations or divest its interest in the property. At 1 September 2018 Crown Energy received 20 per cent of the property "Anabela", in accordance with a similar agreement. The parties have chosen to continue with the rental operation and the agreement regarding a revenue split has been extended.

Crown Energy's assets comprise a leasable area of 31,683 square metres, of which approximately 60 per cent is residential units and 40 percent offices.

Crown Energy disclosed in previously published information the total area of the portfolio, amounting to 40,062 square metres. As of Q3 2018, only the leasable area will be presented.



64 MSEK

Revenue backlog
per 30 September 2018

9 months

WAULT – Weighted average
unexpired lease term



56%

Average area occupancy
rate

46%

Average economic
occupancy rate

RENTAL AND SERVICE AGREEMENTS

At 30 September 2018, Crown Energy's revenue in Angola was allocated across a total of 77 rental and 62 service agreements. Signed rental and service agreements consist of both long- and short-term contracts and are regularly extended.

Tenants

Companies from Oil and Gas industry conclude 70 per cent of the rental and service income. The five largest tenants represent 66 per cent of total income and have a total of 16 contracts and 14 service contracts.

Remaining contract periods

The length of a lease is largely affected by the fact that many of the company's tenants work on project-based assignments and are looking for operators offering flexible lease periods. Crown Energy believes that offering customers flexible lease terms leads to a lower vacancy rate taking prevailing market conditions in the country into account. During periods with lower market rents, shorter lease periods are sought to increase opportunities for upward renegotiation when market rents rise.

For example, the prevailing market conditions and currency risk in Angola have generally meant that shorter contracts have been signed. The weighted average unexpired lease term (WAULT) amounted to barely 9 months at 30 September 2018. Under current market conditions in Angola, the company believes that a short WAULT is preferable to retain flexibility in contracts and thus reduce risks associated with currency and inflation. At present, short-term contracts also allow Crown Energy to await the market development in Angola.

The graph to the left illustrates the value of contracts expiring and the accumulated value as projected at 30 September 2018. The graph shows the total annual value of the contracts expiring in the respective period. The value is based on the respective contracts' annual rent and service revenues. As illustrated, in value terms, a large proportion of the Company's contracts expire over the next two quarters. This is largely due to leases having been signed for shorter periods in connection with operations being transferred to the newly incorporated YBE Imobiliária Lda in June 2017, and these leases that are now expiring. Historically, the company's tenants have signed up for new or extended their leases and the company expects most current tenants to extend on this basis, based on past behaviour.

The average term for a signed lease amounts currently to roughly one year for the entire property portfolio. In general, larger contracts in terms of area and rent have been signed for somewhat longer periods – between two and three years – while smaller contracts are renewed one year at a time.

Occupancy rate

The average area occupancy rate in the property portfolio was 56 per cent at 30 September 2018. The occupancy rate is largely affected by the fact that only 6 per cent of the C-View property, which represents 38 per cent of total leasable area, are leased. The average area occupancy rate in the property portfolio, excluding C-View, is 86 per cent. The first lease for C-View was signed in autumn 2017 and in the first quarter of 2018 a further two new leases were signed at a total annual value of around SEK 1,700 thousand. The letting of C-View is a top priority for Crown Energy and active efforts are under way on the letting side. The goal is to fill the property with a few larger, quality tenants. The company expects this property to be gradually filled, as the building needs to be customised to the needs of tenants.

The average economic occupancy rate indicates rental income in relation to the total value of possible vacant area, and at 30 September 2018 amounted to 46 per cent for the property portfolio. As with the area occupancy rate, this key ratio is affected considerably by C-View. The economic occupancy rate for the portfolio, excluding C-View, is 81 per cent.

RENTAL AND SERVICE REVENUES

In addition to rental revenue, Crown Energy's revenue is derived from charges for property services and value-adding services such as cleaning, security, catering, etc. In the financial reporting, service revenues have historically accounted for roughly 35 per cent of total revenues from the property portfolio. Based on the remaining contracts the services income represents 25 per cent of total contractual income.

The property portfolio's net operating income at 30 September, i.e. rental and service revenues after direct property expenses, totals SEK 41,956 (57,685) thousand, corresponding to 72 (67) per cent.

Rent and Revenue backlog

Based on relevant contracts at 30 September 2018, revenue backlog, i.e. total contracted rental and service revenues on existing contracts up to expiry, amounted to SEK 64,347 thousand.

Rent backlog, i.e. contracted rental revenues on existing contracts up to expiry, amount to SEK 44,911 thousand at 30 September 2018.

Revenue backlog and rent backlog are key ratios at a given point in time, in this case at 30 September 2018, and are converted into SEK from local currency Kwanza (AOA) and USD. Currency conversion is carried out at the closing rate of exchange at 30 September 2018. Both key ratios will therefore be updated continually as new customer agreements are signed or renegotiated. The key ratios are also affected by exchange rate fluctuations.

Vacant area and market rents

At 30 September 2018, the total vacant area for offices and residential assets amounts to 8,807 and 5,267 square meters respectively. All vacant office spaces are located in the C-view property in Talatona District. According to external market data (Source: Abacus/JLL- Market Report 2018 Angola) the current market rent for the new buildings in the area fluctuates in the interval of 70-75 USD/sqm. Unleased residential areas in C-view amounts to 2,545 square meters and the market rent for new residential areas in Talatona is in the range of 34-53 USD per square metre. The market rent for residential space in other areas where the Group has its properties, amounts to the same source to 38-57 USD per square metre.

MARKET AND CURRENCY

Property market in Angola

During the period of 2015–2017, the oil price plummeted, which had a significant impact on Angola's economy as the country is still highly dependent on the oil and gas industry. The property market was severely affected by the downturn in the oil and gas industry. Employers in the industry reduced their operations in the country, which in turn reduced the need for premises and housing. This then had a negative effect on yield in the property market.

The decline in the oil price and subsequent effects on the oil industry ultimately led to Angola's central bank deciding to unpeg AOA in early 2018, i.e. it was no longer tied to the US dollar (USD). This resulted in a severe devaluation of the AOA. The new government, which took over at the end of 2017, has announced that the focus is on reforming Angola's economy.

International companies, especially large oil companies and service companies in the oil industry, have recently begun to adapt to developments in the oil market. Due to increased demand for more efficient use of resources, companies have started looking for new, convenient housing and office solutions to enable them to focus on their core operations, which could lead to new business opportunities for local landowners and property developers.

Property management consultants, Abacus (leading local company) and JLL (Jones Lange Lasalle), expects generally lower rents for offices and residential properties in Angola in 2018, particularly in the Prime and Medium price segments (Source: Abacus/JLL – Market Report 2018 Angola). Selling prices, however, are projected to remain stable in 2018 and the vacancy rate is predicted to be lower than in 2017. Crown Energy has experienced these changes during 2018 and sees that rental rates on new or extended contracts tend to be lower than before. This affects Crown Energy's earnings and financial position through both rental income and the present value of property assets.

Currency effects

Crown Energy's earnings and property value in 2018 have been severely affected by the devaluation in Angola at the beginning of 2018. Since year-end 2017 until 30 September 2018, the Angolan Kwanza has dropped 39 per cent against the Swedish Krona.

The effects are however counteracted by the fact that Crown Energy has included USD indexing in almost half of its customer agreements.

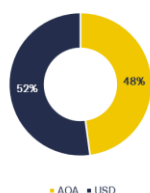
Of total rental and service revenues, 48 percent relates to contracts based on local currency, the AOA. The remaining contracts, 52 per cent, are based on the USD.

For more details on currency effects in the Group's financial statements please see paragraph Accounting effects due to Angolan devaluation / hyperinflation on page 14.

PROPERTY VALUES

Crown Energy's property assets are mainly held for the purposes of generating rental and service revenues. Fair value is determined by assessing the market value of each individual property. The main method is based on a calculation of the present value of future payment flows, which involves a computed future operating income assessment over a calculation period for each individual property, taking account of the present value of the estimated market value at the end of the calculation period.

Contract currency break-down



Angolan Kwanza (AOA) to Swedish Krona (SEK)



USD to Swedish Krona (SEK)



Yield requirements were determined separately for housing and office premises and were set at 11.0 respectively 12.5 per cent. Weighted average cost of capital (WACC) for the market is estimated as of 30 September to be 17.0 per cent, before tax. The calculation period was 5 years for owned properties, while for leased properties the period was based on the length of the lease with the landowner. Estimated rent levels on contract expiry correspond to current market rents. Running costs have been assessed based on the company's actual costs. Due to measurement rules in accordance with IAS 40 Investment Property, none of the company's service revenues have been included in the valuation.

At 31 December 2017, the company conducted an independent valuation of all its properties. In consultation with the local management in Angola, these valuations were updated internally between Q1 and Q3 2018. A new independent valuation of all properties will be carried out at 31 December 2018.

Changes in fair value of investment properties:

GROUP, ALL AMOUNTS IN SEK THOUSANDS	2018-01-01 2018-09-30	2017-01-01 2017-09-30	2017-01-01 2017-12-31
Fair value at start of period	618,344	631,108	631,108
+ Capital expenditures for the period	3,665	6,075	6,075
+ Acquisitions for the period	-	-	-
- Disposals for the period	-	-	-
+/- Unrealised changes in value	-39,553	48,134	39,255
+/- Exchange rate effects*	42,888	-67,584	-58,095
Fair value at end of period	625,344	617,733	618,344

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

SUMMARY KEY RATIOS

Below you can find the summary of old and new key ratios for the property portfolio. For definitions of the ratios please see page 39.

FINANCIAL SUMMARY TOTAL PROPERTY PORTFOLIO	2018-01-01 2018-09-30
Rental revenues, SEK thousand	40,220
Service revenues, SEK thousand	17,699
Property-related expenses, SEK thousand	-15,963
Operating net, SEK thousand	41,956
Operating surplus property portfolio, %	72%
As per 30 September 2018	
Revenue backlog, SEK thousand	64,347
Rent backlog, SEK thousand	44,911
Contracted annual rental revenues, SEK thousand	60,368
Contracted annual rental and service revenues, SEK thousand	78,918
Area occupancy rate, %	56%
Economic occupancy rate, %	46%
WAULT rent and service, months	8.9
Market value of portfolio, SEK thousand	625,344

Energy Business area

DESCRIPTION OPERATIONS

The Company's Energy business segment focuses on energy resources in underexplored areas in Africa and the Middle East. With a strategy of early-stage entry and further development of projects through exploration and resource optimisation, great value can be realised from successful results. When a licence or project is ready for development and then production, and value is increased, Crown Energy aim is to bring in a large oil and gas industry player.

MARKET

During 2018 up until the end of the reporting period the oil prices have ranged between 60 to 80 USD/bbl, and the industry seems more positive than it has been for a number of years.

The increase in oil prices is mainly due to OPEC as well as non-OPEC producing countries jointly maintaining decreased output to support the oil price and the industry as a whole. The effects from the slow-down of investments over the past years are also now showing. Political tensions also continue to cause the oil price to rest at this level.

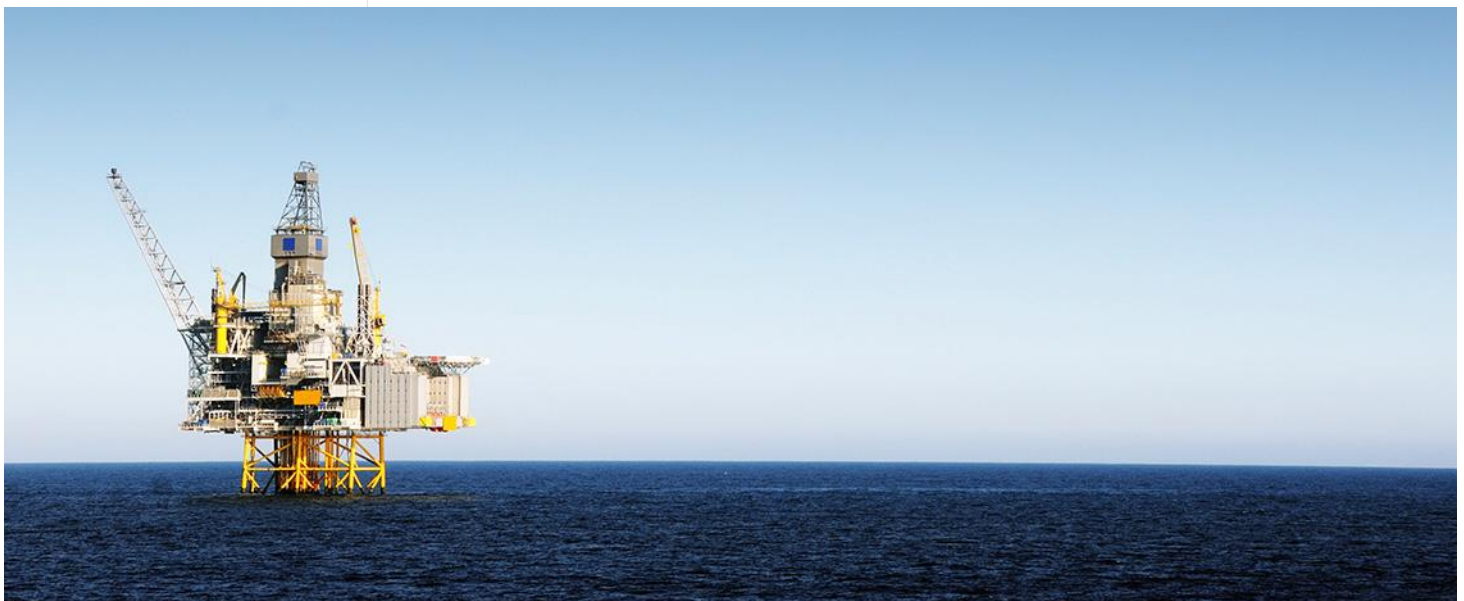
The oil price also stayed on a higher level partly due to the US cancellation of the Iran deal, making the export of oil products more difficult for Iran.

The probability remains that oil prices will stay at this general level in the long term as global oil consumption also continues to increase. The relatively small investments, which we have referred to before, in developing new oil wells to replace fields currently in production and the inevitable draining of existing oil fields will also affect prices. Prices above this level will bolster the US shale oil industry's motivation to boost production. At these price levels, Crown Energy continues to feel comfortable that the Company's projects are very marketable.

EXPLORATION PROJECTS

At present, the Company holds four exploration licenses, located in Iraq, South Africa, Equatorial Guinea and Madagascar. The licence in Salah-ad Din in Iraq extends from the exploration to the development phase and may even have areas ready for production. However, large-scale work will be required in order to evaluate the area. Crown Energy continues to prepare for on the ground operations and is seeking a financial and operational partner for the more substantial activities going forward.

On Block 2B in South Africa significant technical exploration work has already been carried out, with a well due to be drilled within the next two years. The project in Equatorial Guinea is continuously on hold and Crown Energy is in an evaluation phase with the partners, anticipating the final government decision on operatorship of the license. The Partnership is planning for preparations to develop the Venus oil field. In Madagascar, the project is in an early exploration phase.



For a detailed description of the assets, see the annual report for the 2017 fiscal year. Following are exploration project status updates for the first nine months 2018.

Salah ad-Din – Iraq

During the fourth quarter 2017 a significant achievement was reached with the signing of a Restated and Amended PSC including a five-year extension of contract rights period, from September 2018 to September 2023.

Crown Energy management have carried on working to ensure that commercial and technical reviews and analyses of the licence area are being optimised for its future development. Developments in the region have been positive, with the election of a new federal Government, and our ongoing relationships with the regional governing administration continue on a positive basis.

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

Block 2B – South Africa

Crown Energy and our partner Africa Energy, the operator, have moved into the next phase of the Block 2B Licence which stretches to February 2020. The new exploration rights phase has included as part of the work commitments the drilling of a well which we look forward to. Crown Energy has a 10 percent participating interest in the Licence for which the costs are covered through the farm-out agreement from December 2015.

The joint venture partners are obligated to perform studies and evaluations to determine potential commerciality, as well as economic sensitivity modelling to establish whether the drilling of a well could prove up potentially commercial oil volumes. If it is determined that drilling could prove up potentially commercial oil volumes, the joint venture partners are then intended to drill an exploration well on Block 2B. Meanwhile, Crown continues to work with Africa Energy in a project with great potential and to developing its position in South Africa for the future.

Block P PDA – Equatorial Guinea

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

Few activities have occurred during interim period. The Company is still waiting for a formal announcement on the defined plans for 2018 and beyond. Crown Energy has not incurred any costs for the licence during the periods of inactivity.

3108 Manja – Madagascar

In 2017, Crown Energy agreed with OMNIS, the oil and gas authority in Madagascar, to extend the licence for two years, to 14 November 2019. The production commitment is moved forward from the previous period and continues to include a full tensor gravity (FTG) survey of the licence area followed by additional voluntary 2D seismic data.

During 2018, Crown Energy has continued the efforts of securing a partnership for the participation in implementing the work programme. It is our view that in general the larger oil companies still have fairly restricted exploration budgets and this has affected the efforts of moving forward with such plans.

CHANGES IN EXPLORATION AND EVALUATION ASSETS

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

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

GROUP, ALL AMOUNTS IN SEK THOUSANDS	2018-01-01 2018-09-30	2017-01-01 2017-09-30	2017-01-01 2017-12-31
Opening carrying amount	188,888	-	188,888
Capital expenditures for the period	4,485	5,697	4,485
Increase through reverse acquisition	-	183,133	-
Exchange rate effects	7,857	-4,386	7,857
Closing accumulated cost of acquisition	201,230	184,444	201,230

Consolidated statements of comprehensive income

CONDENSED CONSOLIDATED INCOME STATEMENTS

ALL AMOUNTS IN SEK THOUSAND	NOTE	2018-07-01 2018-09-30	2017-07-01 2017-09-30	2018-01-01 2018-09-30	2017-01-01 2017-09-30	2017-01-01 2017-12-31
Revenue						
Rental income		13,050	15,764	40,220	52,315	67,160
Service income		5,211	11,628	17,699	33,411	43,323
Other operating income		-134	54	42	809	811
Property-related expenses		-5,082	-8,580	-15,963	-28,041	-21,089
Other external costs		-5,599	-4,100	-17,629	-4,975	-13,186
Employee benefit expenses		-1,802	-2,046	-6,128	-5,363	-7,507
Depreciation		-114	-8	-273	-8	-42
Other operating expenses		-60	-23	-142	-23	-138
Operating profit before effect of reverse acquisition		5,468	12,689	17,827	48,123	69,332
Earnings effect from reverse acquisition	6	-	-	-	-174,586	-174,586
Operating profit/loss after effect of reverse acquisition		5,468	12,689	17,827	-126,462	-105,254
Financial income						
Financial income		24,044	5,518	379,191	6,107	6,482
Financial expenses		-2,498	-2,928	-99,517	-3,465	-4,086
Profit/loss before tax and changes in value		27,014	15,279	297,501	-123,820	-102,857
Changes in value						
Property, unrealised		-1,048	58,402	-39,475	48,134	39,255
Earnings before tax		25,967	73,681	258,026	-75,686	-63,602
Income tax						
Income tax		-2,942	-1,325	-5,098	-1,330	-6,766
Deferred tax		-24,875	-18,575	-73,147	5,846	7,111
Net profit/loss for the period		-1,850	53,781	179,781	-71,170	-63,257
Earnings per share and share related data						
Average number of basic shares, thousands		477,315	445,815	477,315	384,795	401,297
Average number of diluted shares, thousands		477,315	445,815	477,315	384,795	401,297
Basic earnings per share, SEK		0,00	0,12	0,38	-0,18	-0,16
Diluted earnings per share, SEK		0,00	0,12	0,38	-0,18	-0,16

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ALL AMOUNTS IN SEK THOUSAND	NOTE	2018-07-01 2018-09-30	2017-07-01 2017-09-30	2018-01-01 2018-09-30	2017-01-01 2017-09-30	2017-01-01 2017-12-31
Net profit/loss for the period		-1,850	53,781	179,781	-71,170	-63,257
Other comprehensive income:						
Revaluation effects - IAS 29		-13,754	-	-19,473	-	-
Translation differences		-518	-691	-159,382	-51,072	-59,192
Total items that can be reclassified to profit or loss		-14,272	-691	-178,855	-51,072	-59,192
Other comprehensive income, net of tax		-14,272	-691	-178,855	-51,072	-59,192
Total comprehensive income for the year		-16,123	53,091	927	-122,243	-122,449
Total comprehensive income attributable to:						
Parent Company shareholders		-16,123	53,091	927	-122,243	-122,449
Comprehensive income for the period		-16,123	53,091	927	-122,243	-122,449

EARNINGS SUMMARY, JANUARY-SEPTEMBER 2018

The acquisition of ESI Group was accounted for as a reverse acquisition on 30 June 2017. This means that earnings attributable to the acquired business, i.e. the old Crown Energy Group, are not included in the period's statements of comprehensive income in the comparative periods.

Adjustment of exchange rate effect in the period July-September 2018

In the period July-September 2018, a presentation mistake from the second quarter has been corrected in net financial items. The adjustment amounts to SEK -97,290 thousand and relates to an exchange rate effect which should have been reported in other comprehensive income during the period April-June. The amount has reduced financial income in the period July-September and has instead been reported in other comprehensive income. The total comprehensive income is unchanged in both periods.

Accounting effects due to Angolan devaluation / hyperinflation

As mentioned earlier, the central bank of Angola released the peg of the Angolan Kwanza against the US dollar in the second quarter of 2018. This devaluation results in major currency effects in Crown Energy's financial reports. In the Group's results and other comprehensive income, devaluation have a significant impact on the following items:

- Reported revenues in AOA have been translated into SEK in the Group's statements. As the Angolan currency have decreased significantly in value against the SEK (see graph of changes in foreign exchange rates on page 8), the revenue nominated in SEK appears to have declined since year-end 2017.
- Local currency effects in the Angolan subsidiary as a result of revaluation of intercompany balances in USD or SEK, effects the financial result. These effects are unrealised.
- The (fair value) valuation of the properties is prepared in USD, which first leads to a translation into AOA and then from AOA to SEK on Group level. This unrealised currency effect influences the Group's financial result.
- Translation differences of the Angolan business' financial reports, effects Other comprehensive income.

Since Angola is considered to be a hyperinflationary country, adjustments to the Angolan operations reports are made considering current inflation. These adjustments affect both the income statement and the statement of financial position. The combined effect is recognised in other comprehensive income.

Operating profit/loss

Property operations generate two types of revenue: rental income and service income. Normally, a customer is both a tenant and a purchaser of services. In the period January-September 2018, net revenue amounted to SEK 57,962 thousand as compared to SEK 86,535 thousand in the same period last year, constituting a decrease of 33%. Lower figures for 2018 are mainly explained by the

devaluation of Kwanza compared to the Swedish Krona. The income in Kwanza has increased compared to the same period last year.

Property costs for interim period amounted to SEK -15,963 thousand (-28,041) and include costs for maintenance, operation, purchasing external services such as administration, cleaning etc. Property related taxes are also included in this item, which includes stamp taxes and local Angolan consumption taxes based on rental and service revenue. Property related expenses have also decreased compared to same reporting period last year due to translation from AOA to SEK.

Other external costs amounted to SEK -17,629 thousand (-4,975). The increase is mainly explained by the reverse acquisition, and the fact that the costs from the parent company and its other subsidiaries was added only from 30 June 2017.

Employee benefit expenses amounted to SEK -6,128 thousand (-5,363) and relate to an average of 16,7 (15.3) employees in the Group. Employee benefit expenses relating to comparison period 2017 covered the Angolan operation for the entire nine months period but only three months for the Swedish parent company. As a result, the Employee benefit expenses of the Group for nine-month period increased in 2018, but due to the devaluation of the Angolan currency, this increase has been partially offset towards the translation from AOA.

Net financial items

Net financial items for interim period amounted to SEK 279,674 thousand (2,642). The financial items consist mainly of exchange rate effects arising from assets and liabilities in foreign currency, and the fact that the properties were valued in USD. The latter affect amounts to SEK 331,308 thousand, compared to SEK -36 thousand in the same period last year.

As mentioned on previous page, an adjustment referring to previous period, amounting to SEK -97,290 thousand is included in net financial items. The adjustment has decreased financial income.

The financial items include an adjustment for hyperinflation for operations in Angola in accordance with IAS 29, amounting to SEK 17,876 thousand.

Changes in value

Unrealised changes in value amount to SEK -39,553 thousand (48,134). The valuations have been updated as per 30 September 2018. The change in value of the assets is mainly attributable to the lower expected rent levels in the upcoming periods due to the prevailing Angolan economy.

Tax

In interim period, current tax of SEK -5,098 thousand (-1,330), and deferred tax of SEK -73 147 thousand (5,846). The tax expense for the reporting period is related to wealth tax in Luxembourg of SEK -2,140 thousand, investment tax in Angola of SEK -2,981 thousand, income tax adjustment in Angola for 2017 of SEK 3,869 thousand and estimated income tax in Angola of SEK -3,844 thousand. The deferred tax is attributable to changes in the fair value of properties, in comparison with the carrying amount in local accounting in Angola.

Earning after tax

Profit after tax for interim period totalled SEK 179,781 thousand (-71,170), corresponding to SEK 0.38 per share (-0.18).

Other comprehensive income

Other comprehensive income includes large translation differences totalling SEK -159,382 thousand, including the adjustment of SEK -97,290 thousand for the second quarter (see explanation on previous page). SEK -19,473 thousand relates to inflation adjustments as a result of the fact that Angola, in accordance with IAS29, is assessed to have a so-called hyperinflation. Other translation effects arise when translating the subsidiaries' assets and liabilities from local currencies to SEK.

Consolidated statements of financial position

CONDENSED CONSOLIDATED BALANCE SHEET

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2018-09-30	2017-09-30	2017-12-31
ASSETS				
Non-current assets				
Investment property		625,344	617,733	618 344
Equipment, tools, fixtures, and fittings		791	8	340
Intangible assets		63	108	90
Exploration and evaluation assets		201,230	184,444	188 888
Deferred tax asset		-	-	-
Total non-current assets		827,427	802,294	807 662
Current assets				
Trade receivables	4	23,282	29,385	29 415
Other receivables	2,4	28,315	25,726	28 489
Prepaid expenses and accrued income		660	672	640
Cash and cash equivalents	4	71,193	41,193	102 183
Total current assets		123,451	96,976	160 727
TOTAL ASSETS		950,878	899,270	968 389
EQUITY				
Capital and reserves attributable to Parent Company shareholders				
Share capital		14,033	13,107	14 033
Other contributed capital		816,257	703,737	775 275
Reserves		192,135	-24,634	-32 753
Accumulated earnings		-44,892	78,812	78 812
Net profit/loss for the period		179,781	-71,170	-63 257
Total equity		773,044	699,852	772 110
LIABILITIES				
Non-current liabilities				
Finance lease liability	4	45,376	96,223	96 837
Deferred tax liabilities		88,550	32,671	31 929
Other provisions	4	3,752	3,270	3 361
Total non-current liabilities		137,679	132,164	132 127
Current liabilities				
Finance lease liability	4	8,259	4,337	5 416
Accounts payable	4	5,545	5,477	5 597
Tax liabilities		5,206	15 084	7 605
Other current liabilities	4	5,683	5,534	6 501
Accrued expenses and deferred income		15,462	36,822	39 033
Total current liabilities		40,155	67,253	64 152
TOTAL EQUITY AND LIABILITIES		950,878	899,270	968 389

SUMMARY OF CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2018**Non-current assets**

Investment properties have increased compared to year-end 2017 and the changes consist of investments of SEK 3,665 thousand, unrealised changes in value of SEK -39,553 thousand and exchange rate effects of SEK 42,888 thousand. Please see page 9 for more details.

Exploration and evaluation assets amount to SEK 201,230 thousand. Changes to year-end 2017 balance are attributable to investments of SEK 4,458 thousand and exchange rate effects of SEK 7,857 thousand. For more details please see to page 12.

Current assets

Other receivables primarily refers to a receivable from ESI Angola Lda amounting to SEK 27,389 thousand. For more information about this receivable, see Note 2 Transactions with related parties.

Cash and cash equivalents at the end of the period totalled SEK -71,193 thousand compared to SEK 102,183 thousand on 31 December 2017.

Equity

Equity totalled SEK 773,044 thousand.

Non-current liabilities

The financial lease liability relates to the lease of 13 properties at the end of interim period. Reductions in the lease liability between year-end 2017 and 30 September 2018 are explained by current rent payments to the landowner. Lease liabilities is classified into current and non-current lease liabilities.

Deferred tax liabilities totalled SEK 88,550 thousand and are attributable to surplus values in properties amounting to SEK 71,176 thousand and surplus values in exploration and evaluation assets amounting to SEK 15,374 thousand. The change since year-end 2017 is mainly attributable to translation differences that accrue at valuation of the property assets in USD. This effect amounts to SEK 73,136 thousand. The tax liabilities have at the same time decreased with SEK 16,514 thousand, as a result of the currency translation effects.

Provisions of SEK 3,752 thousand refers to an additional consideration for the subsidiary Amicoh Resources Ltd. Changes between periods refer to exchange rate effects and adjustments to fair value. For a detailed description of the provision, see Crown Energy's 2017 Annual Report. No changes have occurred in Crown Energy's assessments of fair value measurement applicable to provisions since 31 December 2017.

Current liabilities

As mentioned above, the lease liability relates to lease contracts with property owners for 13 properties. SEK 8,259 thousand relates to the short-term (current) part of the lease liability.

Tax liabilities for the period amount to SEK 5,206 thousand.

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

Accrued expenses and deferred income amounts to SEK 15,462 thousand. Compared to the year-end 2017 this item has decreased with SEK 23,571 thousand. The decrease is partly attributable to the deferred rental income. Often, the rent is invoiced in the end of the year for the upcoming period, which means that the deferred income item is usually larger in year-end. Further, decrease is attributable to a provision in the Parent Company in year-end 2017 which was paid in 2018.

Condensed consolidated statement of changes in equity

ALL AMOUNTS IN SEK THOUSAND	NOTE	2018-09-30	2017-09-30	2017-12-31
Opening equity		772,110	462,589	462,589
Net profit/loss for the period		179 781	-71,170	-63,257
Other comprehensive income, net of tax		-178 855	-51,072	-59,192
Comprehensive income for the period		927	-122,243	-122,449
Transactions with shareholders:				
Other contributed capital		-	4,377	83,739
Issue expenses		7	-1,179	-8,077
Business combination (reverse acquisition)	6	-	356,307	356,307
Closing equity		773,044	699,852	772,110
Attributable to:				
Parent Company shareholders		773,044	699,852	772,110
Total equity		773,044	699,852	772,110

COMMENTS ON CHANGES IN EQUITY

The total change in equity during the reporting period amounted to SEK 934 thousand. This includes comprehensive income for the period of SEK 927 thousand, and an adjustment of issue expenses of SEK 7 thousand (attributed to the reverse acquisition in 2017).

For more information on the reverse acquisition, see Note 6, Reverse acquisition/Comparison figures. As per 31 December 2017, Other contributed capital includes the effect of exercised warrants, totalling to SEK 63,000 thousand.

Condensed consolidated statements of cash flows

ALL AMOUNTS IN SEK THOUSAND	2018-07-01 2018-09-30	2017-07-01 2017-09-30	2018-01-01 2018-09-30	2017-01-01 2017-09-30	2017-01-01 2017-12-31
Cash flow from operating activities					
Operating loss before financial items	5,468	12,689	17,827	-126,462	-105,254
Adjustments for items not included in cash flow:					
Effect on earnings due to reverse acquisition	-	-	-	174,586	174,586
Depreciation	114	8	273	8	42
Interest received	-360	-	1,942	-	-
Interest paid	-141	1	-228	-	-
Tax paid	-	-	-	-5	-5
Cash flow from operating activities before change in working capital	5,083	12,697	19,813	48,127	69,369
Changes in working capital	-4,525	2,838	-15,196	-13,166	-26,739
Cash flow from operating activities	558	15,536	4,617	34,961	42,630
Acquisition of subsidiaries, less acquired cash and cash equivalents	-	-	-	19,925	19,925
Capital expenditures on investment properties	104	-	-3,587	-6,074	-6,075
Capital expenditures on exploration and evaluation assets	-1,697	-5,697	-4,485	-5,697	-8,415
Capital expenditures on other fixed assets	-39	-	-922	-	-354
Cash flow from investing activities	-1,632	-5,697	-8,994	8,154	5,081
Other contributed capital	0	-1,178	0	3,199	59,300
Amortisation of lease liability	-1,223	-1,628	-9,167	-4,535	-4,575
Cash flow from financing activities	-1,223	-2,805	-9,167	-1,336	54,725
Cash flow for the period	-2,297	7,034	-13,544	41,780	102,436
Cash and cash equivalents at start of period	79,973	34,721	102,183	363	363
Cash flow for the period	-2,297	7,034	-13,544	41,780	102,436
Exchange gains/losses on cash and cash equivalents	-6,483	-561	-17,447	-949	-615
Cash and cash equivalents at end of period	71,193	41,193	71,193	41,193	102,183

COMMENTS ON CASH FLOWS

Cash flow from operating activities for interim period January-September 2018 totalled to SEK 4,617 thousand (34,961). The difference can be explained by the devaluation effects which have affected the operating income of the Company, and which are not adjusted in the cash flow statement.

Cash flow from investing activities for the period totalled SEK -8,994 thousand (8,154).

Cash flow from financing activities during the first 9 months of 2018 totalled SEK -9,167 thousand (1,336).

Total cash flow, excluding the exchange gains and losses, for the reporting period totalled -SEK 13,544 thousand (41,780).

Consolidated key ratios

For definitions of key ratios, see pages 38-40.

QUARTERLY SUMMARY - GROUP

Quarterly summary of the last eight quarters:

ALL AMOUNTS IN SEK THOUSAND, UNLESS OTHERWISE STATED	NOTE	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q3 2017	Q4 2016
EARNINGS									
Rental and service revenues		18,260	19,060	20,599	24,757	27,392	30,618	27,716	40,163
Other operating income		-134	146	30	2	54	687	67	-
Operating profit/loss		5,468	5,329	7,029	21,208	12,689	-157,455	18,303	24,938
Operating profit/loss, before items affecting comparability		5,468	5,329	7,029	21,208	12,689	17,131	18,303	24,938
Net profit/loss for the period, after tax		-1,850	170,241	11,390	7,913	53,781	-153,767	28,816	51,592
PROPERTY-RELATED KEY RATIOS									
Rental revenues		13,050	14,163	13,007	14,845	15,764	18,419	18,132	27,076
Service revenues		5,211	4,897	7,592	9,912	11,628	12,199	9,584	13,086
Property-related expenses		-5,082	-4,893	-5,987	6,952	-8,580	-11,913	-7,549	-9,885
Operating net		13,178	14,167	14,612	31,709	18,812	18,705	20,167	30,277
Operating surplus property portfolio, %		72%	74%	71%	128%	69%	61%	73%	75%
Revenue backlog		64,347	**	**	**	**	**	**	**
Rent backlog		44,911	**	**	**	**	**	**	**
Contracted annual rental revenues		60,368	**	**	**	**	**	**	**
Contracted annual rental and service revenues		78,918	**	**	**	**	**	**	**
Area occupancy rate, %		56%	63%	66%	66%	58%	85%	82%	85%
Economic occupancy rate, %		46%	**	**	**	**	**	**	**
WAULT rent and service, months		8,9	9,8	12,2	14,3	16,6	18,6	19,7	**
Market value of portfolio		625,344	633,820	583,492	618,344	617,733	583,492	615,488	631,108
Rentable area, thousands of square meters**		31.7	40.1	40.1	40.1	40.9	29.7	29.7	30.2
Number of properties at end of period		16	16	16	16	17	18	19	19

Quarterly summary continues on next page.

ALL AMOUNTS IN SEK THOUSAND, UNLESS OTHERWISE STATED									
	NOTE	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q3 2017	Q4 2016
FINANCIAL KEY RATIOS									
Return on equity, %		neg	22%	1%	1%	8%	neg	6%	11%
Return on capital employed, %		neg	18%	1%	1%	6%	neg	5%	8%
EBITDA		5,583	5,442	7,074	21,242	12,697	-157,455	18,303	24,938
Adjusted EBITDA		5,583	5,442	7,074	21,242	12,697	17,131	18,303	24,938
EBITDA margin, %		31%	28%	34%	86%	46%	neg.	66%	62%
Adjusted EBITDA margin, %		31%	28%	34%	86%	46%	55%	66%	62%
Equity/assets ratio, %		81%	81%	81%	80%	78%	79%	75%	72%
Total assets		950,878	972,534	947,013	968,389	899,270	842,542	647,249	646,899
Equity		773,044	789,166	762,905	772,110	699,852	663,847	482,651	462,589
Average equity		781,105	776,036	767,508	735,981	681,849	573,249	472,620	476,148
Average assets		961,706	959,773	957,701	933,829	870,906	744,895	647,074	647,860
RATIOS PER SHARE									
	3								
Number of basic shares outstanding, thousand	3	477,315	477,315	477,315	477,315	445,815	445,815	353,268	353,268
Number of diluted shares outstanding, thousand	3	477,315	477,315	477,315	477,315	445,815	445,815	353,268	353,268
Average number of shares, thousand	3	477,315	477,315	477,315	450,266	445,815	354,285	353,268	353,268
Average number of diluted shares, thousands	3	477,315	477,315	477,315	450,266	445,815	354,285	353,268	353,268
Basic earnings per share, SEK	3	-0.004	0.36	0.02	0.02	0.12	-0.43	0.08	0.15
Diluted earnings per share, SEK	3	-0.004	0.36	0.02	0.02	0.12	-0.43	0.08	0.15
Equity per share, SEK	3	1.62	1.65	1.60	1.62	1.57	1.49	1.37	1.31
EMPLOYEES									
Average number of employees		17.0	17.0	16.0	15.0	17.0	15.0	15.0	15.0

*The total leasable area has been adjusted in Q3 2018 compared the previous periods. In previous periods the total area was stated. Starting from Q3 2018 only leasable area will be stated.

** In the Q3 2018 has a number of new key ratios have been calculated and designed. Time & cost to produce data for periods back in time have weighed against the added value in presenting the information. The assessment is that it is more relevant to the Group to make sure these ratios from Q3 and onwards time and cost were not reasonable

***. WAULT (see more detail in the definitions) means a weighted average unexpired lease period. For periods before Q3 2018 has the average remaining contract length is not weighted.

FULL-YEAR SUMMARY - GROUP

Overview of the last two years only. Prior periods are not applicable due to the reverse business combination.

ALL AMOUNTS IN SEK THOUSAND UNLESS OTHERWISE STATED	NOTE	2018-01-01 2018-09-30 Q 1-3	2017-01-01 2017-09-30 Q 1-3	2017-01-01 2017-12-31 FULL YEAR	2016-01-01 2016-09-30 Q 1-3	2016-01-01 2016-12-31 FULL YEAR
EARNINGS						
Rent and service revenues		57,920	85,726	110,483	109,998	150,161
Other operating income		42	809	811	-	-
Operating profit/loss		17,827	-126,462	-105,254	74,253	99,191
Operating profit/loss, before items affecting comparability		17,827	48,123	69,332	74,253	99,191
Net profit/loss for the period, after tax		179,781	-71,170	-63,257	-18,789	32,803
		-	-	-		
PROPERTY-RELATED KEY RATIOS						
Rental revenues		40,220	52,315	67,160	72,255	99,332
Service revenues		17,699	33,411	43,323	37,743	50,829
Property-related expenses		-15,963	-28,041	-21,089	-29,551	-39,436
Operating net		41,957	57,685	89,394	80,447	110,725
Operating surplus property portfolio, %		72%	67%	81%	73%	74%
Revenue backlog		64,347	**	**	**	**
Rent backlog		44,911	**	**	**	**
Contracted annual rental revenues		60,368	**	**	**	**
Contracted annual rental and service revenues		78,918	**	**	**	**
Annual rental value,		132,295	**	**	**	**
Annual service value		24,340	**	**	**	**
Annual rental and service value		156,635	**	**	**	**
Area occupancy rate, %		56%	75%	73%	87%	87%
Economic occupancy rate, %		46%	**	**	**	**
WAULT rent and service, months		8.9	18.3	14.3	**	**
Market value of portfolio		625,344	617,733	618,344	569,694	631,108
Rentable area, thousands of square meters**		31.7	40.9	40.1	30.2	30.2
Number of properties at end of period		16.0	17.0	16.0	19	19
FINANCIAL KEY RATIOS						
Return on equity, % (ROE)		23%	neg	neg.	neg.	7.1%
Return on assets, % (ROA)		19%	neg	neg.	neg.	5.1%
EBITDA		18,099	-126,454	-105,212	74,253	99,191
Adjusted EBITDA		18,099	48,132	69,374	74,253	99,191
EBITDA margin, %		31%	neg.	neg.	68%	66%
Adjusted EBITDA margin, %		31%	56%	62%	68%	66%
Equity/assets ratio, %		81%	79%	80%	74%	72%
Total assets		950,878	842,189	968,389	663,794	646,899
Equity		773,044	663,847	772,110	489,706	462,589
Average capital		772,577	581,220	617,349	454,235	440,676
Average assets		959,633	785,461	820,692	608,013	607,053

Full year summary continues on next page.

ALL AMOUNTS IN SEK THOUSAND UNLESS OTHERWISE STATED	NOTE	2018-01-01 2018-09-30 Q 1-3	2017-01-01 2017-09-30 Q 1-3	2017-01-01 2017-12-31 FULL YEAR	2016-01-01 2016-09-30 Q 1-3	2016-01-01 2016-12-31 FULL YEAR
RATIOS PER SHARE	3					
Number of basic shares outstanding, thousand	3	477,315	445,815	477,315	353,268	353,268
Number of diluted shares outstanding, thousand	3	477,315	445,815	477,315	353,268	353,268
Average number of shares, thousand	3	477,315	384,795	401,297	353,268	353,268
Average number of diluted shares, thousands	3	477,315	384,795	401,297	353,268	353,268
Basic earnings per share, SEK	3	0.38	-0.18	-0.16	-0.05	0.09
Diluted earnings per share, SEK	3	0.38	-0.18	-0.16	-0.05	0.09
Equity per share, SEK	3	1.62	1.49	1.62	1.39	1.31
EMPLOYEES						
Average number of employees		16.7	15.7	15.5	15.0	15.0

* The total leasable area has been adjusted in Q3 2018 compared the previous periods. In previous periods the total area was stated. Starting from Q3 2018 only leasable area will be stated.

** In the Q3 2018 has a number of new key ratios have been calculated and designed. Time & cost to produce data for periods back in time have weighed against the added value in presenting the information. The assessment is that it is more relevant to the Group to make sure these ratios from Q3 and onwards time and cost were not reasonable

***. WAULT (see more detail in the definitions) means a weighted average unexpired lease period. For periods before Q3 2018 has the average remaining contract time is not weighted.

Parent company

The Parent Company's revenue for interim period totalled SEK 7,559 thousand (4,330). The revenue was related to re-invoicing of expenses and management fees to subsidiaries.

Operating expenses mainly consist of other external expenses of SEK -12,208 thousand (-8,166) and employee benefit expenses of SEK -4,347 thousand (-3,956). The large increase in other external expenses is explained by expenses attributable to the reverse acquisition such as expenses for adapting the new Group to IFRS, valuations, legal representatives, etc.

Cash and cash equivalents at 30 September 2018 totalled SEK 31,886 thousand compared with SEK 60,929 thousand at 31 December 2017.

There were 4 persons (3) employed by the Parent Company at the end of the period.

Equity at the end of the period was SEK 1,620,614 thousand compared with SEK 1,626,545 thousand at 31 December 2017.

INCOME STATEMENT – PARENT COMPANY

ALL AMOUNTS IN SEK THOUSAND	NOTE	2018-07-01 2018-09-30	2017-07-01 2017-09-30	2018-01-01 2018-09-30	2017-01-01 2017-09-30	2017-01-01 2017-12-31
Revenue	2	3,280	2,720	7,559	4,330	10,966
Other operating income		6	17	29	22	22
Other external costs		-4,143	-3,766	-12,208	-8,166	-16,303
Employee benefit expenses		-1,406	-1,269	-4,347	-3,956	-5,558
Depreciation/amortisation		-9	-8	-27	-25	-51
Other operating expenses		-39	-14	-115	-51	-149
Operating profit/loss		-2,311	-2,320	-9,110	-7,848	-11,072
Interest income and similar items		-180	-593	922	-1,611	-1,467
Interest income, intercompany	2	792	648	2,339	7,207	7,902
Interest expenses and similar items		-40	-	-90	-	0
Earnings before tax		-1,739	-2,265	-5,939	-2,252	-4,637
Tax		-	-	-	-	-
Net profit/loss for the period		-1,739	-2,265	-5,939	-2,252	-4,637

CONDENSED BALANCE SHEET – PARENT COMPANY

ALL AMOUNTS IN SEK THOUSANDS	NOTE	2018-09-30	2017-09-30	2017-12-31
ASSETS				
Non-current assets				
Participations in Group companies		1,384,498	1,383,766	1,384,483
Intangible assets		63	108	90
Property, plant, and equipment		-	8	-
Receivables from Group companies		192,569	178,450	184,805
Total non-current assets		1,577,130	1,562,332	1,569,378
Current assets				
Receivables from Group companies		19,241		11,928
Current receivables		441	10 680	333
Cash and bank balances		31,886	8,099	60,929
Total current assets		51,567	18,780	73,191
TOTAL ASSETS		1,628,697	1,581,112	1,642,569
EQUITY				
Equity				
Restricted equity				
Share capital		14,033	13,107	14,033
Total restricted equity		14,033	13,107	14,033
Non-restricted equity				
Share premium reserve		1,651,106	1,595,923	1,651,099
Accumulated earnings		-38,586	-33,950	-33,950
Net profit for the year		-5,939	-2,252	-4,637
Total non-restricted equity		1,606,581	1,559,722	1,612,512
Total equity		1,620,614	1,572,828	1,626,545
Non-current liabilities				
Loans from related parties		8,083	8,284	16,024
Total non-current liabilities		8,083	8,284	16,024
TOTAL EQUITY AND LIABILITIES		1,628,697	1,581,112	1,642,569

PARENT COMPANY – CONDENSED STATEMENT OF CHANGES IN EQUITY

ALL AMOUNTS IN SEK THOUSAND	NOTE	2018-09-30	2017-09-30	2017-12-31
Opening equity		1,626,545	216,177	216,177
Net profit/loss for the period		-5,939	-2,252	-4,637
Other comprehensive income for the period		-	-	-
Comprehensive income for the period		-5,939	-2,252	-4,637
Net change in share capital (reverse acquisition)		-	1,360,082	1,360,082
Conversion of warrants, December 2017		-	-	63,000
Costs of new shares issue	7	7	-1,179	-8,077
Total equity		1,620,614	1,572,828	1,626,545

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 Norrlandsgatan 18, 111 43 Stockholm.

EMPLOYEES

The number of employees in the Group at the end of the nine-month period is 17; 13 linked to the operations in Angola and four employees in the Parent Company in Sweden.

OWNERSHIP STRUCTURE

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

The Company's ordinary shares are listed on NGM Equity. At 30 September 2018, and known changes thereafter, the five largest shareholders together owned 91.6 per cent of the total share capital and 91.6 per cent of the votes.

SHAREHOLDERS	NUMBER OF SHARES	SHARES (%)	NUMBER OF VOTES	VOTES (%)
Yoav Ben-Eli, via company 1)	343,817,971	72.0%	3,438,179,710	72.0%
Cement Fund SCSp	63,000,000	13.2%	630,000,000	13.2%
Veronique Salik	14,519,404	3.0%	145,194,040	3.0%
Andreas Forssell, privately and via companies	8,404,609	1.8%	84,046,090	1.8%
Comtrack Ventures Ltd	7,501,988	1.6%	75,019,880	1.6%
Other shareholders	40,071,378	8.4%	400,713,780	8.4%
Total number of shares	477,315,350	100.0%	4,773,153,500	100.0%

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.

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 measure over historical or future financial performance, 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 therefore not be regarded as a replacement for measures that are defined in accordance with IFRS. The indicators are used by the Group's management to evaluate the financial performance and thus could give valuable information to analysts and other interested parties.

For definitions of the key ratios see pages 38-40. All the ratios are alternative if not otherwise stated.

For relevant reconciliation of key ratios that cannot be directly inferred or derived from the financial statements, see Note 7 Reconciliation of alternative performance measures.

KEY EVENTS DURING THE REPORTING PERIOD

No key events took place in Q3 2018. The summary of events starting in January 2018 follows down below.

Extension of Block 2B in South Africa approved

An extension to move into the second period of the Exploration Right over Block 2B offshore South Africa was granted by the South African authorities. Thus, the new phase continues until February 2020 and contains a drilling of an appraisal well in the licence area, which Crown Energy looks forward to.

Global Strategic Co-Operation Agreement with Proger

In March Crown Energy communicated that the Company entered into an Areas of Mutual Interest Co-operation agreement with the Italian Engineering firm Proger S.p.A. By this agreement Crown Energy continues to strengthen its Asset Development and Management business area.

Crown Energy and Proger have agreed to work together to seek and identify commercial projects, where each company's competencies complement each other. Both companies agreed to represent each other through their respective office networks, thus enhancing their presence in the international market.

Under the terms of this agreement Crown Energy and Proger will seek and identify projects which are suitable to the business models of both companies and which both companies can work on together with main focus in energy business area. For more information on the agreement please refer to a press release from 8 of March 2018 on the Company's website.

Annual General Meeting

At the annual General meeting held on 17 May 2018 it was resolved to adopt income statement and balance sheet, to carry forward accrued profits, to discharge the board and CEO of responsibility and to re-elect the current board members and auditors Öhrlings PricewaterhouseCoopers AB, with Bo Lagerström remaining as main responsible auditor.

Further the AGM resolved, in accordance with the board of directors' proposal regarding a change in the articles of association with purpose to remove the C shares, whereby they no longer can be issued by the Company. All clauses relating to the C shares were adjusted in order to enable the removal of the C share. In view of the above it was also resolved that the current ordinary shares shall have one vote each.

Agreement with ABG Sundal Collier

In June 2018 The Company announced that it had entered into an agreement with ABG Sundal Collier ASA ("ABG") in which ABG will act as market maker for the Crown Energy share with start from 18 September 2018. The purpose is to increase the liquidity and turnover and facilitate the trading in the share.

OUTLOOK

Operations

Crown Energy is well positioned with a balanced portfolio of exciting projects that have great potential for development. Crown Energy is now continuing its development to get a bigger and even more stable foundation. We will use our contacts in the oil industry, the positive development in the oil and gas market and our cash flows for a faster development of Crown Energy's assets and operations. Capital, processes and our organization will be further adapted to continue the development work.

Finance and going concern

With the acquisition of ESI Group and its operations as well as the exercise of warrants by Cement Fund SCS's in December 2017, the Company will continue to have adequate working and investment capital going forward. The Company is capable of covering all outstanding obligations for the next 12 months, including investments, recurring administration, using existing funds. However, it cannot be ruled out that the Company may need or want to raise capital from existing shareholders for investments beyond those described thus far. This may be done via new share issues, directed share issues or preferential rights issues, or via other offers to existing shareholders or borrowing/issuance of corporate bonds or a combination of the above.

RISKS AND UNCERTAINTIES

A detailed description of the Company's risks before the acquisition of ESI Group can be found in Crown Energy's 2017 annual report.

No pervasive modifications to significant risks and uncertainties for the operations were made until the release date of this report for the Group or the Parent Company compared to what has been disclosed in Crown Energy's 2017 annual report.

Sensitivity analysis for properties

The value of the properties is affected by several factors, some of them property specific, such as operating costs and permitted use of the property, and some of them market specific, such as required rate of return and capital costs, based on comparable transactions in the property market.

The return on the properties depends largely on factors such as the Company's ability to complete the intended leases or divestment of the properties, and the costs and expenditure associated with the development, management and conversion of the properties, and on changes in the market value.

Rental income and the market value of property in general are affected by general economic conditions, such as GDP growth, employment, inflation and changes in interest rates. Both the property value and rental income can also be affected by competition from other property companies, or perceptions of potential buyers or tenants concerning the attractiveness, convenience and security of the properties. If one or more of the above factors were to develop negatively, this could have a material adverse effect on the Group's operations, financial position and earnings.

In conjunction with valuation of the properties a sensitivity analysis was conducted. According to the latest valuations the value range of the property portfolio is SEK 570-682 million. The changes in underlying parameters for valuation were $\pm 0.5\%$ in Yields and WACC and $\pm 5\%$ for current market rents.

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 2017 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 2017 financial year and as described in the 2017 Annual Report. No new or revised standards, interpretations, or amendments adopted by the EU had an effect on the Group's earnings or position.

This interim report does not contain all the information and disclosures contained in the Annual Report, so the interim report should be read alongside the 2017 Annual Report.

ADDITIONAL ACCOUNTING POLICIES

The International Accounting Standards Board (IASB) has issued new standards that will take effect in 2018: IFRS 9 Financial Instruments and IFRS 15 Revenues from Contracts with Customers. In addition, the Group has applied the standards in IAS 29 Financial Reporting in Hyperinflationary Economies for the subsidiary in Angola from the 1st of January 2018.

Additional accounting policies that are effective from 2018

IFRS 9 Financial Instruments

Briefly, the standard includes changes to the principles of hedge accounting and an impairment model based on expected credit losses instead of losses incurred. The Group's financial assets consist essentially of current receivables and cash and cash equivalents. Financial liabilities consist mainly of interest-bearing liabilities in the form of lease liabilities and other current liabilities. The Group has currently no hedge accounting.

The Group has applied the standard retrospectively, with the initial application date of 1 January 2018 and adjusting the comparative information for the period beginning 1 January 2017. The adoption of IFRS 9 had no impact on the classification and measurement of the financial assets and financial liabilities of the Group.

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. The Group has applied the standard's simplified approach and has calculated expected credit losses based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment. From the adoption of the ECL requirements of IFRS 9 we have not determined a significant impact on the impairment allowances of the Group's financial assets. Comparative figures have not been had to be restated.

IFRS 15 – Revenues from contracts with customers

The standard applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards (for example leasing). The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted IFRS 15 using a modified retrospective method of adoption.

The Group has two major streams of revenue; rents from lease contracts and revenue from services rendered to the tenants. Rents from lease contracts are within scope of IAS 17 and are therefore excluded from IFRS 15. The majority of the revenue relates to the rents from its lease contracts. Although the services are connected with the lease, they are non-lease components that should be recognised separately from the lease component. This separation has been made in the profit and loss statement by the Group already before the implementation of IFRS 15.

Since performance obligations are satisfied at the same point in time (monthly) and the revenue recognition occurs when the performance obligation is satisfied, the adoption of IFRS 15 has had no impacts on total revenue or result for the Group.

IFRS 15 has not had any impact on the Group's recognised revenue but will however imply new extended disclosures in the annual financial report 2018; information on contract balances and changes in the balances, qualitative information about performance obligations, information on significant accounting estimates and judgements etc.

IAS 29 Financial Reporting in Hyperinflationary Economies

The Group has a business located in Angola, YBE Imobiliária Lda, whose functional currency is the Kwanza. As mentioned in the annual report for 2017 the Group has followed the economic development in Angola closely and now makes the assessment that the standard for hyperinflationary economies needs to be applied from the 1st of January 2018 for the subsidiary in Angola. Therefore, the Group's consolidated financial statements for the period January-September 2018 reflect the adjustments of the financial statements of YBE Imobiliária Lda for the measuring unit current at the end of the reporting period. External consultants have been engaged in order to conduct the necessary adjustments. The comparative figures for 2017 have not been restated but accounted for directly in the equity and amounts to SEK -5,718 thousand. The effects of the inflation adjustments for the period January – September 2018 amounts to SEK 17,876 thousand in the profit and loss statement and SEK -19,473 thousand in other comprehensive income.

When calculating the inflation adjustment, an index based on consumer price index in Angola is used. Price index amounts to 237.09 (base: December 2014) at the end of September 2018, compared to 204.79 at 31 December 2017. Inflation from 31 December 2017 to 30 September 2018 was 15.8 percent, compared with 20 percent in same period last year.

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

IFRS 16 Leasing

The new standard, which comes into force on 1 January 2019, means that a leaseholder's previous operating leases will be recognised in the balance sheet. Since the Group is already recognising its property leases (as a lessee) as assets and liabilities (in accordance with IAS 17 Leases and IAS 40 Investment Property), the assessment is that the new standard will not cause any significant changes for the Group.

IFRS 16 will also affect the tenant lease held by the Parent company for the headquarters in Stockholm. The Group has no other leasing agreements that significantly can affect the Group's financial statements.

2 TRANSACTIONS WITH RELATED PARTIES

PURCHASES AND SALES WITHIN THE GROUP

Of the Parent Company's revenue in interim period January-September, 100 per cent (100) consists of 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 companies within the Group.

PURCHASES OF SERVICES

Peter Mikkelsen works in his management position under a consultancy agreement. The services are purchased on normal commercial terms.

Crown Energy also purchases technical consulting services from Simco Petroleum Ltd. (Simco). Alan Simonian, Board member and Company employee, and via associated parties currently owns 33 per cent of Simco, the services are purchased on normal commercial terms.

Yoav Ben-Eli, member of the board and the largest shareholder in the Parent Company, performs consulting services in business development for the Group. The invoices for these services are received from the Israeli company Betco Trading Services International Limited.

Invoiced Services	Total invoiced, 2018	Total invoiced 2018, SEK*
Peter Mikkelsen	8,000 GBP	92,592
Simco Petroleum Ltd	90,000 USD	771,652
Betco Trading Services International Limited	234,000 USD	2,017,569
ESI Angola Lda	519,731,977 AOA	18,604,602

*Based on average exchange rate for the period January-September 2018 is used.

ESI ANGOLA

ESI Angola LDA, is 100% owned by Yoav Ben-Eli and in accordance with a service agreement from 2017/2018 ESI Angola Lda provides, among other, property management services for YBE Imobiliária Lda. ESI Angola on the other hand, leases apartments rented from YBE Imobiliária Lda. YBE Imobiliária Lda total receivable for rental costs on ESI Angola Lda amounted as per 30 September 2018 to SEK 938 thousand.

In accordance with the acquisition agreement for ESI Group SA, all financial rights and obligations from properties and leases would be passed on to YBE Imobiliária as of 1 January 2017. Mainly as a result of prepaid rents in 2016 for 2017, YBE Imobiliária Lda received a payment claim regarding ESI Angola Lda. At 30 September 2018, the receivable amounted to SEK 27,389 thousand with a market interest rate.

3 EARNINGS PER SHARE

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

DILUTIVE EFFECT

As per 30 September 2018 the Parent company has no outstanding warrants or derivatives.

EARNINGS PER SHARE AND NUMBER OF SHARES

The number of outstanding shares at 30 September 2018 totalled 477,315,350. The average number of shares during 2017 amounts to 477,315,350. As mentioned above, there is no dilutive effect.

Earnings before tax amounted to SEK 258,026 thousand, which puts earnings per share before tax at 30 September 2018 at SEK 0.54.

4 ACCOUNTING FOR FINANCIAL INSTRUMENTS

CARRYING AMOUNT AND FAIR VALUE

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

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

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

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

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

GROUP, ALL AMOUNTS IN SEK THOUSANDS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets measured at fair value via income statement:				
Investment property	-	-	127,111	127,111
Total assets	-	-	127,111	127,111
Financial liabilities measured at fair value via income statement:				
Lease liabilities	-	-	53,635	53,635
Provision for additional consideration, commercial discovery	-	-	3,752	3,752
Total liabilities	-	-	57,388	57,388

Provisions were recognised for contracted additional consideration related to subsidiary Amicoh Resources Ltd. No changes have occurred in Crown Energy's assessments of fair value measurement applicable to provisions since 31 December 2017. For more information on the provision, see the 2017 Annual Report.

5 OPERATING SEGMENTS

An operating segment is that part of a group that runs operations from which it can generate revenue and incur costs for which independent financial information is available. 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.

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

ACCOUNTING FOR THE OPERATING SEGMENTS

OPERATING SEGMENTS	Energy Q3 2018	Asset Development and Management Q3 2018	Group-wide and non-allocated posts Q3 2018	Total Q3 2018
Revenue	2	18,260	-136	18,126
Operating expenses	-299	-8,829	-3,530	-12,658
Operating profit/loss	-297	9,431	-3,666	5,468
Net financial items	-693	28 682	-6 443	21 546
Profit/loss before tax and changes in value	-990	38 113	-10 109	27 014
Changes in value				
Property, unrealised	-	-1 048	-	-1 048
Earnings before tax	-990	37 066	-10 109	25 967
Income tax	-1	-357	-2 584	-2 942
Deferred tax	-	-24 875	-	-24 875
Net profit/loss for the period	-991	11 833	-12 692	-1 850
Non-current assets at end of period	201,230	626,135	63	827,427

	Energy Q1-3 2018	Asset Development and Management Q1-3 2018	Group-wide and non-allocated posts Q1-3 2018	Total Q1-3 2018
OPERATING SEGMENTS				
Revenue	13	57,920	29	57,962
Operating expenses	-479	-26,883	-12,774	-40,135
Operating profit/loss	-466	31,037	-12,745	17,827
Net financial items	4 088	274 746	839	279 674
Profit/loss before tax and changes in value	3 623	305 784	-11 906	297 501
Changes in value				
Property, unrealised	-	-39 475	-	-39 475
Earnings before tax	3 623	266 309	-11 906	258 026
Income tax	-1	-5 984	887	-5 098
Deferred tax	-	-73 147	-	-73 147
Net profit/loss for the period	3 622	187 178	-11 018	179 781
Non-current assets at end of period	201,230	626,135	63	827,427

In the operating segment Asset Development and Management, the Company has two clients who each represent over 10 per cent of the revenue. Together those two clients represent approximately 47 per cent of the revenue.

GEOGRAPHIC MARKET

Allocation by geographic market, interim period January-September 2018:

GEOGRAPHIC MARKET, SEK THOUSAND	SWEDEN	ANGOLA	IRAQ	SOUTH AFRICA	EQUATORIAL GUINEA	MADA- GASCAR	TOTAL
Revenue							
Energy	-	-	-	-	1	-	2
Property Development & Services	-	18,260	-	-	-	-	18,260
Other	-136	-	-	-	-	-	-136
Operating profit	-3,666	9,431	-13	-163	-102	-19	5,468
Investment property	-	625,344	-	-	-	-	625,344
Exploration and evaluation assets	-	-	44,214	61,586	5,165	90,265	201,230
Other non-current assets, excluding deferred tax	63	791	-	-	-	-	854

In geographic segment Angola the Company has two clients, who each represent over 10 per cent of the revenue. Together those two clients represent approximately 47 per cent of the revenue.

GEOGRAPHIC MARKET, SEK THOUSAND	SWEDEN	ANGOLA	IRAQ	SOUTH AFRICA	EQUATORIAL GUINEA	MADA- GASCAR	TOTAL
Revenue							
Energy	-	-	11	0	4	-	16
Property Development & Services	-	27,413	-	-	-	-	27,413
Other	17	-	-	-	-	-	17
Operating profit	-3,695	-10,608	-38	-174	-67	-142	-14,724
Investment property	-	617,733	-	-	-	-	617,733
Exploration and evaluation assets	-	-	39,215	59,226	5,000	81,005	184,444
Other non-current assets, excluding deferred tax	116	-	-	-	-	-	116

6 REVERSE ACQUISITION/COMPARATIVE FIGURES

The Parent Company acquired all the shares in ESI Group SA ("ESI Group") on 30 June 2017. ESI Group, in turn, owns all the shares in YBE Imobiliária Lda ("YBE Imobiliária") and ESI East Africa Ltd, where YBE Imobiliária is the operating company with property assets. The seller YBE Ventures Ltd, seller of the operations, received newly issued shares in the Parent Company. Since the acquired company's (ESI Group) previous owner received a controlling interest over the new group, the transaction was recognised in accordance with IFRS 3 Business Combinations, known as a reverse acquisition. The accounting effects of the reverse acquisition are disclosed in comparative periods 2016 and 2017, both in income statement and statement of changes in equity.

COMPARATIVE FIGURES

This interim report includes financial information for the new Crown Energy Group for the period 1 January – 30 September 2018. Since Crown Energy's acquisition of ESI Group is recognised as a reverse acquisition, the Group's comparative figures for period prior to 30 June 2017 consists of ESI Group. The Parent Company's comparative figures are still from the legal acquirer, that is, Crown Energy AB. The financial reporting is thus published in the legal parent company's name, Crown Energy AB, but is actually a continuation of ESI Group's consolidated financial statements. The consolidated accounts cover the same accounting period as for the legal parent company (Crown Energy AB), which is the calendar year. For more information about the reverse acquisition and comparison figures prior to 30 June 2017, see Note 29 in the 2017 Crown Energy Annual Report.

7 RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

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

ALL AMOUNTS IN SEK THOUSAND, UNLESS OTHERWISE STATED	2018-07-01 2018-09-30 Q3	2017-07-01 2017-09-30 Q3	2018-01-01 2018-09-30 Q1-3	2017-01-01 2017-09-30 Q1-3	2017-01-01 2017-12-31 FULL-YEAR
Operating profit/loss	5,468	12,689	17,827	-126,462	-105,254
+/- Depreciation/amortisation	114	8	273	8	42
= Total EBITDA	5,583	12 697	18,099	-126,454	-105,212
+ Earnings effect from reverse acquisition	-	-	-	174,586	174,586
= Total adjusted EBITDA	5,583	12 697	18,099	48,132	69,374
EBITDA	5,583	12,697	18,099	-126,454	-105,212
÷ Earnings	18,126	27,446	57,962	86,535	111,294
= EBITDA margin, %	31%	46%	314%	neg.	neg.
Adjusted EBITDA	5,583	12,689	18,099	48,123	69,374
÷ Earnings	18,126	27,446	57,962	86,535	111,294
= Adjusted EBITDA-margin, %	31%	46%	31%	56%	62%
Net profit/loss for the period, after tax	-1,850	53,781	277,071	-71,170	-63,257
Average equity (opening balance + closing balance divided by two)	781,105	681,849	772,577	581,220	617,349
Return on equity, %	neg	8%	23%	neg.	neg.
Net profit/loss for the period, after tax	-1,850	53,781	277,071	-71,170	-63,257
Average total capital (opening balance assets + closing balance assets divided by two)	961,706	870,906	959,633	785,461	820,692
Return on assets, %	neg	6%	19%	neg.	neg.
Total assets	950,878	899,270	950,878	899,270	968,389
Equity	773,044	699,852	773,044	699,852	772,110
Equity/assets ratio, %	81%	78%	81%	78%	80%

8 EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events have occurred after the end of the reporting period.

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.

The Swedish Interim Report- was reviewed by the Company's auditors. The English Interim Report is a translation of the Swedish Interim Report and was not reviewed by the auditors.

Stockholm, 9 November 2018

Pierre-Emmanuel Weil
Chairman of the Board

Yoav Ben-Eli
Board member

Jean Benaim
Board member

Alan Simonian
Board member

Andreas Forssell
CEO

REPORTING DATES

▶ 2018 Year-End Report	21 February 2019
▶ Annual Report 2018	12 April 2019
▶ Three-month 2019	14 May 2019
▶ Half Year Report 2019	9 August 2019
▶ Interim Report January-September 2019	8 November 2019

PUBLICATION PURSUANT TO SWEDISH LAW

This information constitutes such information as Crown Energy AB (publ) is required to disclose under the EU Market Abuse Regulation and the Securities Markets Act. The information was released for publication through the agency of the contact person below on 9 November 2018 at 8:30 CET.

FINANCIAL INFORMATION

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

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Glossary and definitions

GLOSSARY – CONCEPTS AND MEASUREMENTS RELATED TO THE OIL INDUSTRY Block/Concession/Licence

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

Farm-in

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

Farm-out

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

Mboe /Mmboe

Thousand barrels of oil equivalents/Million barrels of oil equivalents

Onshore

Refers to operations on land.

Offshore

Refers to operations at sea.

Operator

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

Prospect

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

Exploration

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

Reserves and resources

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

divided into proven, probable, and possible. Resources are divided into contingent and prospective categories. Crown Energy calculates reserves and resources in accordance with the Society of Petroleum Engineers Petroleum Resources Management System of 2007.

Reservoirs

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

Seismic data

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

DEFINITIONS OF KEY RATIOS

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 measure over historical or future financial performance, 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.

All indicators are Alternative unless stated otherwise

Financial key ratios

Average assets

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

Average equity

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

EBITDA

Earnings Before Interest, Taxes, Depreciation and Amortisation.

EBITDA margin

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

Equity, SEK

Equity at end of period.

Equity/assets ratio, %

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

Investments

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

Return on assets, % (ROA)

This ratio measures profitability relative to total assets.

Return on equity, % (ROE)

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

Per share data

Total number of shares outstanding

Number of shares outstanding at end of period.

Weighted average number of shares

Weighted number of shares outstanding during the year.

Equity per share, SEK

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

Earnings per share, SEK

Earnings after tax divided by average number of shares for the period. This ratio is used to show the shareholders share in the Groups result per share.

Employees

Average number of employees

Average number of employees during the period.

PROPERTY RELATED DEFINITIONS AND GLOSSARY

*Area occupancy rate***

Rented Leased space area in relation to total rentable leased space 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. Revenue 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)***

Illustrates Is 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 measurements. (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 *Asset Development and Management* business area, the Company offers a one-stop-shop concept for housing, offices and associated services to international companies. Value is created by offering international companies a one-stop-shop concept for residential premises, offices and associated 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:

- ▶ To establish service operations in more markets requiring residential and office solutions in the oil and gas industry
- ▶ To carefully select exploration areas where the chance of oil and gas discoveries is high
- ▶ To exploit synergies between the two business areas and rein-vest some of the cash flow from service operations to further develop the exploration assets
- ▶ To offer exploration and production partners tailored residential premises and offices in connection to the assets
- ▶ To pursue farm-out opportunities as exit strategies to capitalise as much as possible on its assets
- ▶ To create a good risk spread through several parallel projects

Auditor's report

Crown Energy AB (publ). reg. no. 556804-8598

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Crown Energy AB (publ) as of 30 September 2018 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 9 November 2018

Öhrlings PricewaterhouseCoopers AB

Bo Lagerström
Authorized Public Accountant