



RNS Number : 4399N  
Coro Energy PLC  
25 September 2023

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## **Coro Energy Plc**

("Coro" or the "Company" and together with its subsidiaries the "Group")

## **Half Year Report**

Coro Energy PLC, the South East Asian energy company with a natural gas and clean energy portfolio, announces its unaudited interim results for the six-month period ended 30 June 2023.

### **Highlights**

#### **Results**

- Reduced loss after tax from continuing operations of \$2.5m (restated H1 2022: \$3.8m) mainly due to the contribution of gross profit from Vietnam operations and a reduction in net finance expense. Total loss further reduced to \$2.3m (restated H1 2022: \$3.0m) if gain for the period from discontinued Italy operations of \$0.2m is included.
- Coro has a strong funding position from a combination of its cash position of approximately US\$0.7m (as at 30 June 2023), and more recently supported by the post balance sheet events of the sale of shares in Ion Ventures Holding Ltd and a further advance of Italy sale proceeds.

### **Operational**

#### **Gas**

##### **Italy**

- Coro signed a Sale and Purchase Agreement ("SPA") for the disposal of its Italian natural gas assets (the "Italian Portfolio") to Zodiac Energy plc ("Zodiac" or the "buyer") by way of the sale of the entire issued share capital of Coro Europe Limited for a total consideration of up to EUR 7.5M, including contingent payments of up to an aggregate of EUR 1.5M through a 10% net profit interest ("NPI") in the Italian Portfolio over the three years from the date of completion of

any disposal of the Italian Portfolio. An initial cash payment of EUR 1.5M was received. Following the interim period an Addendum to the Sale and Purchase Agreement ("SPA") of the Italian Portfolio whereby Zodiac agreed to make a further cash advance of EUR 0.7M. Coro has agreed to reduce the sum due at completion by the further cash advance and an additional EUR 0.14m. The total potential consideration for the transaction is now therefore EUR 7.4M from the previous EUR 7.5M.

#### Indonesia

- The operator of the Duyung PSC continues to make steady progress commercially derisking the Mako gas field and preparing for Final Investment Decision ("FID"). During the period the Operator Conrad advised of negotiation of key terms of the Mako gas sales agreement between a Singaporean buyer and the Indonesian regulator (SKKMigas).
- In addition Conrad engaged a global investment bank to lead a farm-down process for the divestment of a portion of its interest in the Duyung Production Sharing Contract. Coro, which holds a 15.0% interest in the Duyung PSC, may participate pro rata in the farm-down process as various drag and tag-along clauses exist in the Joint Operating Agreement. Coro may also entertain a full exit, depending on the terms offered.

### **Renewables**

#### Vietnam

- The 3MW solar rooftop project has been operational since October 2022 and generated revenue of US\$116,000 during the first six months of 2023.
- Coro announced the acquisition of a 2.39MW rooftop solar portfolio from the shareholders of KIMY Trading and Service JSC ("KIMY"). The total acquisition price is US\$1.3 million (US\$543/MW) with Coro assuming US\$600,000 of existing specialist renewables debt with a Vietnamese bank and the remainder of the consideration in cash and shares.
- Following the interim period Coro reported advanced talks with Capton Energy regarding possible co-investment solutions for Coro's 50MW pipeline of Vietnamese rooftop solar projects. Capton Energy, based in Dubai, is a joint venture between Siemens Financial Services and Desert Technologies.

## Philippines

- Coro has two development stage renewables projects in the Oslob onshore area of Cebu in the Philippines, a 100MW solar project and a 100MW wind project. The Company is currently focused on securing land access alongside regulatory permits and approvals, securing offtake arrangements, and data gathering at the proposed sites.
- Coro originally had a right to 80% of the dividends from the Philippines projects and this was restructured to achieve 88% of dividends.
- The application for the Philippines Department of Energy's Wind Energy Service Contract ("WESC") in respect of the wind project was approved and a WESC was formally awarded.

## Corporate

- Coro announced on 24 August 2023 the sale of its 18.76% shareholding in Ion Ventures Holdings Ltd ("ion") to SLT1 LLC a privately owned entity based in the USA for a cash consideration of £1.25 million (\$1.59 million), of which £1 million was paid immediately, and the remaining £250,000 will be paid by the 31 March 2024.
- Naheed Memon and Tom Richardson were appointed as independent non-executive directors of the Company.

### For further information please contact:

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*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the UK version of the EU Market Abuse Regulation 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended*

*and supplemented from time to time. Upon the publication of this announcement, this inside information is now considered to be in the public domain.*

## **STATEMENT FROM THE CHAIRPERSON**

Coro's strategy remains to monetise the Duyung PSC through the operator's farm-out process, repay or restructure our corporate debt, complete the sale of our Italian assets, and then strategically invest to grow our South East Asian renewables business. The Company is also seeking to secure new opportunities in South East Asia, which will assist the regional transition away from its over-reliance on coal while meeting its significant and growing energy demand.

Consistent with this strategy, Coro continues to make operational progress across all aspects of the business. Recently, this has included securing a Gas Sales Agreement Heads at the Company's flagship Indonesian gas asset, securing a Wind Energy Services Contract and ordering a Met Mast in the Philippines renewables business, commencing detailed negotiations following receipt of an indicative offer to fund our Vietnamese rooftop solar business and providing additional near term funding with both the sale of our Italian gas assets and our interest in IoN Ventures Limited. The IoN Ventures investment was sold at a 2.5 times premium to the original investment, some two years prior.

We see the Company's renewables portfolio, spanning Utility Scale wind and solar in the Philippines and Commercial and Industrial (C&I) rooftop solar in Vietnam, as both the future of our business and an important part of the energy mix in South East Asia. The opportunities to accelerate growth in both countries are significant and we believe the window to position Coro as one of the first movers in this space remains open.

It is in this context that we are delighted to present our interim report to shareholders.

### **Gas**

#### *Italy*

As announced on 27 March 2023 Coro signed a Sale and Purchase Agreement ("SPA") for the disposal of its Italian natural gas assets to Zodiac Energy plc by way of the sale of the entire issued share capital of Coro Europe Limited for a total consideration of up to EUR 7.5M, including contingent payments of up to an aggregate of EUR 1.5M through a 10% net profit interest ("NPI") in the Italian Portfolio over the three years from the date of completion of any disposal of the Italian Portfolio. To date, Coro has received a cash advance on the total consideration of EUR 2.5M subject to confirmation of the normal regulatory approvals for the transaction.

#### *Indonesia*

The Mako gas field is one of the largest gas discoveries (437 Bcf gross, full field) 2C (contingent recoverable resources) in the West Natuna Basin and, the Directors believe, the largest confirmed undeveloped resource in the area.

The Operator of the Duyung PSC is West Natuna Exploration Ltd ("WNEL"), a 100%-owned subsidiary of Conrad Asia Energy Ltd, and has continued to technically mature the development of the Mako gas field alongside negotiations of a GSA, both in preparation for FID.

Coro announced on 12 September 2023 that the operator of the Duyung PSC had signed a non-binding Term Sheet with Sembcorp Gas Pte. Ltd. for a long-term gas sales agreement for the Mako gas field. Critically, the Term Sheet has been endorsed by the Indonesian petroleum upstream regulator, SKK Migas. The Operator has indicated finalisation of a GSA and FID before the end of Q4 2023.

During 2023 the Operator has engaged a global investment bank to lead a farm-down process for the divestment of a portion of its interest in the Duyung Production Sharing Contract. Coro, which holds a 15.0% interest in the Duyung PSC, may participate pro rata in the farm-down process as various drag and tag along clauses exist in the Joint Operating Agreement. Coro may also entertain a full exit, depending on the terms offered.

## **Renewables**

### *Vietnam*

On 11 April 2022, Coro announced the entry into a 25-year PPA for its first rooftop solar project in Vietnam.

The PPA was entered into by Coro Renewables Vietnam (85% owned by Coro and 15% owned by Coro's local partner Vinh Phuc Energy JSC) and Phong Phu, a listed Vietnamese high volume manufacturer of textiles, who will purchase up to 3MW of electricity annually.

The 3MW solar rooftop project has been operational since October 2022 and generated revenue of US\$116,000 during the first six months of 2023.

On 15 June 2023, Coro announced the acquisition of a 2.39MW rooftop solar portfolio from the shareholders of KIMY Trading and Service JSC ("KIMY"). The total acquisition price is US\$1.3 million (US\$543/MW) with Coro assuming US\$600,000 of existing specialist renewables debt with a Vietnamese bank and the remainder of the consideration in cash and shares.

Coro continues to evaluate further solar projects in Vietnam.

### *Philippines*

Coro has two development stage renewables projects in the Oslob onshore area of Cebu in the Philippines, a 100MW solar project and a 100MW wind project. The Company is currently focused on securing land access alongside regulatory permits and approvals, securing offtake arrangements, and data gathering at the proposed sites.

Coro originally had a right to 80% of the dividends from the Philippines projects and this was restructured to achieve 88% of dividends.

The application for the Philippines Department of Energy's Wind Energy Service Contract ("WESC") in respect of the wind project was approved and a WESC was formally awarded.

Coro continues to evaluate further wind and solar projects in the Philippines.

## **Corporate**

Coro has a strong funding position from a combination of its cash position of approximately US\$0.7m (as at 30 June 2023), and more recently supported by the post balance sheet events of the sale of shares in Ion Ventures Holding Ltd (receipt of £1m in cash) and a further advance of Italy sale proceeds (receipt of EUR 0.7M in cash).

Naheed Memon was appointed as an independent non-executive director of the Company.

## **Post Reporting Period**

## *Indonesia*

As already mentioned Coro announced on 12 September 2023 that the operator of the Duyung PSC had signed a non-binding Term Sheet with Sembcorp Gas Pte. Ltd. for a long-term gas sales agreement for the Mako gas field. Critically, the Term Sheet has been endorsed by the Indonesian petroleum upstream regulator, SKK Migas. The Operator has indicated finalisation of a GSA and FID before the end of Q4 2023.

## *Italy*

An Addendum to the Sale and Purchase Agreement ("SPA") of the Italian Portfolio whereby Zodiac agreed to make a further cash advance of EUR 0.7M which was subsequently received was announced on 10 August 2023. The total cash advance received to date is now EUR 2.5M. Coro has agreed to reduce the sum due at completion by the further cash advance and an additional EUR 0.14m. The total potential consideration for the transaction is now therefore EUR 7.4M from the previous EUR 7.5M.

## *Vietnam*

Advanced talks with Capton Energy regarding possible co-investment solutions for Coro's 50MW pipeline of Vietnamese rooftop solar projects. Capton Energy, based in Dubai, is a joint venture between Siemens Financial Services and Desert Technologies.

## *Corporate*

As announced on 24 August 2023 Coro agreed to sell its 18.76% shareholding in Ion Ventures Holdings Ltd ("ion") to SLT1 LLC a privately owned entity based in the USA for a cash consideration of £1.25 million (\$1.59 million), of which £1 million was paid immediately, and the remaining £250,000 will be paid by the 31 March 2024.

Tom Richardson was appointed as an independent non-executive director of the Company.

James Parsons  
**Executive Chair**

## **FINANCIAL REVIEW**

### **Results from continuing operations**

The Group made a loss after tax from continuing operations of \$2.5m (restated H1 2022: \$3.8m). The overall reduction in loss after tax compared to the first half of 2022 was primarily due to the decrease in net finance expense of \$1.2m, which comprised mainly of an increase in unrealised foreign exchanges gains related to the translation of the Eurobond debt and the gross profit contribution from Vietnam operations.

In aggregate, general and administrative expenses of \$1.6m (restated H1 2022: \$1.6m) was unchanged from the comparative period. As shown in more detail in note 4, an increase of \$109k in business development expenses and an increase in Duyung related general and administrative expenses of \$57k was offset by cost savings of \$291k in other areas, notably investor and public relations costs (reduction of 93k) and corporate costs (reduction of \$75k) as management focussed on cost control. The increase in share based payments of \$121k is a non-cash expense.

### **Results from discontinued operations**

A sale and purchase agreement with respect to the disposal of the Italian gas portfolio was executed on 27 March 2023, and an initial cash payment of €1.5m was received during the reporting period. The sale remains dependent only on customary regulatory consents.

The accounting profit after tax from discontinued operations for the period was \$0.2m, lower than \$0.8m (restated) reported in the comparative period. This was primarily due to a reduction in gross profit due to a combination of lower gas prices achieved in comparison with the same comparative period and higher associated production costs. However focus remained on cost control.

### Going concern

The interim financial statements have been prepared under the going concern assumption, which presumes that the Group will be able to meet its obligations as they fall due for the foreseeable future.

The Group ended the period with cash of \$0.65m. During the reporting period the Group increased its available cash resources through an advance of US \$1.6m of the consideration for the sale of the Italian gas portfolio. Subsequent to the reporting date the Group announced the sale of its entire investment in Ion Ventures Holdings Limited for a cash consideration of £1.25m, of which £1m was paid immediately, as well as receiving a further advance of €0.7m of the consideration for the sale of the Italian gas portfolio.

Management have prepared a consolidated cash flow forecast for the period to 30 September 2024 which shows that the Group has sufficient cash headroom to meet its obligations during this period. However, this conclusion is conditional on the Group successfully repaying or restructuring its Eurobond obligations. Currently, the bonds are scheduled to mature in April 2024 when principal of €22.5m (\$24.5m) will become repayable in full along with accrued and not paid interest of €6.8m (\$7.4m).

The directors have a reasonable expectation that repayment or a debt restructuring can be achieved prior to maturity.

Negotiations with bondholders have not yet commenced, and the ability of the Company to successfully restructure the bonds is not guaranteed. However, based on the above, the Directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the Group financial statements for the period ended 30 June 2023. Should the Group be unable to continue trading, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities which might arise and to classify fixed assets as current.

### Ewen Ainsworth

Chief Financial Officer

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the Six Months Ended 30 June 2023

		30 June 2023	30 June 2022
	Notes	\$'000	Restated \$'000
Revenue		116	-
Depreciation and amortisation expense		(41)	-
<b>Gross profit</b>		<b>75</b>	-
General and administrative expenses	4	(1,633)	(1,637)
Depreciation expense		(6)	(9)
Share of loss of associates		(48)	(47)
<b>Loss from operating activities</b>		<b>(1,612)</b>	(1,693)

Finance income		<b>1,273</b>	404
Finance expense		<b>(2,203)</b>	(2,528)
Net finance expense	4	<b>(930)</b>	(2,124)
<b>Loss before income tax</b>		<b>(2,542)</b>	(3,817)
Income tax benefit / (expense)		-	-
<b>Loss for the period from continuing operations</b>		<b>(2,542)</b>	(3,817)
<b>Discontinued operations</b>			
Gain for the period from discontinued operations		<b>232</b>	803
<b>Total loss for the period</b>		<b>(2,310)</b>	(3,014)
<b>Other comprehensive income/loss</b>			
<i>Items that may be reclassified to profit and loss</i>			
Exchange differences on translation of foreign operations		<b>(1,496)</b>	2,124
<b>Total comprehensive loss for the period</b>		<b>(3,806)</b>	(890)
<b>Loss attributable to:</b>			
Owners of the company		<b>(2,296)</b>	(3,011)
Non-controlling interests		<b>(14)</b>	(3)
<b>Total comprehensive loss attributable to:</b>			
Owners of the company		<b>(3,792)</b>	(887)
Non-controlling interests		<b>(14)</b>	(3)
Basic loss per share from continuing operations (\$)	5	<b>(0.001)</b>	(0.002)
Diluted loss per share from continuing operations (\$)	5	<b>(0.001)</b>	(0.002)
Basic profit per share from discontinued operations (\$)	5	<b>0.0001</b>	0.0004
Diluted profit per share from discontinued operations (\$)	5	<b>0.0001</b>	0.0004

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED BALANCE SHEET

### As at 30 June 2023

		<b>30 June 2023</b>	31 December 2022
	Notes	<b>\$'000</b>	\$'000
<b>Non-current assets</b>			
Property, plant and equipment	6	<b>1,802</b>	1,854
Intangible assets	7	<b>19,553</b>	18,896
Investment in associates		<b>245</b>	259
Total non-current assets		<b>21,600</b>	21,009
<b>Current assets</b>			
Cash and cash equivalents		<b>651</b>	166
Trade and other receivables		<b>204</b>	213
Inventory		<b>34</b>	34
Total current assets		<b>889</b>	413
Assets of disposal group held for sale		<b>8,826</b>	9,710
<b>Total assets</b>		<b>31,315</b>	31,132
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Trade and other payables		<b>2,531</b>	819
Borrowings	8	<b>29,125</b>	-
Total current liabilities		<b>31,656</b>	819
<b>Non-current liabilities</b>			
Borrowings	8	-	28,183
Total non-current liabilities		-	28,183
Liabilities of disposal group held for sale		<b>9,024</b>	9,443
<b>Total liabilities</b>		<b>40,680</b>	38,445
<b>Equity</b>			
Share capital	9	<b>3,826</b>	3,184
Share premium	9	<b>51,762</b>	50,862
Merger reserve		<b>9,708</b>	9,708
Other reserves	10	<b>5,983</b>	7,267
Non-controlling interests		<b>(80)</b>	(66)
Accumulated losses		<b>(80,564)</b>	(78,268)
<b>Total equity</b>		<b>(9,365)</b>	(7,313)
<b>Total equity and liabilities</b>		<b>31,315</b>	31,132

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the Six Months Ended 30 June 2022

	Share capital \$'000	Share premium \$'000	Merger Reserve \$'000	Other Reserves \$'000	Accumulated Losses \$'000	Non-controlling interest \$'000	Total \$'000
Balance at 1 January 2022	2,943	50,461	9,708	4,181	(72,823)	-	(5,531)
<i>Total comprehensive loss for the period:</i>							
Loss for the period	-	-	-	-	(3,011)	(3)	(3,014)
Other comprehensive income	-	-	-	2,124	-	-	2,124
Total comprehensive loss for the period	-	-	-	2,124	(3,011)	(3)	(890)
<i>Transactions with owners recorded directly in equity:</i>							
Share based payments for services rendered	-	-	-	90	-	-	90
						(3)	
Balance at 30 June 2022	2,943	50,461	9,708	6,395	(75,834)		(6,330)

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the Six Months Ended 30 June 2023

	Share capital \$'000	Share premium \$'000	Merger Reserve \$'000	Other Reserves \$'000	Accumulated Losses \$'000	Non-controlling interest \$'000	Total \$'000
Balance at 1 January 2023	3,184	50,862	9,708	7,267	(78,268)	(66)	(7,313)
<i>Total comprehensive loss for the period:</i>							
Loss for the period	-	-	-	-	(2,296)	(14)	(2,310)
Other comprehensive loss	-	-	-	(1,496)	-	-	(1,496)
Total comprehensive loss for the period	-	-	-	(1,496)	(2,296)	(14)	(3,806)
<i>Transactions with owners recorded directly in equity:</i>							
Issue of share capital	642	900	-	-	-	-	1,542
Share based payments for services rendered	-	-	-	212	-	-	212
						(80)	
Balance at 30 June 2023	3,826	51,762	9,708	5,983	(80,564)		(9,365)

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For the Six Months Ended 30 June 2023

<b>30 June 2023</b>	30 June 2022
<b>\$'000</b>	Restated
	\$'000

<b>Cash flows from operating activities</b>		
Receipts from customers	<b>2,168</b>	2,425
Payments to suppliers and employees	<b>(3,761)</b>	(3,461)
Interest paid	-	-
Net cash used in operating activities	<b>(1,593)</b>	(1,036)
<b>Cash flow from investing activities</b>		
Payments for property, plant & equipment	<b>(5)</b>	(465)
Payments for intangible assets	<b>(507)</b>	(446)
Refunds related to development intangible assets	<b>4</b>	-
Advance receipt from sale of Italian operations	<b>1,639</b>	-
Net cash provided by / (used in) investing activities	<b>1,131</b>	(911)
<b>Cash flows from financing activities</b>		
Net cash provided by / (used in) financing activities	-	-
<b>Net decrease in cash and cash equivalents</b>	<b>(462)</b>	(1,947)
<b>Cash and cash equivalents brought forward</b>	<b>1,616</b>	3,551
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(30)</b>	12
<b>Cash and cash equivalents carried forward</b>	<b>1,124</b>	1,616

Cash and cash equivalents carried forward at 30 June 2023 includes \$473k relating to discontinued operations (2022: \$1.45m) and \$651k relating to continuing operations (2022: \$166k).

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Six Months Ended 30 June 2023**

### **Note 1: Basis of preparation of the interim financial statements**

The condensed consolidated interim financial statements of Coro Energy plc (the "Group") for the six month period ended 30 June 2023 have been prepared in accordance with Accounting Standard IAS 34 *Interim Financial Reporting*.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2022, which was prepared under International Financial Reporting Standards (IFRS) in conformity with the requirements of the Companies Act 2006, and any public announcements made by Coro Energy plc during the interim reporting period.

These condensed consolidated interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2022 prepared under IFRS have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498(2) of the Companies Act 2006. These condensed consolidated interim financial statements have not been audited.

The condensed consolidated interim financial statements of the Group are presented in United States Dollars ("USD" or "\$"), rounded to the nearest \$1,000.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

### *Basis of preparation - going concern*

The interim financial statements have been prepared under the going concern assumption, which presumes that the Group will be able to meet its obligations as they fall due for the foreseeable future.

The Group ended the period with cash of \$0.65m. During the reporting period the Group increased its available cash resources through an advance of US \$1.6m of the consideration for the sale of the Italian gas portfolio. Subsequent to the reporting date the Group announced the sale of its entire investment in Ion Ventures Holdings Limited for a cash consideration of £1.25m, of which £1m was paid immediately, as well as receiving a further advance of €0.7m of the consideration for the sale of the Italian gas portfolio.

Management have prepared a consolidated cash flow forecast for the period to 30 September 2024 which shows that the Group has sufficient cash headroom to meet its obligations during this period. However, this conclusion is conditional on the Group successfully repaying or restructuring its Eurobond obligations. Currently, the bonds are scheduled to mature in April 2024 when principal of €22.5m (\$24.5m) will become repayable in full along with accrued and not paid interest of €6.8m (\$7.4m).

The directors have a reasonable expectation that repayment or a debt restructuring can be achieved prior to maturity.

Negotiations with bondholders have not yet commenced, and the ability of the Company to successfully restructure the bonds is not guaranteed. However, based on the above, the Directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the Group financial statements for the period ended 30 June 2023. Should the Group be unable to continue trading, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities which might arise and to classify fixed assets as current.

#### **a) New and amended standards adopted by the Group**

New and amended standards which became applicable on 1 January 2023 do not have a material impact on the Group, and the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards/amendments.

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Six Months Ended 30 June 2023**

#### **a) New accounting policies adopted by the Group**

There were no new accounting policies adopted by the Group during the period, nor any amendments to existing accounting policies.

#### **Note 2: Significant changes**

There have been no significant changes affecting the financial position and performance of the Group during the six months to 30 June 2023. The results of the Group for the comparative period to 30 June 2022 have been restated to classify the results of the Italian gas portfolio as a discontinued operation. Refer to note 11.

For further discussion of the Group's performance and financial position refer to the Chairman and CEO's Statement.

The Group's results are not materially impacted by seasonality.

### Note 3: Segment information

The Group's reportable segments as described below are based on the Group's geographic business units. This includes the Group's upstream gas operations in Italy, upstream gas operations and renewable energy operations in South East Asia, along with the corporate head office in the United Kingdom. This reflects the way information is presented to the Group's Chief Operating Decision Maker, which is the Executive Chair.

	Italy		Asia		UK		Total	
	30 June 2023	30 June 2022 Restated						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Depreciation and amortisation	-	-	(41)	-	(6)	(9)	(47)	(9)
Finance expense	-	-	-	-	(1,718)	(2,528)	(1,718)	(2,528)
Share of loss of associates	-	-	-	-	(48)	(47)	(48)	(47)
Segment loss before tax from continuing operations	-	-	(286)	(237)	(2,256)	(3,580)	(2,542)	(3,817)
Segment profit before tax from discontinued operations (2022 restated)	232	803	-	-	-	-	232	803
	Italy		Asia		UK		Total	
	31 Dec 2023	31 Dec 2022 Restated						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	8,826	9,710	21,133	20,129	1,356	1,293	31,315	31,132
Segment liabilities	(9,024)	(9,548)	(352)	(182)	(31,304)	(28,715)	(40,680)	(38,445)

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Six Months Ended 30 June 2023

### Note 4: Profit and loss information

#### a) General and administrative expenses

General and administrative expenses in the income statement includes the following significant items of expenditure:

	30 June 2023	30 June 2022 Restated
	\$'000	\$'000
Employee benefits expense	514	592
Business development	418	309
Corporate and compliance costs	222	297
Investor and public relations	42	135
Other G&A	158	101
G&A - non-operated joint operations	67	112
Share based payments (note 9)	212	91
	1,633	1,637

#### b) Finance income / expense

	30 June 2023	30 June 2022 Restated
	\$'000	\$'000
Finance income		
Foreign exchange gains	1,273	404

<i>Finance expense</i>		
Interest on borrowings	<b>1,718</b>	1,982
Other finance charges	<b>3</b>	-
Unrealised loss on foreign exchange	-	34
Foreign exchange losses	<b>482</b>	512
Net finance income / (expense)	<b>(930)</b>	(2,124)

## Note 5: Loss per share

	<b>30 June 2023</b>	30 June 2022 Restated
Basic loss per share from continuing operations (\$)	<b>(0.001)</b>	(0.002)
Diluted loss per share from continuing operations (\$)	<b>(0.001)</b>	(0.002)
Basic profit per share from discontinued operations (\$)	<b>0.0001</b>	0.0004
Diluted profit per share from discontinued operations (\$)	<b>0.0001</b>	0.0004

The calculation of basic loss per share from continuing operations was based on the loss attributable to shareholders of \$2.5m (2022: \$3.8m) and a weighted average number of ordinary shares outstanding during the half year of 2,348,242,699 (2022: 2,124,035,967).

Diluted loss per share from continuing operations for the current and comparative periods is equivalent to basic loss per share since the effect of all dilutive potential ordinary shares is anti-dilutive.

Basic profit per share from discontinued operations was based on the profit attributable to shareholders from discontinued operations of \$0.2m (2022: \$0.8m).

Diluted profit per share from discontinued operations for the current and comparative periods include the potential dilutive effect of all share options and warrants that were "in the money" as at the reporting date. The potential dilutive shares includes options issued to Directors and management.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Six Months Ended 30 June 2023

### Note 6: Property, plant and equipment

	<b>30 June 2023</b>	31 December 2022
	<b>\$'000</b>	\$'000
Office furniture and equipment	<b>7</b>	3
Solar assets	<b>1,795</b>	1,851
	<b>1,802</b>	1,854

Reconciliation of the carrying amounts for each material class of intangible assets for the six months ended 30 June 2023 are set out below:

*Solar assets:*

	<b>30 June 2023</b>
	<b>\$'000</b>
Carrying amount at beginning of period	1,851
Depreciation and amortisation	(41)
Retranslation differences	(15)
Carrying amount at end of period	1,795

Solar assets comprise of the Group's 3-megawatt pilot rooftop solar project in Vietnam.

## Note 7: Intangible assets

	<b>30 June 2023 \$'000</b>	31 December 2022 \$'000
Exploration and evaluation assets	<b>18,214</b>	17,707
Intangible development assets	<b>436</b>	428
Software	<b>4</b>	7
Goodwill	<b>899</b>	754
	<b>19,553</b>	18,896

Reconciliation of the carrying amounts for each material class of intangible assets for the six months ended 30 June 2023 are set out below:

### *Exploration and evaluation assets:*

	<b>30 June 2023 \$'000</b>
Carrying amount at beginning of period	17,707
Additions	507
Carrying amount at end of period	18,214

Exploration and evaluation assets relate to the Group's interest in the Duyung PSC. No indicators of impairment of these assets were noted.

Intangible development assets comprise expenditure directly attributable to the design and development of identifiable and unique renewables projects controlled by the Group in the Philippines. No indicators of impairment of these assets were noted.

Goodwill was initially recognised following the acquisition of the renewables projects in the Philippines. During the six months ended 30 June 2023, the Group acquired an additional entitlement to dividends from its partners in these projects for a consideration of \$145k, which was paid by issuing new ordinary shares in the Company (note 9). The Group's dividend entitlement increased from 80% to 88%. No impairment of goodwill was noted following testing performed at 31 December 2022.

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Six Months Ended 30 June 2023**

### **Note 8: Borrowings**

	<b>30 June 2023 \$'000</b>	31 December 2022 \$'000
<b>Current</b>		
Eurobond	29,125	-
	29,125	-
<b>Non-current</b>		
Eurobond	-	28,183
	-	28,183

Borrowings relates to €22.5m Eurobonds with attached warrants which were issued in 2019 to institutional investors. The bonds were issued in two equal tranches A and B, ranking pari passu, with Tranche A paying an annual 5% cash coupon and Tranche B accruing interest at 5% payable on redemption. The bonds were scheduled to mature on 12 April 2022 at 100% of par value plus any accrued and unpaid coupon. However, in April 2022 the Group completed a restructuring of the Eurobonds which extended the maturity date by two years to 12 April 2024, removed all cash interest payment obligations prior to the maturity date, and increased the coupon interest rate from 5% to 10%. In the event of a sale of the Group's interest in the Duyung PSC, the net cash proceeds of such disposal(s) will be utilised to first repay the capital and rolled up

interest on the Eurobonds and thereafter to distribute 20% of remaining net proceed(s) to holders of the Eurobonds. The remaining net proceeds of any sales will be retained and/or distributed to shareholders by the Company.

The restructured bonds were initially recognised at fair value and subsequently are recorded at amortised cost, with an average effective interest rate of 12.10%. The contingent payment upon the sale of the Company's interest in the Duyung PSC has not been considered in the estimate of the effective interest rate as it meets the definition of a contingent liability.

Loan interest for quarters ended 12 October 2022, 12 January 2023 and 12 April 2023 were settled by newly issued ordinary shares of the Company (note 9).

## Note 9: Share capital and share premium

	<b>30 June 2023</b>	<b>Nominal value \$'000</b>	<b>Share Premium \$'000</b>	<b>30 June 2023 Total \$'000</b>
As at 1 January 2023	2,339,977	3,184	50,862	54,046
<i>Shares issued during the period:</i>				
Proceeds from share issuance for Eurobond interest	486,882	594	804	1,398
Consideration for increase in Philippines dividend entitlement (note 7)	40,000	48	96	144
<b>Closing balance at 30 June 2023</b>	<b>2,866,859</b>	<b>3,826</b>	<b>51,762</b>	<b>55,588</b>
	31 December 2022	Nominal value \$'000	Share Premium \$'000	31 December 2022 Total \$'000
As at 1 January 2022	2,124,036	2,943	50,461	53,404
<i>Shares issued during the period:</i>				
Proceeds from share issuance for Eurobond interest	215,941	241	401	642
Closing balance - 31 December 2022	2,339,977	3,184	50,862	54,046

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Six Months Ended 30 June 2023

### Note 10: Reserves

#### a) Other reserves

##### Share based payments reserve

The Group issued 70,000,000 options as a standalone award during the period to directors and management. The options vest on the third anniversary of the grant date and are subject to the achievement of certain performance criteria, being a final investment decision being taken by the partners to the Duyung PSC or the successful sale of the Company's interest in the Duyung PSC. Should the performance criteria not be met as it is no longer relevant, the Remuneration Committee may permit the options to vest if it is deemed appropriate to do so. Vested options will be exercisable at 0.255 British pence per ordinary share.

The options have been valued on the grant date using a Black Scholes model, resulting in a valuation of £0.0013 per award. The total value of the awards will be expensed over the vesting period in line with the requirements of IFRS 2.

##### Functional currency translation reserve

The translation reserve comprises all foreign currency differences arising from translation of the financial position and performance of the parent company and certain subsidiaries which have a functional currency different to the Group's presentation currency of USD. The total loss on foreign exchange recorded in other reserves for the period was \$1.5m (2022: \$2.1m gain).

#### **Note 11: Restatement of comparative period in relation to Italy**

On 7 March 2022 the Group announced that having completed a full review of the Italian assets it was decided that, despite the Group remaining focused on South East Asia, to maximise shareholder value, the Italian assets would no longer be marketed for sale and would instead be managed for value and cash flow. As such the Italian business temporarily did not qualify as a disposal group or discontinued operation under IFRS 5 from this date and at 30 June 2022 and for the six months then ended.

The Group, in common with other European gas producers, experienced a significant increase in wholesale gas prices since March 2022, which resulted in a materially positive impact on the value of the Italian operations. In August 2022, following unsolicited approaches, the Group entered into an option agreement with Zodiac Energy plc ("Zodiac") whereby Zodiac acquired the right to acquire 100% of the issued share capital of Coro Energy Europe Ltd, the wholly owned subsidiary holding the Groups Italian gas portfolio, for a total consideration of up to €7.5m (the "Option Agreement"). As announced by the Company on 24 August 2022, Zodiac paid a non-refundable deposit of €0.3m with a further €5.7m to be paid in cash on completion and further contingent payments up to an aggregate of €1.5m through a net profit interest. A definitive Sale and Purchase Agreement ("SPA") was executed on 27 March 2023 and an initial cash payment of €1.5m was received on 4 April 2023. The shareholders of the Company approved the disposal on 25 April 2023 and the disposal remains dependent only on customary regulatory consents. The Group expects the disposal to complete during Q4, 2023.

The Board of Directors are committed to the disposal of the Italian operation under the terms of the SPA, and resultantly the Group classified the assets and liabilities of its Italian business as a disposal group held for sale, as well as a discontinued operation, as at 31 December 2022 and as at 20 June 2023.

The comparative figures in these condensed consolidated financial statements have been restated to show the Italian business as discontinued operations. The table below set out the impact of this restatement on the comparative figures.

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Six Months Ended 30 June 2023**

### **Note 11: Restatement of comparative period in relation to Italy (continued)**

Effect on the condensed consolidated statement of comprehensive income for the six months ended 30 June 2022:

	<b>Figure previously reported \$'000</b>	<b>Adjustment \$'000</b>	<b>Restated \$'000</b>
Revenue	2,639	(2,639)	-
Operating Costs	(1,133)	1,133	-
Depreciation and amortisation expense	(212)	212	-
Gross profit loss	1,294	(1,294)	-
General and administrative expenses	(2,059)	422	(1,637)
Depreciation expense	(20)	11	(9)
Impairment losses	(1)	1	-
Share of loss of associates	(47)	-	(47)
<b>Loss from operating activities</b>	<b>(833)</b>	<b>(860)</b>	<b>(1,693)</b>
Finance income	404	-	404
Finance expense	(2,585)	57	(2,528)
Net finance income expense	(2,181)	57	(2,124)
<b>Loss before income tax expense</b>	<b>(3,014)</b>	<b>(803)</b>	<b>(3,817)</b>
Income tax benefit/(expense)	-	-	-
<b>Loss for the period from continuing operations</b>	<b>(3,014)</b>	<b>(803)</b>	<b>(3,817)</b>
Loss for the period from discontinued operations	-	803	803
<b>Total loss for the period</b>	<b>(3,014)</b>	<b>-</b>	<b>(3,014)</b>
<b>Other comprehensive income/loss</b>			
Exchange differences on translation of foreign operations	2,124	-	2,124
<b>Total comprehensive loss for the period</b>	<b>(890)</b>	<b>-</b>	<b>(890)</b>
<b>Loss attributable to:</b>			
Owners of the company	(3,011)	-	(3,011)
Non-controlling interests	(3)	-	(3)
<b>Total comprehensive loss attributable to:</b>			
Owners of the company	(887)	-	(887)
Non-controlling interests	(3)	-	(3)

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **For the Six Months Ended 30 June 2023**

#### **Note 12: Interests in other entities**

##### **Asia**

The Group's wholly owned subsidiary, Coro Energy Duyung (Singapore) Pte Ltd, is the owner of a 15% interest in the Duyung Production Sharing Contract ("PSC").

The Duyung PSC partners have entered into a Joint Operating Agreement ("JOA"), which governs the arrangement. Through the JOA, the Group has a direct right to the assets of the venture, and direct obligation for its liabilities. Accordingly, Coro accounts for its share of assets, liabilities and expenses of the venture in accordance with the IFRSs applicable to the particular assets, liabilities and expenses.

The operator of the venture is West Natuna Exploration Ltd ("WNEL"). WNEL is a company incorporated in the British Virgin Islands and its principal place of business is Indonesia.

The Group's wholly owned subsidiary Coro Asia Renewables Ltd, has a 88% economic interest in the Philippines company, Coro Clean Energy Vietnam Inc, which owns 100% of three Philippines incorporated subsidiaries that hold the Group's intangible development assets in this country.

The Group's wholly owned subsidiary Coro Clean Energy Vietnam Ltd, is the owner of a 85% interest in the Vietnamese company, Coro Renewables VN1 Joint Stock Company, which owns 100% of Coro Renewables VN2 Company Limited, which in turn owns 100% of Coro Renewables Vietnam Company Limited ("CRVCL"). CRVCL is the operator of a 3-megawatt pilot rooftop solar development in Vietnam.

### **Italy**

The Group's Italian subsidiary, Apennine Energy SpA, is the owner of the Group's Italian gas portfolio which is in the process of being sold (note 11).

### **ion Ventures**

In 2020, the Company acquired a 20.3% interest in ion Ventures Holdings Limited which is treated as an associate and accounted for under the equity method. The Group disposed of its entire shareholding in August 2023 (note 14).

The Group's share of loss of associates for the 6 months ended 30 June 2023 was \$48k (2022: loss \$47k). There were no dividends declared or paid by associates during the period.

## **Note 13: Contingencies and commitments**

### **Commitments**

Coro's share of the 2023 Duyung Work Programme and Budget is estimated at \$1.2m, which will be allocated between items of capital expenditure and joint venture G&A. The Group had no capital committed work programmes in its Philippine or Vietnam operations.

### **Contingencies**

The Company undertook to the Noteholders that in the event of a sale of the Company's interest in the Duyung PSC to utilise the net cash proceeds of such disposal(s) to first repay the capital and rolled up interest on the Notes and thereafter to distribute 20% of remaining net proceed(s) to Noteholders. The remaining net proceeds of any sales would be retained and/or distributed to shareholders by the Company. Due to its nature, it is not possible to quantify the financial impact of this contingent liability.

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Six Months Ended 30 June 2023**

### **Note 14: Subsequent events**

On 3 August 2023, the Company received an indicative funding proposal from and is in advanced talks with Capton Energy regarding possible co-investment solutions for the Company's Vietnamese rooftop solar projects. Capton Energy, based in Dubai, is a joint venture between Siemens Financial Services and Desert Technologies. The funding proposal received is for Capton to buy into the Company's current Vietnamese solar projects and provide investment in the project pipeline of up to 50 megawatts. The

Company has committed to a four-month period of exclusivity for the parties to conclude the transaction.

On 10 August 2023 the Company announced that it had signed an Addendum to the Sale and Purchase Agreement ("SPA") in relation to the Group's Italian gas portfolio, as previously announced on 27 March 2023. The buyer, Zodiac Energy plc ("Zodiac") has made a further cash advance of €0.7m (the "Additional Advance") which will bring the total advanced to Coro to date to €2.5m. The Company has agreed to reduce the sum due at completion by the Additional Advance and an additional €0.14m. Furthermore the longstop date under the SPA has been extended to the 31 December 2023, and the requirement for the Company to settle the €1.86m intercompany loan from Apennine Energy SpA has been replaced with an assignment of the loan directly to Zodiac. Consequently the residual amount expected to be received on completion is now €1.36m with a further €0.14m to be received as soon as practicable after completion.

On 24 August 2023 the Company announced that it has agreed to sell its entire shareholding in Ion Ventures Holdings Ltd ("ion") to SLT1 LLC, a privately owned entity based in the USA, for a cash consideration of £1.25m (\$1.59m), of which £1m will be paid immediately, and the remaining £250k will be paid by 31 March 2024. The shareholding was acquired by Coro for £500k (\$662k) in 2020.

On 12 September 2023 the Company announced that the operator of the Duyung PSC had signed a non-binding Term Sheet with Sembcorp Gas Pte. Ltd. for a long-term gas sales agreement for the Mako gas field. The Term Sheet has been endorsed by the Indonesian petroleum upstream regulator (SKK Migas). The Operator has indicated finalisation of a GSA and FID before the end of Q4 2023.

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Half-year Report

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Results and Trading Reports

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