

Crown Energy: Q2 report January-June 2022

PRESS RELEASE 19/08/2022

SECOND QUARTER REPORT – APRIL-JUNE 2022

- ▶ Revenue amounted to SEK 10,334 thousand (5,683).
- ▶ Operating loss amounted to SEK -7,467 thousand (-8,461).
- ▶ Net financial items amounted to SEK 2,328 thousand (5,925).
- ▶ Unrealised changes in property values amounted to SEK 2,931 thousand (-5,891).
- ▶ Result before tax amounted to SEK -2,207 thousand (-8,426) and result after tax amounted to SEK -17,509 thousand (-8,669), corresponding to SEK -0.04(-0.02) per share.

HALF YEAR REPORT – JANUARY-JUNE 2022

- ▶ Revenue amounted to SEK 17,647 thousand (10,562).
- ▶ Operating loss amounted to SEK -15,149 thousand (-11,770).
- ▶ Net financial items amounted to SEK -46,479 thousand (1,142).
- ▶ Unrealised changes in property values amounted to SEK 11,653 thousand (-17,330).
- ▶ Profit before tax amounted to SEK -49,975 thousand (-27,958), and profit after tax amounted to SEK -11,107 thousand (-25,412), corresponding to SEK -0.13 (-0.05) per share.

KEY EVENTS DURING THE REPORTING PERIOD JANUARY-JUNE 2022

- ▶ On 3 March 2022, Crown Energy announced that the joint venture Block 2B offshore in South Africa has signed an agreement for a semi-submersible rig, Island Innovator, to drill a well at Gazania-1 by October 2022.
- ▶ Crown Energy announced on 21 April 2022, that the second instalment of USD 8 million has been credited to the Company's account in accordance with the agreement for the disposal of the majority of its oil and gas assets signed on 20 October 2021. The total amount received in accordance with the agreement since October 2021 amounts to USD 83 million.

EVENTS AFTER THE REPORTING PERIOD

- ▶ After the period end the Company has announced that the Island Innovator rig is mobilised and on its way to the drilling site.

CEO statement

DEAR SHAREHOLDERS AND INVESTORS,

During the second quarter of 2022, Crown Energy has continued to work towards its long-term mission statement, that is, to make a well-timed exit from the oil and gas industry and to move into a more socially responsible direction. The company's short-term focus remains on developing the current oil and gas assets in order to make this exit as economically beneficial as possible to the company and its shareholders.

Crown Energy's cash balance improved further during the quarter as the Company received a first instalment of USD 8 million in April in accordance with the agreement signed with the purchaser in October 2021. Crown Energy will continue to receive payments of USD 97 million over the next five years, with the possibility of receiving considerable further milestone payments in earn-out consideration into the Company. As of the end of the second quarter, Crown Energy had a free cash balance of in excess of SEK 807 million.

ASSET DEVELOPMENT AND MANAGEMENT

Crown Energy continues to see an improving and more stable economic situation in Angola, which should continue during 2022. Occupancy rates of our properties are increasing, and the Angolan kwanza has remained firmer against the US dollar. All this has positive consequences for Crown Energy's operations in Angola which strengthens the economic prospects for the business area.

During second quarter of 2022, sales revenue increased by 102% percent compared to the same period last year. That is both due to a 6 per cent increase in revenue nominated in local currency

and the strengthening of Angolan kwanza to SEK. At the same time property costs for the reporting period have also increased and amounted to SEK -10,858 thousand (-4,254). The period's operating result is SEK -15,149 thousand (-11,734).

ENERGY

Oil and gas prices remain at elevated levels given the uncertainty surrounding Russia and potential supply disruptions going forward. The price of crude oil has come down from the peak levels seen earlier this year, but we expect continued high energy prices for the foreseeable future.

During the quarter, there has been positive operational updates regarding Crown Energy's joint venture Block 2B in South Africa from the operator Eco Atlantic. We look forward to starting the drilling of the Gazania-1 well, which is expected to spud in September 2022, with drilling expected to last for 25 days.

BUSINESS TRANSITION UPDATE

Crown Energy is looking to grow its business within socially responsible areas and eventually exit its oil and gas operations. The strategy is to grow into fast growing segments such as CO2 capturing, MedTech, and tele-medicine.

We are currently focusing on a small number of new and exciting investment opportunities in these new areas as we continue to be confident that they will provide great growth and financially rewarding opportunities for Crown Energy. This information is information as Crown Energy AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication at 22:00 CET, on 19 August 2022.

Yoav Ben Eli

CEO, Crown Energy

PUBLICATION

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MORE INFORMATION

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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. For more information please visit www.crownenergy.se