

# Crown Energy AB: Interim Report January-September 2022

PRESS RELEASE 29/11/2022

## THIRD QUARTER – JULY-SEPTEMBER 2022

- ▶ Revenue amounted to SEK 14,361 thousand (4,626).
- ▶ Operating loss amounted to SEK -1,487 thousand (-6,787).
- ▶ Net financial items amounted to SEK 53,964 thousand (-8,095).
- ▶ Result before tax amounted to SEK 52,477 thousand (-43,684) and result after tax amounted to SEK 66,442 thousand (-38,832), corresponding to SEK 0.14 (-0.08) per share.

## NINE MONTH PERIOD – JANUARY-SEPTEMBER 2022

- ▶ Revenue amounted to SEK 33,280 thousand (15,188).
- ▶ Operating loss amounted to SEK 16,758 thousand (-18,558).
- ▶ Net financial items amounted to SEK 101,473 thousand (-6,953).
- ▶ Profit before tax amounted to SEK 100,965 thousand (-71,643), and profit after tax amounted to SEK 99,225 thousand (-64,244), corresponding to SEK 0.21 (-0.13) per share.

## KEY EVENTS DURING REPORTING PERIOD JANUARY-SEPTEMBER 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.
- ▶ In September 2022 the Company has announced that the Island Innovator rig is mobilised and on its way to the drilling site.

## EVENTS AFTER THE REPORTING PERIOD

- ▶ Crown Energy announced on 21st October 2022 that the third instalment of USD 8 million has been credited to the Company's account in accordance with the terms of the Sale and Purchase agreement dated 20th October 2021. The total received in accordance with the Agreement since October 2021 amounts to USD 91 million.
- ▶ After the period end the Company announced that the Island Innovator rig had arrived in South Africa and had commenced drilling activities on the Gazania-1 well on Block 2 B in October. The well did not encounter hydrocarbons in any commercial quantities and is being plugged and abandoned as planned. The Operator is assessing the technical information revealed by the well and will be reporting to the JV in due course. The Operator also applied in November on behalf of the JV to move into the next phase of the Licence which is the Production Right.
- ▶ On 29th of November, Board of Crown Energy announced that it no longer believes it is beneficial to the Company from a commercial or environmental standpoint to try to renegotiate and continue with the Madagascar Licence thus the asset will be impaired in Q4 2022.

## **CEO STATEMENT**

### **DEAR SHAREHOLDERS AND INVESTORS,**

During the third quarter, Crown Energy has, with undiminished strength, worked towards the company's long-term goal of making a responsible, and for our shareholders financially beneficial, exit from the oil and gas industry.

Crown remains in a very positive and strong cash position with approximately 842 MSEK, 150 MSEK in fixed income investments and a secure income of \$16m per annum in accordance with our Sale and Purchase Agreement of October 2021. Crown is therefore very well positioned financially to pursue new projects.

As previously communicated, we intend to use this liquidity to make investments in fast-growing segments such as, medical technology, telemedicine and CO2 capture. We expect that a first investment in one of these areas will take place in the near future.

### **ASSET DEVELOPMENT AND MANAGEMENT**

Following a difficult year for office rentals in Angola in 2021, where almost all companies renegotiated their rents and avoided costs of moving, there are some positive signs for the market in 2022. The elevated price of oil and the entry of new rigs in the country being important factors playing into the prospects of a brighter future.

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

### **ENERGY**

During the period, the primary focus has been to, in cooperation with our joint venture partners, start drilling in the Gazania-1 well in Block 2B in South Africa. Preparations went according to plan with some delays due to bad weather and drilling commenced in the first half of October.

Unfortunately, the outcome was not what our JV had expected, and no commercially viable amount of oil could be found. Once the Operator has provided further advice and information on the well results, we will, together with our partners, decide if and how our involvement in this project should continue. We would like to remind you that we were fully carried for the costs of the well. Though the result was disappointing, the financial costs and effects on Crown have been minimal.

Regarding our Manja Licence in Block 3108 in Madagascar, we have decided not to renegotiate the licence as it makes no commercial sense for Crown. This is a direct result of the highly increased costs related to the project and the fact that we are moving away from projects that we believe have a negative environmental impact.

Yoav Ben Eli

CEO, Crown Energy

*This disclosure contains information that Crown Energy is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 29 November 2022 at 22:00 CET.*

### **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](http://www.crownenergy.se)