Final Results
RNS Number : 4824D
Coro Energy PLC
09 September 2024

Certain information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

9 September 2024

Coro Energy Plc

("Coro" or the "Company")

Final Results

Coro Energy Plc, the South East Asian energy company with a natural gas and clean energy portfolio, announces its final results for the year ended 31 December 2023.

FY2023 Highlights

- Restructuring of the Philippines renewables business increasing Coro's entitlement to future dividends to 88%.
- Disposal of Italian portfolio to Zodiac Energy plc.
- First Wind Energy Service Contract ("WESC") awarded in the Philippines.
- Sale of interest in IoN Ventures Holding Ltd.
- MOU signed with Mobile World Group ("MWG") granting exclusivity on an initial 900 sites estimated at 50MW of rooftop solar capacity in Vietnam.
- Restructuring of the Vietnam renewables business increasing Coro's equity interest to 92.5%.
- Tom Richardson joined the Board as a Non Executive Director.
- Initiation of a farm down process by the Operator of the Duyung PSC where Coro has drag and tag along rights.

Post Period End

- The Company signed a binding 14-year power purchase agreement ("PPA") with MWG to deliver power at the first ten sites as a pilot phase with a capacity of 430kw.

- The Company signed a second binding PPA with MWG for the next 30 sites with a capacity of circa 1MW.

- A second Wind Energy Service Contract (WESC) was secured in the Philippines.

- The Company received a letter from two lenders holding 68% of the Company's Luxembourg listed Eurobonds which are currently due to expire on 12 April 2024 granting a conditional standstill on the repayment of the Company's current debt obligations whilst the ongoing constructive discussions with the Company in respect of the Eurobonds continue.

- Harry Beamish joined the board as Independent Non-Executive Director following the AGM where the Chairman was not re-elected to the Board.

- The Company signed binding key terms for the sale and purchase of the domestic portion of the Mako gas field with PT Perusahaan Gas Negara Tbk.

- Binding Gas Sales Agreement entered into with Sembcorp for the Mako gas field.

- The Company secured a six month $500k secured convertible loan.

For further information please contact:

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Statement from the Directors

At the Company's Annual General Meeting, ("AGM") in May 2024 the Company's previous Chairman was not re-elected which resulted in the suspension of trading of Coro's shares on the AIM Market of the London Stock Exchange due to an inquorate Board. As the sole remaining Director, I took immediate steps to resolve this and as a result Harry Beamish was appointed to the Board. Harry has significant expertise in the energy and renewables sectors with over a decade specialising in emerging markets, and has developed, advised and structured multiple renewable energy transactions across Hydro, Solar, Wind, and Energy Efficiency and advises companies within the Energy Transition space. With the publication of this annual report and accounts the Board expects trading of the shares to resume. Also on publication of the annual reports and accounts, I, Tom Richardson will be appointed as Non-Executive Chair of the Company. The annual reports and accounts will be available on the Company's website shortly following the release of this announcement, and it is anticipated they will be posted to shareholders on or by Thursday, 12 September 2024. It is further anticipated that trading in the Company's shares will resume on Tuesday, 10 September 2024.

In terms of our trading activity, the Company continues to make progress across its South East Asian portfolio. Having been through a period of portfolio refocus, selling both the ion investment and the Italian gas portfolio in 2023, whilst we believe that long awaited and important milestones are finally approaching at Duyung alongside continued developments which are expected in our renewables portfolio across both the Philippines and Vietnam. The objective of the Philippines business remains to secure RTB projects, whilst in Vietnam the over-riding objective remains to generate solid cost base covering cash flows.

Consistent with this regional focus and with a view to providing additional time to the Company, the Company announced a standstill with its Eurobond lenders following the financial year end. It continues to work towards a broader debt restructuring solution that structurally solves Coro's capital structure whilst providing funding for our renewables deployment.

Post the year under review, the Company raised US$500,000 via a secured convertible loan with River Merchant Capital, an existing lender to the Company under the Company's Luxembourg 8% listed Eurobond and Fenikso Limited. The proceeds of this loan will be utilised to fund the Group's renewables business and for general working capital purposes. Under the Group's forecast, this loan together with existing bank balances provides sufficient funding to fund the Company's working capital requirements through to the end of January 2025.

Notwithstanding the above, management have prepared a consolidated cash flow forecast for the period to 31 December 2025 which shows that the Group will require additional financing to meet its obligations and intended work renewables work programme in Asia beyond this date. We enjoy the ongoing support of our lenders whilst we continue to grow the renewables business activities, but will continue to explore options which include issuing equity and disposals. Shareholders attention is drawn to the Going Concern language in section 2(c) in the notes to the accounts below.

TOM RICHARDSON

Non-Executive Chair

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	Notes	**31 December 2023 US$'000**	31 December 2022 US$'000
Continuing operations			
Revenue		235	51

Depreciation and amortisation expense		(78)	(21)
Gross profit		157	30
Other (loss) / income		(3)	309
General and administrative expenses	5	(3,305)	(3,574)
Depreciation expense		(10)	(15)
Impairment reversal		54	-
Gain on disposal of investments in associates and subsidiaries	19b	1,313	-
Share of loss of associates		(49)	(82)
Loss from operating activities		(1,843)	(3,332)
Finance income	7	1,045	636
Finance expense	7	(4,249)	(5,491)
Net finance expense		(3,204)	(4,855)
Loss before income tax		(5,047)	(8,187)
Income tax benefit/(expense)	8	-	-
Loss for the year from continuing operations		(5,047)	(8,187)
Discontinued operations			
Gain for the year from discontinued operations	19a	6,738	2,642
Total profit / (loss) for the year		1,691	(5,545)
Other comprehensive income/loss			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		(3,339)	2,925
Total comprehensive loss for the year		(1,648)	(2,620)
Profit/(loss) attributable to:			
Owners of the Company		1,717	(5,479)
Non-controlling interests		(26)	(66)
Total comprehensive loss attributable to:			
Owners of the Company		(1,622)	(2,554)
Non-controlling interests		(26)	(66)
Basic and diluted profit / (loss) per share from continuing operations ($)	9	(0.002)	(0.004)
Basic earnings per share from discontinued operations (US$)		0.0025	0.001
Diluted earnings per share from discontinued operations (US$)		0.0024	0.001

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

Consolidated Balance Sheet

Company number: 10472005

As at 31 December 2023

	Notes	**31 December 2023 US$'000**	31 December 2022 US$'000
Non-current assets			
Property, plant and equipment	12	1,680	1,854
Intangible assets	13	20,190	18,896
Investment in associates	23	-	259
Other financial assets	19a	472	-
Total non-current assets		22,342	21,009
Current assets			
Cash and cash equivalents	21	1,095	166
Trade and other receivables	11	1,399	213
Inventory	10	35	34
Total current assets		2,529	413
Assets of disposal group held for sale	19	-	9,710
Total assets		24,871	31,132
Liabilities and equity			
Current liabilities			
Trade and other payables	15	660	819
Borrowings	16	31,327	-
Total current liabilities		31,987	819
Non-current liabilities			
Borrowings	16	-	28,183
Total non-current liabilities		-	28,183
Liabilities of disposal group held for sale	19	-	9,443
Total liabilities		31,987	38,445

Equity			
Share capital	17	3,826	3,184
Share premium	17	51,762	50,862
Merger reserve	18	-	9,708
Other reserves	18	3,603	7,267
Non-controlling interests		(92)	(66)
Accumulated losses		(66,215)	(78,268)
Total equity		(7,116)	(7,313)
Total equity and liabilities		24,871	31,132

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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Attributable to equity shareholders of the Company						
	Share capital US$'000	Share premium US$'000	Merger reserve US$'000	Other reserves US$'000	Accumulated losses US$'000	Non-controlling interest US$'000	Total US$'000
At 1 January 2022	2,943	50,461	9,708	4,180	(72,822)	-	(5,530)
Total comprehensive loss for the year:							
Loss for the year	-	-	-	-	(5,479)	(66)	(5,545)
Other comprehensive income	-	-	-	2,925	-	-	2,925
Total comprehensive income/(loss) for the year	-	-	-	2,925	(5,479)	(66)	(2,620)
Transactions with owners recorded directly in equity:							
Issue of share capital	241	401	-	-	-	-	642
Lapsed share options	-	-	-	(33)	33	-	-
Share based payments for services rendered	-	-	-	195	-	-	195
Total transactions with owners recorded directly in equity	241	401	-	162	33	-	837
Balance at 31 December 2022	**3,184**	**50,862**	**9,708**	**7,267**	**(78,268)**	**(66)**	**(7,313)**

	Attributable to equity shareholders of the Company						
	Share capital US$'000	Share premium US$'000	Merger reserve US$'000	Other reserves US$'000	Accumulated losses US$'000	Non-controlling interest US$'000	Total US$'000
At 1 January 2023	3,184	50,862	9,708	7,267	(78,268)	(66)	(7,313)
Total comprehensive loss for the year:							
Profit / (loss) for the year	-	-	-	-	1,717	(26)	1,691
Disposal of discontinued operations	-	-	(9,708)	(628)	10,336	-	-
Other comprehensive loss	-	-	-	(3,339)	-	-	(3,339)
Total comprehensive (loss)/profit for the year	3,184	50,862	-	3,300	(66,215)	(92)	(8,961)
Transactions with owners recorded directly in equity:							
Issue of share capital	642	900	-	-	-	-	1,542
Share based payments for services rendered	-	-	-	303	-	-	303
Total transactions with owners recorded directly in equity	642	900	-	303	-	-	1,845
Balance at 31 December 2023	**3,826**	**51,762**	**-**	**3,603**	**(66,215)**	**(92)**	**(7,116)**

The consolidated statement of changes in equity should be read in conjunction with the accompanying note 17 on share capital and note 18 Reserves.

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Notes	**31 December 2023 US$'000**	31 December 2022 US$'000
Cash flows from operating activities			
Receipts from customers		2,970	6,270
Payments to suppliers and employees		(5,709)	(6,599)
Interest received	7	1	-
Net cash used in operating activities		(2,738)	(329)
Cash flow from investing activities			
Payments for property, plant and equipment		(11)	(1,868)
Payments for exploration and evaluation assets	13	(1,024)	(338)
Payments for intangible development assets	13	(138)	(257)
Cash relating to deconsolidated subsidiary	19a	(83)	-
Receipt from sale of Italian operations	19a	3,070	-
Receipt from sale of ion Ventures	19b	1,286	-
Net cash generated by / (used) in investing activities		3,100	(2,463)
Net increase / (decrease) in cash and cash equivalents		362	(2,792)
Cash and cash equivalents brought forward		784	3,551
Effects of exchange rate changes on cash and cash equivalents		(51)	25
Cash and cash equivalents carried forward		1,095	784

The consolidated statement of cash flows should be read in conjunction with the accompanying notes, including the net debt reconciliation in note 16.

On 13 January 2023, the Eurobond note holders elected to receive interest payments on the notes in relation to the quarter to 12 January 2023 in new ordinary shares of the Company. A total of 229,325,962 new ordinary shares in the Company were issued in connection with this election.

On 27 January 2023, the Company restructured its arrangements with its Philippines partners to increase the Company's entitlement to future dividends from 80% to 88% with the issuance of 40,000 new ordinary shares to the Philippines partners.

On 13 April 2023, the Eurobond note holders elected to receive interest payments on the notes in relation to the quarter to 12 April 2023 in new ordinary shares of the Company. A total of 257,556,113 new ordinary shares in the Company were issued in connection with this election.

Company Balance Sheet

Company number: 10472005

As at 31 December 2023

	Notes	**31 December 2023 US$'000**	31 December 2022 US$'000
Non-current assets			
Investment in subsidiaries	20	18,683	17,501
Property, plant and equipment	12	7	3
Intangible assets	13	-	7
Investment in associates	19b	-	602
Total non-current assets		18,690	18,113
Current assets			
Cash and cash equivalents	21	573	130
Trade and other receivables	11	4,190	3,204
Loans to subsidiaries	20	-	65
Total current assets		4,763	3,399
Total assets		23,453	21,512
Liabilities and equity			
Current liabilities			
Trade and other payables	15	318	734
Loans from subsidiaries	20	3,602	-
Borrowings	16	31,327	-
Total current liabilities		35,247	734
Non-current liabilities			
Borrowings	16	-	28,183
Interest bearing loans	21	**-**	1,263
Total non-current liabilities		-	29,446
Total liabilities		35,247	30,180
Equity			
Share capital	17	3,826	3,184
Share premium	17	51,762	50,862
Other reserves	18	2,489	2,713
Accumulated losses		(69,871)	(65,427)

Total equity	(11,794)	(8,668)
Total equity and liabilities	23,453	21,512

The Company balance sheet should be read in conjunction with the accompanying notes.

As permitted by s408 of the Companies Act 2006, the Company has not presented its own income statement. The Company loss for the year was US$4.4m (2022: loss US$7.1m).

Company Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital US$'000	Share premium US$'000	Other reserves US$'000	Accumulated losses US$'000	Total US$'000
At 1 January 2022	**2,943**	**50,461**	**2,095**	**(58,405)**	**(2,906)**
Total comprehensive loss for the year:					
Loss for the year	-	-	-	(7,055)	**(7,055)**
Other comprehensive income	-	-	456	-	**456**
Total comprehensive income/(loss) for the year	**-**	**-**	**456**	**(7,055)**	**(6,599)**
Transactions with owners recorded directly in equity:					
Issue of share capital	241	401	-	-	**642**
Lapsed share options	-	-	(33)	33	**-**
Share-based payments for services rendered	-	-	195	-	**195**
Total transactions with owners recorded directly in equity	**241**	**401**	**162**	**33**	**837**
Balance at 31 December 2022	**3,184**	**50,862**	**2,713**	**(65,427)**	**(8,668)**

	Share capital US$'000	Share premium US$'000	Other reserves US$'000	Accumulated losses US$'000	Total US$'000
At 1 January 2023	**3,184**	**50,862**	**2,713**	**(65,427)**	**(8,668)**
Total comprehensive loss for the year:					
Loss for the year	-	-	-	(4,444)	(4,444)
Other comprehensive loss	-	-	(527)	-	(527)
Total comprehensive loss for the year	-	-	(527)	(4,444)	(13,639)
Transactions with owners recorded directly in equity:					
Issue of share capital	642	900	-	-	1,542
Share-based payments for services rendered	-	-	303	-	303
Total transactions with owners recorded directly in equity	642	900	303	-	-
Balance at 31 December 2023	3,826	51,762	2,489	(69,871)	(11,794)

The consolidated statement of changes in equity should be read in conjunction with the accompanying note 17 on share capital and note 18 Reserves.

Company Statement of Cash Flows

For the year ended 31 December 2023

	Notes	**31 December 2023 US$'000**	31 December 2022 US$'000
Cash flows from operating activities			
Payments to suppliers and employees		(2,874)	(4,428)
Net cash used in operating activities		**(2,874)**	**(4,428)**
Cash flow from investing activities			
Proceeds on disposal of equity accounted associates	19b	1,286	-
Net cash generated from investing activities		1,286	-
Cash flows from financing activities			
Loans from subsidiaries	20	2,080	-
Interest bearing borrowings from subsidiaries	21	-	1,263
Net cash generated from/(used in) financing activities		2,080	1,263
Net increase/(decrease) in cash and cash equivalents		492	(3,165)
Cash and cash equivalents brought forward		130	3,269
Effects of exchange rate changes on cash and cash equivalents		(49)	26
Cash and cash equivalents carried forward		573	130

The Company statement of cash flows should be read in conjunction with the accompanying notes.

On 13 January 2023, the Eurobond note holders elected to receive interest payments on the notes in relation to the quarter to 12 January 2023 in new ordinary shares of the Company. A total of 229,325,962 new ordinary shares in the Company were issued in connection with this election.

On 27 January 2023, the Company restructured its arrangements with its Philippines partners to increase the Company's entitlement to future dividends from 80% to 88% with the issuance of 40,000 new ordinary shares to the Philippines partners.

On 13 April 2023, the Eurobond note holders elected to receive interest payments on the notes in relation to the quarter to 12 April 2023 in new ordinary shares of the Company. A total of 257,556,113 new ordinary shares in the Company were issued in connection with this election.

Notes to the Financial Statements

For the year ended 31 December 2023

NOTE 1: CORPORATE INFORMATION

Coro Energy plc (the "Company" and, together with its subsidiaries, the "Group") is a company incorporated in England and listed on the AIM market of the London Stock Exchange. The Company's registered address is c/o Pinsent Masons LLP, 1, Park Row, Leeds, England, LS1 5AB, UK. The consolidated financial statements for the year ended 31 December 2023 comprise the Company and its interests in its subsidiaries, investments in associates and jointly controlled operations (together referred to as the "Group").

NOTE 2: BASIS OF PREPARATION

(a) Statement of compliance

The financial statements are prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006.

(b) Basis of measurement

These financial statements have been prepared on the basis of historical cost apart from non-current assets (or disposal groups) held for sale, which are measured at fair value less costs of disposal and derivative financial instruments recorded at fair value through profit and loss.

(c) Going concern

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

At 31 December 2023 the Group had cash reserves of $1.1m and current receivables of $1.1m related to residual sales proceeds from the sale of Italian operations and its investment in ion Venture. The Group's Eurobond obligation matured on 12 April 2024 with the outstanding balances, including the rolled up coupon, or US$31.3 million. The Group has been in active discussions with bondholders in relation to the restructuring of the bonds and received a letter from two lenders holding 68% of the Eurobonds on 12 April 2024 (the "Standstill"). The Standstill, which the Company is advised is binding on the parties, provides a conditional standstill on the repayment of the Group's current debt obligations on expiry whilst the ongoing constructive discussions with the Group in respect of the Eurobonds continue and whilst certain inflexion points in the business materialise, including the outcome of the Duyung Operator's farm out process. The Group is working on a broader debt restructuring, which it intends to formally propose to all Eurobond holders and shareholders in due course. The Standstill conditions include a requirement for lender consent on material capex spend during the period of the standstill together with requirements for the provision of certain information and the appointment of a financial advisor nominated by the noteholders to provide advice to the Board and the lenders. During the course of the Standstill, the Group will work with the lenders and the financial advisor reviewing the existing arrangements and working towards a permanent debt restructuring solution for the business. The Group cautions that, notwithstanding the ongoing constructive discussions to-date and the agreement of this Standstill, noteholders could withdraw the Standstill at any time which would result in the Company triggering a default.

In the event of a default the amount owed under the Eurobond may result in the group relinquishing control of Coro Energy Holdings Cell A Limited (which ultimately holds the exploration and evaluation assets totalling $18,731k as at 31 December 2023), against which the Eurobond is secured. Additionally, it should be noted that the carrying value of the investment in the subsidiary ($17,452k) (note 20) and intercompany receivables of $254k and loans to subsidiaries of $1.67m (note 20) on the parent company statement of financial position are intrinsically linked to the carrying value of the exploration and evaluation assets totalling $18,731k; therefore if control of Coro Energy Holdings Cell A Limited is lost then these balances would all require impairment.

As at 31 December 2023, the group reports net current liabilities of $34,516k, consisting primarily of balances owed to the Eurobond holders along with trade and other payables. The group requires funding to repay these balances or to obtain an agreement to defer the balances owed to the Eurobond holders and other creditors or a combination of both, in order to meet its liabilities as they fall due. Additionally, whilst the group has generated cash from solar project in Vietnam over the last two financial periods; this has not been sufficient to meet the working capital requirements of the group.

Post the year under review, the Company raised US$500,000 via a secured convertible loan with River Merchant Capital, an existing lender to the Company under the Company's Luxembourg 8% listed Eurobond and Fenikso Limited. The proceeds of the Loan will be utilised to fund the Group's renewables business and for general working capital purposes. Under the Groups forecast, this loan together with existing bank balances provides sufficient funding for six months as at the date of this report.

During the year the Group secured a non-binding lending commitment from HD Bank in Vietnam whereby the bank has provided the Group with an in principle commitment letter initially focussed on providing debt finance for 50% of the capital spend commitment for the ten locations in the pilot stage of the previously announced 50MW MOU with Mobile World Investment Corporation to install rooftop solar systems across their portfolio.

Management have prepared a consolidated cash flow forecast for the period to 31 December 2025 which shows that the Group will require additional equity financing to meet its obligations and intended work renewables work programme in Asia during this period. The Group is actively pursuing a significant fundraise and the directors have a reasonable expectation that sufficient funds can be raised on equity markets to provide this liquidity, although the ability to raise sufficient capital is not guaranteed.

Based on the above, the Directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the Group and Company financial statements for the year ended 31 December 2023. Should the Group and Company 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. The auditors make reference to a material uncertainty in relation to going concern within their audit report.

(d) Foreign currency transactions

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

The functional currency of the Company and all UK domiciled subsidiaries is British Pounds Sterling ("GBP" or "£"). The Group's subsidiaries domiciled in Singapore have a functional currency of USD. The Group's subsidiaries domiciled in the Philippines have a functional currency of Philippines Pesos ("PHP"). The Group's subsidiaries domiciled in Vietnam have a functional currency of Vietnamese Dong ("VND").

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss as finance income or expense. Non-monetary assets and liabilities denominated in foreign currencies are translated at the date of transaction and not retranslated.

The results and financial position of Group companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate;

- Income and expenses are translated at average rates; and
- Equity balances are not retranslated. All resulting exchange differences are recognised in other comprehensive income.

(e) Use of estimates and judgements

The preparation of the financial statements requires management to make judgments regarding the application of the Group's accounting policies, and to use accounting estimates that impact the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

This note sets out the estimates and judgements taken by management that are deemed to have a higher risk of causing a material adjustment to the reported carrying amounts of assets and liabilities in future years.

(i) Key accounting judgements

Accounting for investment in ion Ventures Holdings Limited

In November 2020, the Group acquired a 20.3% shareholding in ion Ventures Holdings Limited ("IVHL") in exchange for cash consideration of £500k (US$682k). IVHL was founded in the UK in 2018 to exploit opportunities that arise from the increasing complexity of energy systems, the shift to distributed generation and more localised networks, and the need for flexible and responsive solutions.

Under IFRS, the accounting for an interest in another entity depends on the level of influence held over the investee by the investor. Management have concluded that IVHL is an associate of the Group, due to Coro exercising "significant influence" over IVHL. With reference to the factors outlined in IAS 28 Investments in Associates and Joint Ventures, we concluded that significant influence arises as a result of:

- 20.3% shareholding in IVHL, which is above the 20% threshold at which significant influence is presumed to exist under IFRS (though this presumption can be rebutted);
- Right to appoint one director (of five) to the Board of Directors of IVHL; and
- Ability to exercise reserved powers under a Shareholder Agreement to participate in the key strategic and operational decisions of the investee, such as approval of annual budgets.

Associates are accounted for using the equity method, which is described further in note 3a. The investment in IVHL was accounted for as such until its disposal on 23 August 2023.

Accounting for investment in Coro Renewables VN1 Joint Stock Company

At the reporting date the Group owned 85% of Coro Renewables VN1 Joint Stock Company ("CRV1"), which owns 100% of Coro Renewables VN2 Company Limited, which in turn owns 100% of Coro Renewables Vietnam Company Limited ("CRVCL"). The non-controlling shareholder of CRV1 is Vinh Phuc Energy JSC ("VPE"). CRVCL operates the Group's electricity generating operation in Vietnam.

Under IFRS, the accounting for an interest in another entity depends on the level of influence held over the investee by the investor. Management have concluded that CRV1 is an indirectly held subsidiary of the Company, due to the Company controlling more than half of the voting rights. With reference to the factors outlined in IAS 27 Consolidated and Separate Financial Statements, we concluded that there was no change to managements conclusion.

- There is no agreement with VPE giving them control of the joint venture;
- There is no statute or agreement ceding control to any other party; and
- VPE does not have the power to appoint or remove the majority of the Board of Directors.

100% of the transactions relating to CRV1 and its subsidiary undertakings have been recorded in these consolidated financial statements and the Group has recognised the appropriate non-controlling interest.

Share options and warrants

The Black-Scholes model is used to calculate the fair value of the share options and warrants. The use of this model to calculate the charge involves a number of estimates and judgements to establish the appropriate inputs to be entered into the model, covering areas such as the use of an appropriate interest rate and dividend rate, exercise restrictions and behavioural considerations. A significant element of judgement is therefore involved in the calculation of the charge.

(ii) Key accounting estimates

Estimate of gas reserves and resources

The disclosed amount of the Group's gas reserves and resources impacts a number of accounting estimates in the financial statements including future cash flows used in asset impairment reviews, see note 13.

The Group employs staff with the appropriate knowledge, skills and experience to estimate reserves quantities. Periodically, the Group's reserves calculations are also subject to independent third-party certification by a competent person.

Assessment of indicators of impairment of intangible assets (note 13)

The Group's intangible assets consist of exploration and evaluation assets, comprising assets related to the Duyung PSC, and development assets and goodwill comprising assets related to Coro Clean Energy Philippines.

Exploration and evaluation assets are assessed for indicators of impairment under IFRS 6 Exploration for, and evaluation of, mineral resources. Based on estimates as at 31 December 2023, there was $Nil write-off (2022: $Nil).

The Group acquired its 15% interest in the Duyung PSC in April 2019 and participated in a 2-well drilling campaign in 2019 that successfully appraised Mako gas field.

During 2022 the Operator of Mako field commissioned Gaffney, Cline and Associates ("GCA") to perform an updated independent resource audit for the Mako gas field as at 31 July 2022. In March 2024 the Operator received an update report of reserves and resources as at 31 December 2023. The update report assessed that 2C (contingent) recoverable resource estimates are 392 Bcf (gross) (2022 resource audit: 437 Bcf (gross)), and in the upside case, the 3C (contingent) resources are 591 Bcf (gross) (2022: 779 Bcf (gross)). The reduction in resource volumes pertain to revised Final Investment Decision timing and the delay in the startup of production from the Mako field until mid-2026. Despite the reduction in resources, the results of this independent resource update supports management's view on the potential to develop the Mako field.

As a result of the resource confirmation, which was incorporated into our own updated economic modelling for Duyung, no impairment indicators were noted.

Development assets and goodwill are assessed for indicators of impairment under IAS 36 Impairment of Assets. Based on the estimates at 31 December 2023, there was $Nil write-off (2022: $Nil).

During 2023 two 100MW onshore wind projects, which already have approved Wind Energy Service Contracts ("WESCs"); a 100MW onshore solar project where an application for a service contract is expected shortly; and one further 100MW onshore wind project. The Philippines portfolio is therefore currently a total of 400MW with all four projects being co-located, sharing a grid connection and benefiting from the 130 metre high meteorological ("met") mast which is collecting bankable data that will cover all three wind projects. As such no impairment indicators were noted.

Disposals of investment in Coro Europe Limited ("CEL") and ion Ventures Holdings Limited ("IVHL")

The Group disposed of its entire shareholding in IVHL on 23 August 2023 and of its entire shareholding in CEL on 8 November 2023. In calculating the profit on disposal the Group must recognise the results of operations of the investees up to the date of completion of the sale in the statement of Comprehensive Income. The most recent financial information that was available as at the respective completion dates were:

CEL: 30 September 2023

IVHL: 30 June 2023

The Group has estimated the financial results between these dates and the completion dates of the transactions and do not consider this to affect the results disclosed in these consolidated financial statements in any material respect.

Company only - impairment assessment for investment in subsidiaries, including loans and receivables (notes 13, 15 and 20)

The Company in applying the expected credit loss ("ECL") model under IFRS 9 must make assumptions when implementing the forward-looking ECL model. This model is required to assess its investments and loans receivable in subsidiaries for impairment at each reporting date.

Estimations were made regarding the credit risk of the counterparty and the underlying probability of default in each of the credit loss scenarios. The scenarios identified by management included Production, Divestment, Fire-sale and Failure. These scenarios considered technical data, necessary licences to be awarded, the Company's ability to raise finance, and ability to sell the project. The Directors make judgements on the expected likelihood and outcome of each of the above scenarios, and these expected values are applied to the loan balances.

The Company's main assets are its interest in the Duyung PSC, held by Coro Energy Duyung (Singapore) Pte Ltd ("CEDSPL") and its investment in the solar pilot project in Vietnam, held by Coro Renewables Vietnam Company Limited (CRVCL"). As such, the recoverability of investments in subsidiaries depends on the Company's assessment of indicators of impairment of the underlying assets recorded within its subsidiaries.

As noted above, and in note 13, the Company identified no indicators of impairment for its 15% interest in the Duyung PSC and, accordingly, the Company's investment in CEDSPL (held indirectly) is deemed to be recoverable in full.

The Company performed an impairment tests on its solar pilot project in Vietnam and found that the recoverable value in use exceeds the net book value, accordingly, the Company's investment in CRVCL (held indirectly) and receivables from CRVCL is deemed to be recoverable in full.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements include the results of Coro Energy plc and its subsidiary undertakings made up to the same accounting date. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. All intra-group balances, transactions, income and expenses are eliminated in full on consolidation.

(ii) Interests in other entities

The Group classifies its interests in other entities based on the level of control exercised by the Group over the entity.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognised at cost, including any directly attributable transaction costs, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss. The Group's share of movements in other comprehensive income of the investee are recognised in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment at least annually.

Other investments

In a situation where the Group has direct contractual rights to the assets, and obligations for the liabilities, of an entity but does not share joint control, the Group accounts for its interest in those assets, liabilities, revenues and expenses in accordance with the accounting standards applicable to the underlying line item. This is analogous to the "joint operator" method of accounting outlined in IFRS 11 Joint arrangements.

(b) Taxation

Income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the date of the statement of financial position, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted at the date of the statement of financial position.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(c) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment comprises the Group's tangible oil and gas assets, solar equipment as well as office furniture and equipment. Items of property, plant and equipment are recorded at cost less accumulated depreciation, accumulated impairment losses and pre-commissioning revenue and expenses. Cost includes expenditure that is directly attributable to acquisition of the asset.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised within "other income" in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with expenditure will flow to the Group.

(iii) Depreciation

Oil and gas assets

Oil and gas assets includes gas production facilities and the accumulation of all exploration, evaluation, development and acquisition costs in relation to areas of interest in which production licences have been granted and the related project has moved to the production phase.

Amortisation of oil and gas assets is calculated on the units-of-production ("UOP") basis, and is based on Proved and Probable reserves. The use of the UOP method results in an amortisation charge proportional to the depletion of economically recoverable reserves. Amortisation commences when commercial levels of production are achieved from a field or licence area.

The useful life of oil and gas assets, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation/amortisation will be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates change.

Changes to recoverable reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect of changes in commodity price assumptions; or
- Unforeseen operational issues that impact expected recovery of hydrocarbons.

Assets designated as held for sale, or included in a disposal group held for sale, are not depreciated.

Other property, plant and equipment

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The depreciation will commence when the asset is installed ready for use.

The estimated useful lives of each class of asset fall within the following ranges:

Solar equipment	8 - 25 years
Office furniture and equipment	3-5 years

The residual value, the useful life and the depreciation method applied to an asset are reviewed at each reporting date.

(iv) Impairment

The Group assesses at each reporting date whether there is an indication that an asset (or Cash Generating Unit - "CGU") may be impaired. For oil and gas assets, management has assessed its CGUs as being an individual field, which is the lowest level for which cash inflows are largely independent of those of other assets. For Solar equipment, management has assessed its CGUs as being individual solar arrays including inverters. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal ("FVLCD") and value in use ("VIU"). Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount.

The Group bases its impairment calculation on detailed budgets and forecasts, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecasts generally cover the forecasted life of the CGUs. VIU does not reflect future cash flows associated with improving or enhancing an asset's performance.

For assets/CGUs, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's/CGU's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset/CGU does not exceed either its recoverable amount, or the carrying amount that would have been determined, net of depreciation/amortisation, had no impairment loss been recognised for the asset/CGU in prior years. Such a reversal is recognised in the income statement.

(d) Intangible assets

(i) Exploration and evaluation assets

Exploration and evaluation assets are carried at cost less accumulated impairment losses in the statement of financial position. Exploration and evaluation assets include the cost of oil and gas licences, and subsequent exploration and evaluation expenditure incurred in an area of interest.

Exploration and evaluation assets are not depreciated. When the commercial and technical feasibility of an area of interest is proved, capitalised costs in relation to that area of interest are transferred to property, plant and equipment (oil and gas assets) and depreciation commences in line with the depreciation policy outlined above.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying value amount exceeds the recoverable amount.

Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

- the term of the exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for an evaluation of mineral resources in the specific area is not budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specific area; or
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Areas of interest that no longer satisfy the above policy are considered to be impaired and are measured at their recoverable amount, with any subsequent impairment loss recognised in the profit and loss.

(ii) Software

Costs for acquisition of software, including directly attributable costs of implementation, are capitalised as intangible assets and amortised over their expected useful life (currently five years).

(iii) Goodwill

Goodwill arising from business combinations is included in intangible assets.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(iv) Research and Development

Development costs that are directly attributable to the design and development of identifiable and unique projects controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the project;
- Management intends to complete the project;
- There is sufficient certainty that contractual rights, planning and permitting will be agreed;
- It can be demonstrated how the project will generate probable future economic benefits;

- Adequate technical, financial and other resources to complete the project are available; and
- The expenditure attributable to the project can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

(e) Inventory

Inventory is comprised of drilling equipment and spares and is carried at the lower of cost and net realisable value. Any impairment on value is taken to the income statement.

(f) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, they are available for sale in their present condition, they are being actively marketed, and a sale is considered highly probable. These conditions must be continuing for the assets to continue to be classified as held for sale.

Disposal groups are measured at the lower of their carrying amount and fair value less costs to sell, except for certain assets such as deferred tax assets, which are specifically exempt from this requirement. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

(g) Investments and financial assets

<u>(i) Classification</u>

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

<u>(ii) Recognition and measurement</u>

A financial asset is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date the Group commits itself to purchase or sell the asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. Currently, the Group's financial assets are all held for collection of contractual cash flows, which are solely payments of principal and interest. Accordingly, the Group's financial assets are measured subsequent to initial recognition at amortised cost.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(iii) Impairment

On a forward-looking basis, the Group estimates the expected credit losses associated with its receivables and other financial assets carried at amortised cost, and records a loss allowance for these expected losses.

(iv) Investment in subsidiaries

In the Company balance sheet, investments in subsidiaries are carried at cost less accumulated impairment.

(h) Rehabilitation provision

Rehabilitation obligations arise when the Group disturbs the natural environment where its oil and gas assets are located and is required by local laws/regulations to restore these sites.

Full provision for these obligations is made based on the present value of the estimated costs to be incurred in dismantling infrastructure, plugging and abandoning wells and restoring sites to their original condition. Changes to future cost estimates are capitalised and recorded in property, plant and equipment (oil and gas assets) as rehabilitation assets, unless the carrying value of these assets is not supportable, in which case changes to rehabilitation provisions are recorded directly in the income statement. Future cost estimates are inflated to the expected year of rehabilitation activity and discounted to present value using a market rate of interest that is deemed to approximate the time value of money.

The estimated costs of rehabilitation are reviewed annually and adjusted against the relevant rehabilitation asset or in the income statement, as appropriate. Annual increases in the provision relating to the unwind of the discount rate are accounted for in the income statement as a finance expense.

(ii) Other provisions

Other provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The provisions are discounted to present value using a market rate of interest that is deemed to approximate the time value of money. The increase in the provision due to the passage of time is recognised as interest expense.

(i) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Loan fees paid on the establishment of loan facilities are recognised as transaction costs of the loan and amortised over the life of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(j) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of the invoice date. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(k) Share capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to issue of shares are recognised as a deduction from equity, net of any tax effects.

(l) Share-based payments

Share-based payments relate to transactions where the Group receives services from employees or service providers and the terms of the arrangements include payment of a part or whole of consideration by issuing equity instruments to the counterparty. The Group measures the services received from non-employees, and the corresponding increase in equity, at the fair value of the goods or services received. When the transactions are with employees, the fair value is measured by reference to the fair value of the share based payments. The expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

(m) Revenue

Under IFRS 15 Revenue from Contracts with Customers, there is a five-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligations in the contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract; and

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group has two revenue streams, being the sale of gas (recorded within profit from discontinued operations), and the sale electricity from a solar project. Gas is sold to wholesale customers under gas supply agreements, which have different volume and price specifications (both fixed and variable). Gas sales revenue is recognised when control of the gas passes at the delivery point into the local gas pipeline network, which is the only performance obligation. Electricity is sold to an industrial customer under a power purchase agreement. Revenue is recognised based on actual produced electricity, which is the only performance obligation, at contractual rates. Revenue is presented net of value added tax ("VAT"), rebates and discounts and after eliminating intra-group sales.

(n) Changes to accounting policies, disclosures, standards and interpretations

(i) New and amended standards adopted by the Group

The following new standards, amendments and interpretations are effective for the first time in these financial statements. However, none has had a material impact on the financial statements:

Standard	Effective date
IFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements)	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes)	
International Tax Reform - Pillar Two Model Rules (Amendment to IAS 12 Income Taxes) (effective immediately upon the issue of the amendments and retrospectively)	1 January 2023

(ii) New standards not yet adopted

There are no new International Financial Reporting Standards and Interpretations issued but not effective for the reporting period ending 31 December 2023 that will materially impact the Group.

Standard	Effective date
IAS 1 amendments - Non-current Liabilities with Covenants; and Classification of Liabilities as Current or Non-current	1 January 2024

NOTE 4: 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 and renewables operations in South East Asia, and the corporate head office in the United Kingdom. This reflects the way information is presented to the Board of Directors. Results from the Group's Italian business are classified as a discontinued operation. See note 19.

	Italy		Asia		UK		Total	
	31 December 2023 US$'000	31 December 2022 US$'000	**31 December 2023 US$'000**	31 December 2022 US$'000	**31 December 2023 US$'000**	31 December 2022 US$'000	**31 December 2023 US$'000**	31 December 2022 US$'000
Revenue	-	-	235	51	**-**	-	235	51
Depreciation and amortisation	-	-	(78)	(21)	(10)	(15)	(88)	(36)
Interest expense	-	-	-	-	(3,508)	(3,584)	(3,508)	(3,584)
Share of loss of associates	-	-	-	-	(49)	(82)	(49)	(82)
Segment profit / (loss) before tax from continuing operations	-	-	(599)	(662)	(4,448)	(7,525)	5,047	(8,187)
Segment profit / (loss) before tax from discontinued operations	6,738	(2,642)	-	-	-	-	6,738	2,642

	Italy		Asia		UK		Total	
	31 December 2023 US$'000	31 December 2022 US$'000	**31 December 2023 US$'000**	31 December 2022 US$'000	**31 December 2023 US$'000**	31 December 2022 US$'000	**31 December 2023 US$'000**	31 December 2022 US$'000
Segment assets	-	9,710	21,587	20,129	3,283	1,293	24,870	31,132
Segment liabilities	-	(9,548)	(152)	(182)	(31,835)	(28,715)	(31,987)	(38,445)

NOTE 5: GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2023 US$'000	31 December 2022 US$'000
Employee benefits expense (note 6)	1,242	1,401
Business development	640	650
Corporate and compliance costs	508	667
Investor and public relations	99	223
G&A - Duyung venture	314	275
Other G&A	197	162
Share-based payments (note 22)	303	196
	3,303	3,574

Auditor's remuneration

<u>Services provided by the Group's auditor and its associates</u>

During the year, the Group (including its overseas subsidiaries) obtained the following services from the Company's auditor and its associates:

	31 December 2023 US$'000	31 December 2022 US$'000
Fees payable to the Company's auditor for the audit of the Parent Company and consolidated financial statements	69	49

NOTE 6: STAFF COSTS AND DIRECTORS' EMOLUMENTS

	Group	
Staff costs	**31 December 2023 US$'000**	31 December 2022 US$'000
Wages and salaries	435	436
Contracted staff	116	-
Pensions and other benefits	24	50
Social security costs	61	59
Share-based payments (note 22)	80	51
Total employee benefits	716	596
Average number of employees from continuing operations (excluding Directors)	3	4

	Group	
Directors' emoluments	**31 December 2023 US$'000**	31 December 2022 US$'000
Wages and salaries	537	776
Pensions and other benefits	-	5

Social security costs	69	100
Share-based payments (note 22)	223	145
Total employee benefits	829	1,026

The highest paid Director received aggregate cash emoluments of US$359k (2022: US$403k) as disclosed in the Directors' Remuneration Report.

NOTE 7: FINANCE INCOME/EXPENSE

	Group	
	31 December 2022	31 December 2022
Finance income	**US$'000**	US$'000
Interest income	1	-
Foreign exchange gain	1,044	636
Total finance income	1,045	636

	Group	
	31 December 2023	31 December 2022
Finance expense	**US$'000**	US$'000
Interest on borrowings	3,508	3,584
Other finance charges	4	-
Foreign exchange loss	737	1,907
Total finance expense	4,429	5,491

NOTE 8: INCOME TAX

Income tax

	Group	
	31 December 2023	31 December 2022
	US$'000	US$'000
Deferred tax	-	(583)
Current tax	-	(1,325)
Total tax expense	-	(1,908)
Income tax expense is attributable to:		
Loss from discontinued operations	-	(1,908)
	-	(1,908)

Numerical reconciliation of income tax result recognised in the statement of comprehensive income to tax benefit/expense calculated at the Group's statutory income tax rate is as follows:

	Group	
	31 December 2023	**31 December 2022**
	US$'000	**US$'000**
Loss from continuing operations before tax	(5,047)	(8,187)
Profit from discontinued operations before tax	6,738	4,550
Total profit/(loss) before tax	1,691	(3,637)
Income tax (charge)/credit using the Group's blended tax rate of 25.5% (2022: 12.7%)	(432)	462
Non-deductible expenses	(337)	(548)
Non-taxable income	1,771	607
Deferred tax expense	-	(583)
Prior year adjustment	(94)	(363)
Tax losses utilised	-	583
Special excess profit tax - Italy	-	(1,325)
Effect of subsidiary undertaking disposed	64	-
Current year losses and temporary differences for which no deferred tax asset was recognised	(972)	(741)
Income tax benefit/(expense)	-	(1,908)

Deferred tax

Deferred tax assets ("DTA") totalling US$674k were recorded within assets of the disposal group in the comparative period. No DTA in respect of carried forward tax losses has been recognised in respect of any Group company due to doubt about the availability of future profits in these companies. Total unrecognised losses (gross) in respect of continuing operations are US$30m (2022: US$25m). Unrecognised losses (gross) relating to discontinued operations total US$Nil (2022: US$88m).

NOTE 9: EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	31 December 2023 US$'000	31 December 2022 US$'000
Result for the year		
Total loss for continuing operations for the year attributable to equity shareholders	**(5,047)**	(8,187)
Weighted average number of shares	**2,613,849,015**	2,170,773,822
Basic and diluted loss per share from continuing operations (US$)	(0.002)	(0.004)
Total profit for discontinued operations for the year attributable to equity shareholders	**6,738**	2,642
Basic earnings per share from discontinued operations (US$)	0.0025	0.001
Diluted earnings per share from discontinued operations (US$)	0.0024	0.001

Diluted loss per share from continuing operations for the current and comparative period is equivalent to basic loss per share since the effect of all dilutive potential Ordinary Shares is anti-dilutive. Diluted profit per share from discontinued operations for the current and comparative period includes the potential dilutive effect of all share options and warrants that were "in the money" as at 31 December 2023, being 151,031,166 options. The potential dilutive shares includes options issued to Directors and management (note 22).

NOTE 10: INVENTORY

	Group	
	31 December 2023 US$'000	31 December 2022 US$'000
Inventory - Duyung PSC	35	34
	35	34

Inventory represents the Group's share of inventory held by the Duyung PSC, which is mainly comprised of drilling spares.

NOTE 11: TRADE AND OTHER RECEIVABLES

	Group	
	31 December 2023 US$'000	31 December 2022 US$'000
Current:		
Trade receivables	38	37
Indirect taxes receivable	180	103
Other receivables	1,133	18
Prepayments and accrued income	48	55
	1,399	213

Other receivables comprise mainly the residual proceeds receivable in relation to the sale of the Italian operations ($780,000) and IVHL ($346,000).

	Company	
	31 December 2023 US$'000	31 December 2022 US$'000
Current:		
Indirect taxes receivable	42	41
Other receivables	346	107
Intercompany receivables	3,759	3,022
Prepayments	43	34
	4,190	3,204

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Group	
	31 December 2023 US$'000	31 December 2022 US$'000
Office furniture and equipment	8	3

Solar assets	1,672	1,851
	1,680	1,854

Reconciliation of the carrying amounts for each class of property, plant and equipment are set out below:

	Group	
	31 December 2023	31 December 2022
	US$'000	US$'000
Office furniture and equipment:		
Carrying amount at beginning of year	3	10
Additions	7	2
Depreciation expense	(3)	(8)
Effect of foreign exchange	1	(1)
Carrying amount at end of year	8	3

	Group	
	31 December 2023	31 December 2022
	US$'000	US$'000
Solar assets:		
Carrying amount at beginning of year	1,851	-
Additions	4	1,868
Reclassifications	(89)	-
Depreciation expense	(78)	(21)
Effect of foreign exchange	(16)	4
Carrying amount at end of year	1,672	1,851

Reclassifications relate to VAT recoverable in Vietnam that had previously been capitalised.

	Company	
	31 December 2023	31 December 2022
	US$'000	US$'000
Office furniture and equipment	7	3
	7	3

Reconciliation of the carrying amounts for each class of property, plant and equipment are set out below:

	Company	
	31 December 2023	31 December 2022
	US$'000	US$'000
Office furniture and equipment:		
Carrying amount at beginning of year	3	10
Additions	7	2
Depreciation expense	(3)	(8)
Effect of foreign exchange	-	(1)
Carrying amount at end of year	7	3

NOTE 13: INTANGIBLE ASSETS

	Group	
	31 December 2023	31 December 2022
	US$'000	US$'000
Exploration and evaluation assets	18,731	17,707
Intangible development assets	579	428
Goodwill	880	754
Software	-	7
	20,190	18,896

Reconciliation of the carrying amounts for each material class of intangible assets are set out below:

	Group	
	31 December 2023	31 December 2022
	US$'000	US$'000
Exploration and evaluation assets:		
Carrying amount at beginning of year	17,707	17,540
Reclassification to intangible development assets	-	(171)
Additions	1,024	338
Carrying amount at end of year	18,731	17,707

Exploration and evaluation assets relate to the Group's interest in the Duyung PSC. No indicators of impairment of these assets were noted. See note 2e.

	Group **31 December 2023 US$'000**	31 December 2022 US$'000
Intangible development assets :		
Carrying amount at beginning of year	428	-
Reclassification from exploration and evaluation assets	-	171
Additions	138	257
Effect of foreign exchange	13	-
Carrying amount at end of year	579	428

Intangible development assets comprise additions related to expenditure directly attributable to the design and development of identifiable and unique renewables projects controlled by the Group in the Philippines.

	Group **31 December 2023 US$'000**	31 December 2022 US$'000
Goodwill:		
Carrying amount at beginning of year	754	754
Recognised on acquisition	144	-
Effect of foreign exchange	(18)	-
Carrying amount at end of year	880	754

Goodwill acquired during the year relates to the acquisition of an additional 8% economic interest the Coro Clean Energy Philippines Inc.'s renewables operations in the Philippines. No impairment of goodwill was noted following testing performed at 31 December 2023.

	Company **31 December 2023 US$'000**	31 December 2022 US$'000
Software:		
Carrying amount at beginning of year	7	15
Depreciation expense	(7)	(8)
Carrying amount at end of year	-	7

NOTE 143: INTERESTS IN OTHER ENTITIES

Duyung PSC

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.

Coro Renewables VN1 Joint Stock Company

In October 2021, a binding shareholder agreement was signed with VPE and the Group acquired an 85% interest in the newly incorporated 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.

NOTE 15: TRADE AND OTHER PAYABLES

	Group **31 December 2023 US$'000**	31 December 2022 US$'000
Current		
Trade payables	123	143
Other payables	40	78
Accrued expenses	243	416
Joint venture payables	254	182
	660	819

Company

	31 December 2023 US$'000	31 December 2022 US$'000
Current		
Trade payables	109	265
Accrued expenses	209	414
Intercompany payables	-	55
	318	734

During the year the Company settled in full its outstanding liability owing to Sound Energy plc ("Sound") in relation to the sale of the Badile land and offsetting rehabilitation costs. As at the reporting date there was $Nil (2022: $92k) included within trade payables of the Company as a net payable Sound.

NOTE 16: BORROWINGS

	31 December 2023 US$'000	31 December 2022 US$'000
Current		
Eurobond	31,327	-
	31,327	-
Non-current		
Eurobond	-	28,183
	-	28,183

In 2019, the Group issued €22.5m three-year Eurobonds with attached warrants to key institutional investors. The bonds were issued in two equal tranches A and B, ranking pari passu, with Tranche A paying a 5% cash coupon annually in arrears, and Tranche B accruing interest at 5% per annum payable on redemption.

The Eurobonds were due to mature on 12 April 2022 at 100% of par value plus any accrued and unpaid coupon. Bond subscribers were issued with 41,357,500 warrants to subscribe for ten new Ordinary Shares in the Company at an exercise price of 4p per share at any time over the three-year term of the bonds. An additional 6,000,000 warrants were issued to the firm subscriber Lombard Odier Asset Management (Europe) Limited and underwriter Pegasus Alternative Fund Ltd. All warrants related to the Eurobonds expired in April 2022 and none were exercised.

The bonds were initially recognised at fair value and subsequently are recorded at amortised cost, with an average effective interest rate of 18.10%.

In March and April 2022 respectively, the tranche B Noteholders and Tranche A Noteholders approved the extension of the maturity of the bonds by two years to 12 April 2024 with an increase in the coupon to 10% accrued annually and payable in cash on redemption. In addition, 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.

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 (note 23).

Since the interest quarter expiring on 12 July 2022, Noteholders had the option to demand quarterly interest payments in newly issued ordinary shares of the Company. This election was made for the quarters ended 12 January 2023 and 12 April 2023 (2022: election was made for the quarter ended 12 October 2022) and the quarterly interest was settled in shares (note 17). After this date shareholder approval for the issuance of further shares in the Company as satisfaction of interest charges expired and all interest accrued since this date remains accrued and unpaid and included in the balance above.

Net debt reconciliation

An analysis of net debt and the movements in net debt for each of the years presented is shown below:

Group

	31 December 2023 US$'000	31 December 2022 US$'000
Cash and cash equivalents	1,095	166
Borrowings	(31,327)	(28,183)
Net debt	(30,232)	(28,017)

	Cash and cash equivalents US$'000	**Borrowings US$'000**	**Total US$'000**
Net debt as at 1 January 2022	**3,334**	**(26,637)**	**(23,303)**
Cashflows	(3,193)	-	(3,193)
Eurobond amortisation	-	(2,832)	(2,832)
Effects of foreign exchange	25	1,286	1,311
Net debt as at 31 December 2022	**166**	**(28,183)**	**(28,017)**
Cashflows	980	-	980
Eurobond amortisation	-	(2,107)	(2,107)
Effects of foreign exchange	(51)	(1,037)	(1,088)
Net debt as at 31 December 2023	1,095	(31,327)	(30,232)

NOTE 17: SHARE CAPITAL AND SHARE PREMIUM

	Number 000s	**Nominal value US$'000**	**Share premium US$'000**	**Total US$'000**
As at 1 January 2023	**2,339,977**	**3,184**	**50,862**	**54,046**
Shares issued during the period:				
Share issuance for Eurobond interest	486,882	594	804	1,398
Share issuance for 8% increase in Philippines investment	40,000	48	96	144
Closing balance at 31 December 2023	**2,866,859**	**3,826**	**51,762**	**55,588**

	Number 000s	**Nominal value US$'000**	**Share premium US$'000**	**Total US$'000**
As at 1 January 2022	**2,124,036**	**2,943**	**50,461**	**53,404**
Shares issued during the period:				
Share issuance for Eurobond interest	215,941	241	401	642
Closing balance at 31 December 2022	**2,339,977**	**3,184**	**50,862**	**54,046**

All Ordinary Shares are fully paid and carry one vote per share and the right to dividends. In the event of winding up the Company, Ordinary shareholders rank after creditors. Ordinary Shares have a par value of £0.001 per share. Share premium represents the issue price of shares issued above their nominal value. As at the date of these financial statements, the Company no unused authority to issue any new Ordinary Shares.

No dividends were paid or declared during the current period (2022: nil).

Issue of ordinary shares

On 13 January 2023, the Eurobond note holders elected to receive interest payments on the notes in relation to the quarter to 12 January 2023 in new ordinary shares of the Company. A total of 229,325,962 new ordinary in the Company were issued at a price of 0.254 pence per share in connection with this election.

On 27 January 2023, the Company restructured its arrangements with its Philippines partners to increase the Company's entitlement to future dividends from 80% to 88% with the issuance of 40,000 new ordinary shares to the Philippines partners at a price of 0.3 pence per share.

On 13 April 2023, the Eurobond note holders elected to receive interest payments on the notes in relation to the quarter to 12 April 2023 in new ordinary shares of the Company. A total of 257,556,113 new ordinary shares in the Company were issued at a price of 0.21935 pence per share in connection with this election.

NOTE 18: RESERVES

Other reserves

<u>Share-based payments reserve</u>

The increase in share-based payments reserve is attributable to the current period charge relating to options issued to Directors and management of the Company, which was US$303k (2022: US$195k). US$nil (2022: US$33k) share options lapsed during the year and were recycled to accumulated losses.

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 year was US$3,339k (2022: US$2,925k).

NOTE 19a: DISPOSAL OF SUBSIDIARY

In August 2022 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 CEL for a total consideration of up to €7.5 million (the "Option Agreement"), which included up to an aggregate of €1.5 million through a 10% net profit interest ("NPI"). As announced by the Company on 24 August 2022, Zodiac paid a non-refundable deposit of €0.3 million, which was recognised as income in the comparative period, with a further €5.7 million to be paid in cash on completion and further contingent NPI payments. Additionally Zodiac was liable to pay a working capital adjustment to the Group for the net working capital as at the completion date which as at 31 December 2023 totalled US$472k (see note 21), and the Company was liable to discharge certain tax obligations in Italy at completion. A definitive sale and purchase agreement ("SPA") was executed on 27 March 2023 and the disposal completed on 8 November 2023. From this date CEL ceased to be consolidated as a group company.

During the period between 27 March 2024 and the completion date the Company received advances of the consideration totalling €2.9m ($3.07m) and the SPA was amended to reduce the total value of all consideration to €5.86m (excluding the maximum potential value of the NPI) of which €0.3m was recognised as income in the comparative period, leaving total base consideration of €5.56 million receivable at completion.

The gain on disposal of CEL was determined as follows:

	US$'000
Total cash consideration receivable	6,027
Working capital adjustment	1,105
Total consideration	7,132
Less amounts not recognised in statement of comprehensive income	
Pre-completion redemption of intercompany loan prior to completion by Zodiac	(107)
Pre-completion tax liabilities assumed by Zodiac	(749)
Total consideration included in statement of comprehensive income	**6,276**
Cash	83
Property plant and equipment including oil and gas properties	4,027
Intangible assets	2,230
Inventory	242
Deferred tax asset	669
Trade and other receivables	1,216
Provisions	(7,163)
Trade and other payables	(1,556)
Total net liabilities disposed	**(252)**
Gain on disposal of subsidiary undertaking	**6,528**

The total gain from discontinued operations is below:

	2023	2022
	US$'000	US$'000
Revenue	**2,970**	6,270
Operating costs	**(1,854)**	(2,060)
Gross profit	**1,116**	4,210
Other income	**53**	30
General and administrative expenses	**(564)**	(1,012)
Change in rehabilitation provisions	**(190)**	52
Impairment reversals/(losses)	**(97)**	1,330
Profit from operating activities	**318**	4,610
Finance expense	**(108)**	(60)
Profit before tax	**210**	4,550
Income tax expense	**-**	(1,908)
Profit for the period from 1 January 2023 to the date of disposal on 8 November 2023, after tax	**210**	2,642
Gain on disposal of subsidiary undertaking	**6,528**	-
	6,738	2,642

NOTE 19b: DISPOSAL OF INVESTMENT IN ASSOCIATED COMPANY

On 24 August 2023, the Company completed the disposal of its 18.76% shareholding in IVHL to a privately owned entity based in USA.

Cash consideration was £1.25m of which £1m ($1.286m) paid on completion and the remaining £250,000 was to be paid by 31 March 2024. The original shareholding had been acquired for £500,000 ($662,000) in 2020.

The gain on disposal of IVHL was determined as follows:

	US$'000
Initial investment in IVHL	602
Company share of losses from acquisition to 31 December 2022	(343)
Book value of investment in IVHL on 1 January 2023	**259**
Effect of foreign exchange	85
Company share of losses from 1 January 2023 to date of disposal	(49)
Book value on date of disposal	295
Consideration payable	1,608
Gain on disposal of associated company	**1,313**

NOTE 20: INVESTMENT IN, AND LOANS TO, SUBSIDIARIES

	Company 2023 US$'000	2022 US$'000
Cost		
At 1 January	52,374	52,374
Additions	144	-
At 31 December	52,518	52,374
Accumulated impairment		
At 1 January	(33,298)	(33,298)
Impairment	-	-
At 31 December	(33,298)	(33,298)
Impact of foreign exchange	(537)	(1,575)
Net book value		
At 31 December	18,683	17,501

In January 2023 the Company increased its entitlement to future dividends from the Philippines projects held by Coro Clean Energy Philippines Inc. from 80% to 88% under a restructuring agreement. In exchange for the increased share of dividends and to align the Philippine partners with Coro shareholders, the Company issue each of the two Philippines partners, who are also Officers of the Philippine subsidiary, with 20,000,000 ordinary shares in Coro at a price of 0.3p (representing a total of £60,000 each) - a 43% premium to the closing mid-market price on 24 January 2023 (the "New Ordinary Shares"). 50% of the New Ordinary Shares will be subject to lock-in restrictions until first power production and revenue on the first Philippines renewable energy project, with the remaining 50% subject to lock-in restrictions until first power production and revenue on the second Philippines renewable energy project. Restated at the year-end exchange rate at 31 December 2023 the carrying value of the investment is US$1.2m (2022: $1.1m).

On 8 November 2023, the Company sold its interest in its Italian operations via the sale of CEL (note 19a). The carrying value of CEL was Nil as at the disposal date. Previously reported related parties with respect to CEL have therefore been removed from the table below.

The Company's subsidiary undertakings at the date of issue of these financial statements are set out below:

Name	**Incorporated**	**Principal activity**	**% owned**	**Registered address**
Coro Energy Asia Limited*	England	Holding company	100%	c/o Pinsent Masons LLP, 1 Park Row, Leeds, England LS1 5AB
Coro Energy Holdings Cell A Limited	England	Holding company	100%	c/o Pinsent Masons LLP, 1 Park Row, Leeds, England LS1 5AB
Coro Energy (Singapore) Pte Ltd*	Singapore	Holding company	100%	80 Robinson Road #02-00, Singapore 068898
Coro Energy Bulu (Singapore) Pte Ltd*	Singapore	Holding company	100%	80 Robinson Road #02-00, Singapore 068898
Coro Energy Duyung (Singapore) Pte Ltd*	Singapore	Exploration and development company	100%	80 Robinson Road #02-00, Singapore 068898
Coro Asia Renewables Ltd[†]	Scotland	Holding company	100%	12 Traill Drive, Montrose DD10 8SW, Scotland
Coro Clean Energy Philippines Inc* #	Philippines	Exploration and development company	40%	1008 The Infinity Tower, 26th Street, Bonifacio Global City, Taguig City, Fourth District, National Capital Region, Philippines, 1634.

Coro Philippines Project 109 Inc*	Philippines	Exploration and development company	40%	1008 The Infinity Tower, 26th Street, Bonifacio Global City, Taguig City, Fourth District, National Capital Region, Philippines, 1634
Coro Philippines Project 121 Inc*	Philippines	Exploration and development company	40%	1008 The Infinity Tower, 26th Street, Bonifacio Global City, Taguig City, Fourth District, National Capital Region, Philippines, 1634
Coro Philippines Project 128 Inc*	Philippines	Exploration and development company	40%	1008 The Infinity Tower, 26th Street, Bonifacio Global City, Taguig City, Fourth District, National Capital Region, Philippines, 1634
Coro Clean Energy Ltd	England	Holding company	100%	c/o Pinsent Masons LLP, 1 Park Row, Leeds, England LS1 5AB
Coro Clean Energy Vietnam Ltd*	England	Holding company	100%	c/o Pinsent Masons LLP, 1 Park Row, Leeds, England LS1 5AB
Coro Renewables VN1 Joint Stock Company*@	Vietnam	Holding company	85%	136 - 138 Vanh Dai Tay, Town 4, An Khanh Ward, Thu Duc City, Ho Chi Minh City, Vietnam
Coro Renewables VN2 Company Ltd*	Vietnam	Holding company	85%	136 - 138 Vanh Dai Tay, Town 4, An Khanh Ward, Thu Duc City, Ho Chi Minh City, Vietnam
Coro Renewables Vietnam Company Ltd*	Vietnam	Exploration and development company	85%	136 - 138 Vanh Dai Tay, Town 4, An Khanh Ward, Thu Duc City, Ho Chi Minh City, Vietnam

* Indirectly held.

† Formerly Global Energy Partnership Limited, acquired on 17 March 2021.

\# The Group has 80% economic interest and management's judgement is that Company controls this entity

@ Increased to 92.5% in February 2024

The following subsidiaries are exempt from audit for the 2023 financial year under s479A of the Companies Act 2006: Coro Clean Energy Limited, Coro Energy Asia Limited, Coro Energy Holdings Cell A Limited, Coro Clean Energy Vietnam Limited, and Coro Asia Renewables Limited.

Loans to subsidiaries

	Company 2023 US$'000	2022 US$'000
Current		
Loans to subsidiaries	1,665	750
Loans from subsidiaries	(5,267)	(685)
At 31 December	(3,602)	65

Loans to subsidiaries comprise advances to and from Coro Energy Holdings Cell A Limited which are unsecured, interest free and are repayable on demand.

NOTE 21: FINANCIAL INSTRUMENTS

Carrying amount versus fair value

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows:

31 December 2023

	Group Carrying amount US$'000	**Fair value US$'000**
Financial assets		
Trade receivables (current and non-current)	1,335	1,335
Other financial assets > 1 year	472	472
Cash and cash equivalents	1,095	1,095
Financial liabilities		
Trade and other payables	660	660
Borrowings (current and non-current)	31,327	31,327

31 December 2022

Group

	Carrying amount US$'000	Carrying amount US$'000
Financial assets		
Trade receivables (current and non-current)	158	158
Cash and cash equivalents	166	166
Financial liabilities		
Trade and other payables	819	819
Borrowings (current and non-current)	28,183	28,183

31 December 2023

	Company Carrying amount US$'000	**Fair value US$'000**
Financial assets		
Trade and intercompany receivables (current and non-current)	4,190	4,190
Cash and cash equivalents	573	573
Financial liabilities		
Trade and other payables	3,920	3,920
Borrowings (current and non-current)	31,237	31,237

31 December 2022

	Company Carrying amount US$'000	Fair value US$'000
Financial assets		
Trade and intercompany receivables (current and non-current)	3,170	3,170
Loans to subsidiaries	65	65
Cash and cash equivalents	130	130
Financial liabilities		
Trade and other payables	734	734
Borrowings (current and non-current)	29,446	29,446

Determination of fair values

All the Group's financial instruments are carried at amortised cost. The carrying value of trade and other receivables, cash and cash equivalents and trade and other payables approximates their fair value. Borrowings comprises the Group's Eurobond, which is listed on the Luxembourg Stock Exchange.

Financial risk management

Exposure to credit, market and liquidity risks arise in the normal course of the Group's business.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

Risk recognition and management are viewed as integral to the Group's objectives of creating and maintaining shareholder value, and the successful execution of the Group's strategy. The Board as a whole is responsible for oversight of the processes by which risk is considered for both ongoing operations and prospective actions. In specific areas, it is assisted by the Audit Committee.

Management is responsible for establishing procedures that provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

(i) Credit risk

The Group is exposed to credit risk on its cash and cash equivalents and trade and other receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset as shown in the table above and in note 19.

Credit risk with respect to cash is reduced through maintaining banking relationships with financial intermediaries with acceptable credit ratings. All banks with which the Group has a relationship have an investment grade credit rating and a stable outlook, according to recognised credit rating agencies.

The Group undertakes credit checks for all material new counterparties prior to entering into a contractual relationship.

(ii) Market risk

Interest rate risk

The Group is primarily exposed to interest rate risk arising from cash and cash equivalents that are interest bearing. The Group's Eurobond bears interest at a fixed rate. Interest rate risk is currently not material for the Group.

Currency risk

The Group operates internationally and is exposed to foreign exchange risk. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity.

The Group's and Company's exposure to foreign currency risk at the end of the reporting period is summarised below. All amounts are presented in US Dollar equivalent.

Group

	2023 US$'000 USD	**2023 US$'000 SGD**	**2023 US$'000 PHP**	**2023 US$'000 VND**	**2023 US$'000 GBP**	**2023 US$'000 EUR**	2022 US$'000 USD	2022 US $'000 EUR
Trade and other receivables	27	-	-	171	403	798	-	-
Other financial assets > 1 year	-	-	-	-	-	472	-	-
Cash and cash equivalents	397	2	273	239	183	1	119	1
Trade and other payables	(284)	(5)	(13)	(5)	(353)	-	-	(21)
Borrowings (current and non-current)	-	-	-	-	-	(31,327)	-	(28,183)
Net exposure	140	(3)	260	405	233	(30,056)	119	(28,203)

Sensitivity analysis

As shown in the table above, the Group is exposed to changes in USD exchange rate. The table below shows the impact in USD on pre-tax profit and loss of a 10% increase/decrease in exchange rates, holding all other variables constant:

Group

	2023 US$'000 USD	**2023 US$'000 SGD**	**2023 US$'000 PHP**	**2023 US$'000 VND**	**2023 US$'000 GBP**	**2023 US$'000 EUR**	2022 US$'000 USD	2022 US $'000 EUR
Net exposure	140	(3)	260	405	233	(30,056)	119	(28,203)
10% strengthening of currency to USD rate	-	-	(26)	(41)	(23)	3,006	-	2,820
10% weakening of currency to USD rate	-	-	26	41	23	(3,006)	-	(2,820)

Company

	2023 US$'000 USD	**2023 US$'000 SGD**	**2023 US$'000 PHP**	**2023 US$'000 VND**	**2023 US$'000 GBP**	**2023 US$'000 EUR**	2022 US$'000 USD	2022 US $'000 EUR
Trade and other receivables	3,440	9	178	-	532	31	3,022	-
Inter-company loans	1,270	-	-	-	-	-	-	-
Cash and cash equivalents	389	-	-	-	183	1	118	1
Loans to subsidiaries							750	(685)
Trade and other payables	(2,398)	-	-	-	(544)	(2,643)	(32)	(136)
Borrowings (current and non-current)	-	-	-	-	-	(31,327)	-	(29,446)
Net exposure	2,701	9	178	-	171	(33,938)	3,858	(30,266)

Sensitivity analysis

As shown in the table above, the Group is exposed to changes in USD exchange rate. The table below shows the impact in USD on pre-tax profit and loss of a 10% increase/decrease in exchange rates, holding all other variables constant.

Company

	2023 US$'000 USD	**2023 US$'000 SGD**	**2023 US$'000 PHP**	**2023 US$'000 VND**	**2023 US$'000 GBP**	**2023 US$'000 EUR**	2022 US$'000 USD	2022 US $'000 EUR
Net exposure	2,701	9	178	-	171	(33,938)	3,858	(30,266)
10% strengthening of currency to USD rate		(1)	(18)	-	(17)	3,394	-	3,026
10% weakening of currency to USD rate		1	18	-	17	(3,394)	-	(3,026)

(iii) Capital management

The Group's policy is to maintain a strong capital base so as to maintain creditor confidence and to sustain future development of the business, safeguard the Group's ability to continue as a going concern and provide returns for shareholders.

As explained further in note 16 and note 2c, the Group's Eurobonds are due to mature in April 2024 at 100% of par value plus any accrued and unpaid coupon.

(iv) Liquidity risk

The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due. Refer to the going concern statement in note 2c for further commentary.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts presented are the contractual undiscounted cash flows.

	Group				
31 December 2023	**Less than 6 months US$'000**	**6 to 12 months US$'000**	**Between 1 and 2 years US$'000**	**Between 2 and 7 years US$'000**	**Total contractual cash flows US$'000**
Trade and other payables	660		-	-	660
Borrowings	-	31,327	-	-	31,327
Total	660	31,327	-	-	31,987

31 December 2022	Less than 6 months US$'000	6 to 12 months US$'000	Between 1 and 2 years US$'000	Between 2 and 7 years US$'000	Total contractual cash flows US$'000
Trade and other payables	406	-	-	-	406
Borrowings	-	-	28,183	-	28,183
Total	406	-	28,183	-	28,589

	Company				
31 December 2023	**Less than 6 months US$'000**	**6 to 12 months US$'000**	**Between 1 and 2 years US$'000**	**Between 2 and 7 years US$'000**	**Total contractual cash flows US$'000**
Trade and other payables	3,920	-	-	-	3,920
Borrowings	-	31,327	-	-	31,327
Total	3,920	31,327	-	-	35,247

31 December 2022	Less than 6 months US$'000	6 to 12 months US$'000	Between 1 and 2 years US$'000	Between 2 and 7 years US$'000	Total contractual cash flows US$'000
Trade and other payables	320	-	-	-	320
Borrowings	-	-	28,183	1,263	29,446
Total	320	-	28,183	1,263	29,766

NOTE 22: SHARE-BASED PAYMENTS

Share options and warrants

The following equity settled share-based awards have been made under the Company's discretionary share option plan.

	31 December 2023	31 December 2022

	Average exercise price per option (pence)	Number of options	Average exercise price per option (pence)	Number of options
As at 1 January	1.03	193,013,166	1.90	137,687,500
Granted during the year	0.255	70,000,000	0.10	93,825,666
Expired during the year	4.38	(42,000,000)	-	-
Forfeited during the year	-	-	1.88	(38,500,000)
As at 31 December	0.15	221,013,166	1.03	193,013,166
Vested and exercisable at 31 December	-	-	4.38	42,000,000

All remaining unvested options vest after three years of continuous service with the Company and on condition that the mid-market closing price per Coro ordinary share on the last day of the three year vesting period is equal to or higher than 0.46 pence per ordinary share for 2021 grants and higher than 0.43 pence per ordinary share for 2022 grants. Grants issued in 2023 are exercisable once certain performance criteria have been met. Once vested, the Options may be exercised at any time until the sixth anniversary of grant.

For options granted in 2021 and 2022 that have not yet vested, the number of options which will vest on the vesting date will depend on the Company's Total Shareholder Return ("TSR") over the 3 year performance period starting on the date of grant, compared to a comparator group of 20 energy companies selected by the Company's Remuneration Committee. The number of Options vesting will be calculated as follows:

Relative TSR	Percentage of Options vesting on the Vesting Date
Below median	0%
Median	30%
Upper decile	100%
Between median and upper decile	Straight-line vesting between 30% and 100%

Options granted in 2023 are conditional upon a final investment decision having been taken by the partners to the Duyung PSC or the successful sale of Coro's interest in the Duyung PSC.

The fair value of services rendered in return for 2023 share options is based on the fair value of share options granted and was measured using a Black Scholes model.

The inputs used in the measurement of the options granted during the year are summarised in the table below, with the volatility estimate of 61% based on the Company's historical volatility:

	February 2023 options
Fair value at grant date (p)	0.13
Share price at grant date (p)	0.24
Exercise price	0. 26
Expected volatility	61%
Option life	3 years
Risk-free interest rate (based on yield on five-year gilts)	3.2%
Expiry date	9 February 2028

p - British pence.

The fair value of the options granted are spread over the vesting period. The amount recognised in the income statement for the year ended 31 December 2023 was US$303k (2022: US$196k).

During the year a total of 70,000,000 options were granted, 35,000,000 of which were granted to the Company's Chairman, James Parsons, 20,000,000 to the Company's Managing Director Michael Carrington and 15,000,000 to Ewen Ainsworth, former CFO of the Company.

NOTE 23: CONTINGENCIES AND COMMITMENTS

Commitments

Coro's share of the 2024 Duyung Work Programme and Budget is estimated at US$0.5m, which will be allocated between items of capital expenditure and joint venture G&A. The Group had no committed work programmes in it Philippine or Vietnam operations at the reporting date.

Contingent liabilities

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.

Contingent assets

The Group has the right to contingent payments of up to an aggregate of Euro 1.5m through a 10% net profit interest in the disposed Italian Portfolio over the three years from the date of completion.

NOTE 24: RELATED PARTY TRANSACTIONS

Key management personnel compensation

	2023	2022
	US$'000	US$'000
Short-term benefits	926	1,201
Share-based payments	303	197

Key management personnel consists of the Directors of the Company and Ewen Ainsworth (CFO) and Michael Carrington (COO).

Other related party transactions

ion Ventures Holdings Limited was a related party during the reporting period due to the Company's, now disposed, 18.76% shareholding and ability it had to appoint one director to the Board of Directors of ion. There were no transactions between the two companies in 2023 up to the date of the disposal or 2022 with the exception of Coro's initial £500k investment in ion.

Energy PTS is a company incorporated in Scotland in which Mark Hood, a director of the Company during the reporting period, has a majority interest. The Company paid consulting fees on an arm's length basis of £18k (2022: £18k) to Energy PTS during the reporting period.

NOTE 25: SUBSEQUENT EVENTS

On 18 January 2024, the Company announced receipt of an in principle commitment letter from HDBank of Vietnam to provide debt finance for its previously announced 50MW MOU with Mobile World Investment Corporation to install rooftop solar systems across their portfolio. The non-binding commitment letter initially focuses on funding for the ten locations in the pilot stage and would cover 50% of the total capital required for these locations. It would then be the intention to broaden any funding arrangement reached to the full scale 50MW roll out across all 900 project locations.

On 19 February 2024, the Company announced settlement of the working capital adjustment from the disposal of the Group's Italian natural gas portfolio, with the parties agreeing to a cash payment to the Company of Euro 1,000,000 in full and final settlement of the working capital adjustment. A cash payment of Euro 200,000 was received by the Company in February 2024 and the balance of Euro 800,000 will be paid in 22 monthly instalments.

The Company will also receive the previously announced Euro 136,000 balance of the upfront consideration for the Italian natural gas portfolio, which shall be paid in 23 monthly instalments.

On 29 February, the Company announced an update with respect to the ongoing legal proceedings by the Company against an Italian contractor in relation to damages following the historical cessation of production at the Bezzecca field in Italy. The Company announced on 14 February 2023 that it was initiating legal proceedings against an Italian contractor in relation to damages following the historical cessation of production at the Bezzecca field in Italy. The Company alleges that the original construction at Bezzecca lacked an effective cathodic protection system which was required to avoid corrosion, which ultimately led to the shut-in of gas production at the Bezzecca field in March 2020 for safety and environmental reasons. Production at Bezzecca was re-established in November 2022. The Company is claiming damages of approximately Euro 300,000 for the capital and related costs of the replacement equipment and necessary cathodic protection and a further Euro 7m for consequential losses, including both lost revenue and incurred fixed costs, during the shut in period. On 22 September 2023, the Company served a writ of summons on the contractor. The contractor filed its response statement to the court on 23 November 2023, which included the identification of three potentially liable third parties (a supplier, a sub-contractor and the sub contractor's insurance company). The judge has set the first hearing for 5 June 2024, before which various supplementary memorandums are required to be filed by both sides. The Company sold its Italian natural gas portfolio during 2023, however, under the terms of this disposal any costs and proceeds from the Bezzecca legal claim accrue to the Company.

On 8 March 2024, the Company announced that it had signed a binding 14-year power purchase agreement ("PPA") with Mobile World Group ("MWG") to deliver power at the first ten sites as a pilot phase with a capacity of 430kw. The PPA term is extendable in certain circumstances and includes a variable price with a floor of circa US$11.2 cents / kilowatt hour. Construction work at these sites will begin in March 2024 and is expected to conclude 28 days later. The capital required for the pilot phase is expected to be funded from existing in-country Group resources and from a debt facility expected to be provided by HDBank which is referenced here.

On 12 April 2024, The Company announced receipt of a letter from two lenders holding 68% of the Company's Luxembourg listed Eurobonds which are currently due to expire on 12 April 2024 (the "Standstill"). The Standstill, which the Company is advised is binding on the parties, provides a conditional standstill on the repayment of the Company's current debt obligations on expiry whilst the ongoing constructive discussions with the Company in respect of the Eurobonds continue and whilst certain inflexion points in the business materialise, including the outcome of the Duyung Operator's farm out process.

On 24 April 2024, the Company announced that, as a result of the outturn of the AGM, in that Resolution 2 concerning the re-election of James Parsons as a Director of the Company, was not passed at the AGM. Accordingly Mr Parsons is no longer a director of the Company. Whilst the Company has commenced the process of recruiting at least one additional director with immediate effect, the Company's Board currently comprises a single director. Following the AGM, the Company's Board is not therefore quorate under the Company's Articles of Association (the "Articles") or s154 of the Companies Act 2006 (the "Act") and the Company is not therefore able to effectively operate under the Articles or the Act. Accordingly, the Company has requested that trading in the Company's ordinary shares on AIM be suspended with immediate effect pending, inter alia, the appointment of at least one additional director. Notwithstanding the suspension of trading in the Company's ordinary shares, the Company will continue to make notifications as and when there are matters requiring disclosure in accordance with the Company's obligations under the AIM Rules for Companies and/or the UK Market Abuse Regulation.

On 12 June 2024, the Company announced an acceleration of receipt of a portion of the proceeds from the disposal of the Group's Italian natural gas portfolio. The Company sold its Italian natural gas portfolio as previously announced by the Company during the course of 2023 and 2024 (the "Disposal"). The Disposal includes a monthly payment to the company of Euro 42,750 through to November 2025 and a final payment of Euro 26,750 in December 2025. All monthly payments have been received to-date. The Company signed an agreement to accelerate the next 9 months payment in exchange for a 22% discount on those payments. Hence the Company will now receive Euro 150,000 on June 14 2024 and a further Euro 150,000 thirty days later. The monthly payments will restart from April 2025.

On 24 June 2024, The Company announced that it had signed binding key terms had been agreed for the sale and purchase of the domestic portion of the Mako gas field with PT Perusahaan Gas Negara Tbk ("PGN"), the gas subsidiary of PT Pertamina (Persero), the national oil company of Indonesia. The GSA, which includes a seven month long stop date, is subject to the construction of the pipeline connecting the West Natuna Transportation System with the domestic gas market in Batam, and it forms part of the Domestic Market Obligation, as set out in Mako's revised Plan of Development. The total contracted gas volume under the GSA is up to 122.77 trillion British Thermal Units ("TBtu") with estimated plateau production rates of 35 billion British Thermal Units / day ("BBtud"). The terms of the GSA are confidential. The remainder of the Mako sales gas volumes are targeted to be sold to Singapore, where a non-binding Term Sheet was signed in 3Q 2023. Conrad is moving towards finalising a GSA for the Mako export gas.

On 3 July 2024, the Company announced the appointment of Harry Beamish as Independent Non-Executive Director of the Company with immediate effect.

On 15 August 2024, the Company announced that it has signed a six month $500k secured convertible loan with River Merchant Capital, and existing lender to the Company under the Company's Luxembourg 8.0% listed Eurobond and Fenikso Limited.

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