CADOGAN ENERGY SOLUTIONS PLC

Â **Half Yearly Report for the Six Months ended 30 June 2025**

(Unaudited and unreviewed)

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Highlights

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Cadogan Energy Solutions plc ("Cadogan" or the "Company"), an independent energy company, listed on the Transition Market of the London Stock Exchange, aiming to be a diversified energy company with investments, operations and services along the energy value chain, is pleased to announce its unaudited results for the six months ended 30 June 2025.

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- With the ongoing war, the first six months of 2025 continued to be difficult, for Ukraine in general, and its energy sector in particular, due to continuous bombing, major disruptions in energy supplies, extensive damage to critical infrastructure, and persistent operational obstacles.
- H1 2025 has been another semester without LTI and TRI. All employees and assets have been secured.
- In H1 2025, the average production was 326 bpd in (370 bpd in H1 2024), a 12% decrease vs H1 2024.
- The gas-to-power project, utilizing the non-commercial associated gas from Blazhiv field for generating electricity is in progress. It is expected to be operational in Q4 2025. The project experienced an extended timeline due to unexpected administrative delays for grid connection and permitting.
- The new power generation projects in Ukraine are also in progress. The portfolio, totalling 12.3 MW of installed capacity, is scheduled to become operational in Q4 2025.
- The ISO 14001 and ISO 45001 certifications have been revalidated for a new term.
- The production revenues decreased by 38 % versus the same period in 2024, mainly due to a 32% decrease in the average realised oil price and a 12% decrease of the production volumes.
- In January 2025, Cadogan received 10 million euros as provided in the Settlement Agreement signed with Proger in December 2024. Subsequently, Cadogan exited from the Loan Agreement signed in February 2019, ended all the litigations procedures and dissolved the pledge over the corresponding shares in Proger Ingegneria.
- The cash position at the period end was 20.1 million (30 June 2024: 15.1 million). This level of cash is sufficient to sustain on-going operations and business development initiatives.
- In Italy, Exploenergy was granted, in May 2025, the gas exploration licence for the Corzano project located in the Lombardia region. Exploenergy is expecting the granting, in Q4 2025, of the one for the Reno Centese project located in the Emilia Romagna region.

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Key performance indicators

During H1 2025, the Group has monitored its performance in conducting its business with reference to a number of key performance indicators (`KPIs'):

- to secure its staff and operations.
- to maintain stable oil production measured on the barrels of oil produced per day (`bpd');
- to contain administrative expenses,
- to increase the Group's basic earnings per share,
- to maintain no lost time incident,
- to diversify in the energy sector,
- to geographically diversify the portfolio

The Group's performance during the first six months of 2025, measured against these targets, is set out in the table below, together with the prior year performance data. No changes have been made to the sources of data or calculations used in the period/year. The positive trend in the HSE performances continues with zero incidents.Â

Â	Unit	30 June 2025	30 June 2024	31 December 2024
Â	Â	Â	Â	Â
Average production (working interest basis) (a)	Boepd	326	370	353
Administrative expenses	million	1.8	1.5	(3.5)
Basic profit/(loss) per share (b)	Cent	0.4	0.1	(2.5)
Lost time incident (c)	Incidents	-	-	-
Diversification in energy sector	New activities	Power generation under construction	-	-
Geographical diversification	New assets	Gas Exploration licence in Italy	-	-

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a. Average production is calculated as the average daily production during the period/year
b. Basic profit/loss per ordinary share is calculated by dividing the net profit/loss for the year attributable to equity holders of the parent company by the weighted average number of ordinary shares during the period
c. Lost time incident relates to injuries where an employee/contractor is injured and has time off work (IOGP classification)

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Enquiries:

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Cadogan Energy Solutions Plc	Â	
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Operations Review

Introduction

The first half of 2025 remained extremely challenging for Ukraine, as Russia continued its systematic attacks on industrial and energy infrastructure. Repeated missile strikes on oil refineries and power generation plants weakened further the country's energy system.Â At the same time, the destruction of Ukraine's refining capacity removed a major domestic outlet for crude oil. With fewer refineries able to process volumes into higher-value products, the local market became oversupplied with crude, which, together with global oil price instability, drove down domestic oil prices and directly reduced revenue flows for the Company.

Despite these severe external pressures, the Group maintained oil production at the Blazhiv field. The production was sustained without unplanned shutdowns.

Throughout this period, Cadogan's employees in Ukraine continued working in a combined remote/office mode, with all staff remaining safe. The Group's local operating companies remain classified as enterprises of critical importance for the functioning of Ukraine's economy, underscoring the strategic role we play even in wartime conditions. In this context, the Group has remained focused on safe operations, strict cost control, cash preservation, and selectively pursuing new growth opportunities.

Operations

E&P activity remained focused on maintaining and securing its activities for the new term and safely and efficiently producing from the existing wells within the Blazhiv oil field. In H1 2025, the average gross production rated at 326 bpd, reflecting a 12% decline compared to 370 bpd in H1 2024. Â

Operational excellence of the Group has been confirmed again by zero LTI or TRI[1], with a total over 1,809,000 manhours since the last incident, and the revalidation of ISO 14001 & 45001 certifications for a new term.

CO_2 emissions level in H1 2025 remained stable. The Intensity ratio was 147,17 tons of CO_2,e/boe produced broadly in line with the one for the same reporting period of the last year. Looking ahead, the commissioning of the gas-to-power plant is expected to deliver a meaningful reduction in annual gas emissions, supporting both operational efficiency and the Company's environmental objectives.

The gas-to-power project planning has suffered from unexpected delays in administrative authorisations for connection to the grid and permitting.

The new power generation projects were launched across several locations in Ukraine. All power generator units have now been delivered by the supplier. The construction works are ongoing on the first site and will soon start on two other sites. With a total installed capacity of 12.3 MW planned to come operational in Q4 2025, these initiatives represent a significant milestone in reinforcing the Company's commitment to diversify and expand in new activities in the energy sector.

In Italy, Exploenergy was granted in May 2025 the gas exploration licence for the Corzano project. Exploenergy is expecting the granting, in Q4 2025, of the one for the Reno Centese project.

Trading

In the first half of 2025, the Trading segment executed the disposal of remaining natural gas inventories at the peak of spot market prices. Cadogan continues to monitor the gas markets in Europe and Ukraine.

Financial position

Cash at 30 June 2025 was 20.1 million (15.1 million at 30 June 2024). The Group continuously monitors its exposure to currency risk. It maintains a portfolio of cash mainly in US Dollars ("USD"), EURO and Sterling ("GBP") held primarily in the UK.

The Directors believe that the capital available at the date of this report is sufficient for the Group to continue its operations for the foreseeable future.

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In H1 2025, the Group held working interests in an oil production licence in the West of Ukraine, located in the prolific Carpathian basin, close to the Ukrainian oil and gas distribution infrastructure. It is operated by the Group.

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Summary of the Group's licences (as of 30 June 2025)			
Working interest (%)	**Licence**	**Expiry**	**Licence type**
100	Blazhiv	November 2039	Production

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Below we provide an update to the full Operations Review contained in the 2024 Annual Report published on 28 April 2025.

Blazhiv licence

Throughout the reporting period, the Company remained focused on the safe and efficient operation of its existing wells in the Blazhiv licence area. Average gross production reached 326 bpd, compared with 370 bpd in H1 2024. The decline includes a planned program of hydrodynamic surveys - designed to assess reservoir pressure, fluid flow dynamics, and long-term production potential - as well as scheduled equipment maintenance. These proactive measures are aimed at optimizing recovery, extending well life, and ensuring continued operational reliability.

The gas-to-power project at Blazhiv field, together with the related gas capture infrastructure, has made less progress than expected during H1 2025. This is due to additional delays for unexpected procedural requirements for securing a grid connection and the related permitting. The project is expected to be operational in Q4 2025.

Service Company activities

In H1 2025, Astro Service LLC, focused again its activities on serving intra-group operational needs in wells' re-entry operations, wells' survey as well as field on-site activities. Production and service activities will be presented solely as Exploration and Production segment result.

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Financial Review

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Overview

Income statement

In H1 2025, revenues decreased to 3.1 million (H1 2024: 5 million) due to the decrease of the realised price by 32% and the decrease in the produced volumes of oil by 12%.

Trading business: In the first half of 2025, the Trading segment executed the disposal of 0.76 million m3 natural gas at the peak of spot market prices and contributed on the Group's revenue and operating cash flow for 0.3 million.

The cost of sales of the production segment consists of 1.1 million of production royalties (1.5 million), 0.9 million of operating costs (0.7 million), 0.3 million of depreciation and depletion of producing wells (0.4 million), and 0.1 million of direct staff costs for production (0.07 million).

Half year gross profit from production activities decreased to 0.7 million (30 June 2024: increased to 2.3 million), driven by decrease in production and oil prices.

Other administrative expenses were kept under control at 1.8 million (30 June 2024: 1.5 million). They comprise other staff costs, professional fees and expenses, Directors' remuneration and depreciation charges on non-producing property.

Balance sheet

At 30 June 2025, the cash position of 20.1 million (30 June 2024: 15.1 million) increased compared to the 14.3 million as at 31 December 2024.

The Property, Plant and Equipment ("PP&E") balance of 9.8 million at 30 June 2025 (30 June 2024: 5.2 million, 31 December 2024: 5.4 million) includes the development and production assets on the Blazhyvska licence, construction in progress on power generation activities and other PP&E of the Group.

The balance of prepayments for non-current assets amounted to 1.4 million as at 30 June 2025 and primarily relates to advance payments for electricity generators to be installed under new power generation projects.

Trade and other receivables of 0.4 million (30 June 2024: 0.4 million, 31 December 2024: 0.3 million) includes recoverable VAT of 8 thousand (30 June 2024: 5 million, 31 December 2024: 0.05 million), 0.38 million of other receivables and prepayments (30 June 2024: 0.35 million, 31 December 2024: 0.05 million).

The 1.3 million of trade and other payables as of 30 June 2025 (30 June 2024: 1.5 million, 31 December 2024: 1.6 million) represent 0.9 million (30 June 2024: 0.8 million, 31 December 2024: 0.4 million) of other creditors and 0.4 million of accruals (30 June 2024: 0.7 million, 31 December 2024: 1.2 million).

Cash flow statement

The Consolidated Cash Flow Statement shows negative cash-flow from operating activities of 0.5 million (30 June 2024: positive 1 million, 31 December 2024: positive 0.7 million). Cashflow, before movements in working capital, shows an outflow of 0.7 million (30 June 2024: inflow 1.2 million, 31 December 2024: inflow 1.4 million).

Group capital expenditure of 6.2 million represents investments in gas-to-power project and new power generation projects.

Commitments

All material changes in the commitments and contingencies reported as at 31 December 2024 (refer to page 89 of the Annual Report).

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Treasury

The Group continually monitors its exposure to currency risk. It maintains a portfolio of cash mainly in US dollars ("USD"), Great Britain Pound ("GBP") and Euro held primarily in the UK. Production revenues from the sale of hydrocarbons are received in the local currency in Ukraine, however, the hydrocarbon prices are linked to the USD denominated gas and oil prices. The martial law in Ukraine significantly limits the transfer of cash outside of Ukraine.

The cash in Ukraine is held in the local currency (Hryvnia) and placed to deposits in subsidiaries of reputable international banks.

Going concern

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Interim Financial Statements. For further details, refer to the detailed presentation of the assumptions outlined in note 2(a) of the Interim Financial Statements.

Risks and uncertainties

There are a number of potential risks and uncertainties inherent in the oil and gas sector which could have a material impact on the long-term performance of the Group and which could cause the actual results to differ materially from expected and historical results. The Company has taken reasonable steps to mitigate these where possible. Full details are disclosed on pages 9 to 12 of the 2024 Annual Financial Report. There have been no changes to the risk profile during the first half of the year. The risks and uncertainties are summarised below.

War risks

- Missile attacks
- Occupation of territories
- Forced evacuations
- Cyber attacks

Operational risks

- Health, safety, and environment
- Climate change
- Drilling and work-over operations
- Production and maintenance

Subsurface risks

Financial risks

- Changes in economic environment
- Counterparty
- Commodity price

Country risk

- Regulatory and licence issues
- Emerging market

Other risks

- Risk of losing key staff members
- Risk of entry into new countries
- Risk of delays in projects related to dialogue with local communities

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Director's Responsibility Statement

We confirm that to the best of our knowledge:

(a)Â the Interim Financial Statements have been prepared in accordance with the UK-adopted IAS 34 `*Interim Financial Reporting*';

(b)Â the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year);

(c)Â the interim management report includes a fair review of the information required by DTR 4.2.8RÂ (disclosure of related parties' transactions and changes therein); and

(d)Â the condensed set of financial statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by DTR 4.2.4R.

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This Half Yearly Report consisting of pages 1 to 21 has been approved by the Board and signed on its behalf by:

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Fady Khallouf
Chief Executive Officer
5 September 2025
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Consolidated Income Statement

Six months ended 30 June 2025

		Six months ended 30 June		**Year ended 31 December**
Â	**Â**	**2025 '000 (Unaudited)**	**2024 '000 (Unaudited)**	**2024 '000 (Audited)**
Â	**Notes**		**Â**	
CONTINUING OPERATIONS	**Â**	**Â**	**Â**	**Â**
Revenue	3	3,094	4,952	9,152
Cost of sales	3	(2,395)	(2,671)	(5,047)
Gross profit	Â	**699**	**2,281**	**4,105**
Â	Â	Â	**Â**	Â
Administrative expenses	Â	(1,823)	(1,508)	(3,522)
Reversal of impairment of other assets	Â	61	-	39
Adjustments to end of concession obligations for E&E assets	Â	-	-	(6)
Impairment of gas and oil assets	Â	(12)	(10)	-
Impairment of other assets	Â	-	-	(39)
Net foreign exchange gains/(losses)	Â	1,527	(542)	(1,123)
Other operating income/(losses), net	Â	69	(1)	(19)
Operating profit /(loss)	Â	**521**	**256**	**(565)**
Â	Â	Â	**Â**	Â
Loss on Proger loan, net	Â	-	**-**	(5,657)
Finance income	4	386	767	759
Profit/(loss) before tax	Â	**907**	**1,023**	**(5,463)**
Â	Â	Â	**Â**	Â
Tax (expense)/benefit	13	-	(805)	(769)
Profit/(loss) for the period/year	Â	**907**	**219**	**(6,232)**
Â	Â	Â	**Â**	Â
Attributable to:	Â	Â	Â	Â
Owners of the Company	5	907	219	**(6,232)**
Non-controlling interest	Â	-	-	-
Â	Â	**907**	**219**	**(6,232)**
Â	Â	Â	**Â**	**Â**
Profit/(loss) per Ordinary share	Â	**Cents**	**Cents**	**Cents**
Basic and diluted	5	**0.4**	**0.1**	**(2.6)**

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Consolidated Statement of Comprehensive Income
Six months ended 30 June 2025

		Six months ended 30 June		**Year ended 31 December**
Â	**Â**	**2025 '000 (Unaudited)**	**2024 '000 (Unaudited)**	**2024 '000 (Audited)**
Â	**Â**		**Â**	
Profit / (loss) for the period/year	Â	**907**	**219**	**(6,232)**
Other comprehensive profit/(loss)	**Â**	**Â**	**Â**	**Â**
Items that may be reclassified subsequently to profit or loss	Â	**Â**	Â	Â
Unrealised currency translation differences	Â	157	(444)	(1,141)
Other comprehensive profit /(loss)	**Â**	**157**	**(444)**	(1,141)
Total comprehensive profit / (loss) for the period/year	Â	**1,064**	**(225)**	**(7,373)**
Â	Â	**Â**	**Â**	**Â**
Attributable to:	Â	**Â**	**Â**	**Â**
Owners of the Company	Â	1,064	(225)	(7,373)
Non-controlling interest	Â	-	-	-
Â	Â	**1,064**	**(225)**	**(7,373)**

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Consolidated Statement of Financial Position

Six months ended 30 June 2025

		Six months ended 30 June		Year ended 31 December
Â	Â	2025 '000 (Unaudited)	2024 '000 (Unaudited)	2024 '000 (Audited)
Â	Notes		Â	
ASSETS	Â	Â	Â	Â
Non-current assets	Â	Â	Â	Â
Â	Â	Â	Â	Â
Property, plant and equipment	6	9,767	5,231	5,329
Prepayments for non-current assets	6	1,436	-	-
Right-of-use assets	Â	125	191	165
Â	Â	**11,328**	**5,422**	**5,494**
Current assets	Â	**Â**	Â	Â
Inventories	7	287	365	515
Trade and other receivables	8	386	355	354
Loan provided	11	-	16,959	10,388
Cash and cash equivalents	Â	20,090	15,141	14,381
Â	Â	**20,763**	**32,820**	**25,638**
Total assets	**Â**	**32,091**	**38,242**	**31,132**
Â	Â	Â Â		Â
LIABILITIES	Â	Â Â		Â
Non-current liabilities	Â	Â Â		Â
Deferred tax liabilities	Â	-	(101)	-
Long-term lease liability	Â	(40)	(112)	(75)
Provisions	Â	(101)	Â (117)	(110)
Â	Â	(141)	(330)	(185)
Current liabilities	Â	Â	Â Â	
Trade and other payables	9	(1,313)	(1,487)	(1,652)
Short-term lease liability	Â	(97)	(85)	(98)
Current provisions	Â	(147)	(124)	(129)
Â	Â	(1,557)	(1,696)	(1,879)
Total liabilities	**Â**	**(1,698)**	**(2,026)**	**(2,064)**
Â	Â	**Â**	Â	Â
Net assets	**Â**	**30,393**	**36,216**	**29,068**
Â	Â	Â	Â	Â
EQUITY	Â	Â	Â	Â
Share capital	12	14,093	13,832	13,832
Share premium	Â	514	514	514
Retained earnings	Â	180,478	186,022	179,571
Cumulative translation reserves	Â	(166,281)	(165,741)	(166,438)
Other reserves	Â	1,589	1,589	1,589
Equity attributable to equity holders of the parent	**Â**	**30,393**	**36,216**	**Â 29,068**
Non-controlling interest	Â	-	-	-
Total equity	**Â**	**30,393**	**36,216**	**29,068**

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Consolidated Statement of Cash Flows Six months ended 30 June 2025	**Â**	Six months ended 30 June		Year ended 31 December
Â	**Â**	**2025 '000 (Unaudited)**	**2024 '000 (Unaudited)**	**2024 '000 (Audited)**
Â	**Â**		**Â**	
Operating profit/(loss)		**521**	**256**	**(565)**
Adjustments for:		Â	**Â**	**Â**
Depreciation of property, plant and equipment		359	449	813
Changes in provision of oil and gas assets		12	-	6
Impairment of inventories		-	-	28
Reversal of impairment of VAT recoverable		(61)	(36)	(39)
Impairment of oil and gas assets		-	10	-
Impairment of receivables		-	-	11
Effect of foreign exchange rate changes		(1,527)	542	1,122
Operating cash flows before movements in working capital		**(696)**	**1,221**	**1,376**
Increase /(Decrease) in inventories		234	(3)	(219)
Increase /(Decrease) in receivables		45	121	(663)

(Decrease)/Increase in payables and provisions		(75)	(134)	644
Cash from operations		**(492)**	**1,205**	**1,138**
Income taxes paid		-	(228)	(447)
Net cash (outflow)/inflow from operating activities		**(492)**	**977**	**691**
Â	**Â**	Â	**Â**	**Â**
Investing activities	**Â**	Â	**Â**	**Â**
Purchases of property, plant and equipment	Â	(6,152)	(334)	(1,048)
Interest received	Â	397	396	800
Net cash used in investing activities	**Â**	**(5,755)**	**62**	**(248)**
Â	**Â**	Â	**Â**	**Â**
Financing activities	**Â**	Â	**Â**	**Â**
Repayment of lease liability	**Â**	-	**-**	(118)
Repayment of loan	**Â**	10,487	**-**	-
Net cash from financing activities	**Â**	**10,487**	**-**	**(118)**
Â	Â	Â	**Â**	**Â**
Net increase (decrease) in cash and cash equivalents	**Â**	**4,240**	**1,039**	**326**
Effect of foreign exchange rate changes	Â	1,470	(53)	(100)
Cash and cash equivalents at beginning of period/year	Â	14,381	14,155	14,155
Cash and cash equivalents at end of period/year	**Â**	**20,090**	**15,141**	**14,381**

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Consolidated Statement of Changes in Equity

Six months ended 30 June 2025

Â	**Share capital**	**Share premium account**	**Retained earnings**	**Cumulative translation reserves**	**Other reserves**	**Equity attributable to owners of the Company**	**Non-controlling interest**	**Total**
Â	**'000**	**'000**	**'000**	**'000**	**'000**	**'000**	**'000**	**'000**
As at 1 January 2024	**13,832**	**514**	**185,803**	**(165,297)**	**1,589**	**36,441**	**-**	**36,441**
Net income for the period	-	-	219	-	-	219	-	219
Other comprehensive loss	-	-	-	(444)	-	(444)	-	(444)
Total comprehensive income/loss for the year	**-**	**-**	**219**	**(444)**	**-**	**(225)**	**-**	**(225)**
As at 30 June 2024	**13,832**	**514**	**186,022**	**(165,741)**	**1,589**	**36,216**	**-**	**36,216**
Net loss for the period	-	-	(6,451)	Â	-	(6,451)	-	(6,451)
Other comprehensive loss	-	-	-	(697)	-	(697)	-	(697)
Total comprehensive loss for the year	**-**	**-**	**(6,451)**	**(697)**	**-**	**(7,148)**	**-**	**(7,148)**
As at 31 December 2024	**13,832**	**514**	**179,571**	**(166,438)**	**1,589**	**29,068**	**-**	**29,068**
Net profit for the period	-	-	907	-	-	907	-	907
Other comprehensive income	-	-	-	157	-	157	-	157
Total comprehensive income for the year	**-**	**-**	**907**	**157**	**-**	**1,064**	**-**	**1,064**
Issue of ordinary shares	261	**-**	**-**	**-**	**-**	**261**	**-**	**261**
As at 30 June 2025	**14,093**	**514**	**180,748**	**(166,281)**	**1,589**	**30,393**	**-**	**30,393**

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Notes to the Condensed Financial Statements

Six months ended 30 June 2025

1. General information

Cadogan Energy Solutions plc (the `Company', together with its subsidiaries the `Group'), is incorporated in England and Wales under the Companies Act. The address of the registered office is Floor 2, 8 Bishopsgate, London EC2N 4BQ. The nature of the Group's operations and its principal activities are set out in the Operations Review on page 7 and the Financial Review on page 8.

This Half Yearly Report has not been audited or reviewed in accordance with the Auditing Practices Board guidance on `Review of Interim Financial Information'.Â Â

A copy of this Half Yearly Report has been published and may be found on the Company's website at https://www.cadoganenergysolutions.com.

2. Basis of preparation Â

The annual financial statements of the Group are prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the

European Union. On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. The Group transitioned to UK-adopted international accounting standards in its consolidated financial statements on 1 January 2021. There was no impact or changes in accounting policies from the transition. These Condensed Financial Statements have been prepared in accordance with the UK-adopted IAS 34 *Interim Financial Reporting*.

The same accounting policies and methods of computation are followed in the condensed financial statements as were followed in the most recent annual financial statements of the Group except as noted, which were included in the Annual Report issued on 25 April 2025.

The Group has not early adopted any amendment, standard or interpretation that has been issued but is not yet effective. It is expected that where applicable, these standards and amendments will be adopted on each respective effective date.

This consolidated interim financial information does not constitute accounts within the meaning of section 434 and of the Companies Act 2006. Statutory accounts for the year ended 31 December 2024 were approved by the Board of Directors on 25 April 2025 and delivered to the Registrar of Companies.

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(a) Going concern

The Directors have continued to use the going concern basis in preparing these condensed financial statements. The Group's business activities, together with the factors likely to affect future development, performance and position are set out in the Operations Review. The financial position of the Group, its cash flow and liquidity position are described in the Financial Review.

The Group's cash balance at 30 June 2025 was 20.1 million (31 December 2024: 15.1 million).

The Directors' have carried out a robust assessment of the principal risks facing the Group.

The Group's forecasts and projections, taking into account reasonably possible changes in trading activities, operational performance, flow rates for commercial production and the price of hydrocarbons sold to Ukrainian customers, show that there are reasonable expectations that the Group will be able to operate on funds currently held and those generated internally, for the foreseeable future.

Notwithstanding the Group's current financial performance and position, the Board are cognisant of the actual impacts of the war situation in Ukraine. The Board has considered possible reverse stress case scenarios for the impact on the Group's operations, financial position and forecasts.Â Whilst the potential future impacts of the invasion of Ukraine by Russia are unknown, the Board has considered operational disruption that may be caused by the factors such as a) restrictions applied by governments, illness amongst our workforce and disruption to supply chain and sales channels; b) market volatility in respect of commodity prices associated with military and geopolitical factors.

In addition to sensitivities that reflect future expectations regarding country, commodity price and currency risks that the Group may encounter reverse stress tests have been run to reflect possible negative effects of war in Ukraine. The Group's forecasts demonstrate that owing to its cash resources the Group is able to meet its operating cash flow requirements and commitments whilst maintaining significant liquidity for a period of at least the next 12 months allowing for sustained reductions in commodity prices and extended and severe disruption to operations should such a scenario occur.

After making enquiries and considering the uncertainties described above, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and consider the going concern basis of accounting to be appropriate and, thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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(b) Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). The functional currency of the Company is US dollar. For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in US dollars, which is the presentation currency for the consolidated financial statements.

The relevant exchange rates used were as follows:

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1 Â£ = xUS	**Six months ended 30 June**		**Year ended 31 Dec**
Â	**2025**	**2024**	**2024**
Closing rate	1.37152	1.26473	1.25369
Average rate	1.2978	1.2651	1.2782
Â	Â	Â	Â

1 US = xUAH	**Six months ended 30 June**		**Year ended 31 Dec**
Â	**2025**	**2024**	**2024**
Closing rate	41.9276	40.7683	42.3997
Average rate	41.8867	39.2932	40.4528
Â	Â	Â	Â

1 Euro = xUS	**Six months ended 30 June**		**Year ended**
Â	**2025**	**2024**	**31 Dec 2024**
Closing rate	1.17438	1.07177	1.0388
Average rate	1.0937	1.0812	1.0821
Â	Â	Â	Â

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(c) Dividend

The Directors do not recommend the payment of a dividend for the period (30 June 2025: nil; 31 December 2024: nil). Â

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(d) Critical accounting judgments and estimates

Impairment indicator assessment for E&E assets

Where there are indications of impairment, the E&E assets concerned are tested for impairment. Where the E&E assets concerned fall within the scope of an established full cost pool, which are not larger than an operating segment, they are tested for impairment together with all development and production assets associated with that cost pool, as a single cash generating unit.

The aggregate carrying value of the relevant assets is compared against the expected recoverable amount of the pool, generally by reference to the present value of the future net cash flows expected to be derived from production of commercial reserves from that pool. Where the assets fall into an area that does not have an established pool or if there are no producing assets to cover the unsuccessful exploration and evaluation costs, those assets would fail the impairment test and be written off to the income statement in full.

Impairment losses are recognized in the income statement and are separately disclosed.

Impairment of PP&E

Management assesses the development and production assets for impairment indicators and performs an impairment test if indicators of impairment are identified. Management performed an impairment assessment using a value in use discounted cash flow model which required estimates including forecast oil prices, reserves and production, costs and discount rates.

Recoverability and measurement of VAT

Judgment is required in assessing the recoverability of VAT assets and the extent to which historical impairment provisions remain appropriate, particularly noting the recent recoveries against historically impaired VAT. In forming this assessment, the Group consider the nature and age of the VAT, the likelihood of eligible future supplies to VAT, the pattern of recoveries and risks and uncertainties associated with the operating environment.

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3. Segment information

Segment information is presented on the basis of management's perspective and relates to the parts of the Group that are defined as operating segments. Operating segments are identified on the basis of internal assessment provided to the Group's chief operating decision maker ("CODM"). The Group has identified its executive management team as its CODM and the internal assessment used by the top management team to oversee operations and make decisions on allocating resources serve as the basis of information presented.

Segment information is analysed on the basis of the type of activity, products sold, or services provided. The majority of the Group's operations are located within Ukraine. Segment information is analysed on the basis of the types of goods supplied by the Group's operating divisions.

The Group's reportable segments under IFRS 8 are therefore as follows:

Exploration and Production

- E&P activities on the production licences for natural gas, oil and condensate

Trading

- Import of natural gas from European countries
- Local purchase and sales of natural gas operations with physical delivery of natural gas

The accounting policies of the reportable segments are the same as the Group's accounting policies. Sales between segments are carried out at market prices.

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The segment result represents profit under IFRS before unallocated corporate expenses. Unallocated corporate expenses include management and Board remuneration and expenses incurred in respect of the maintenance of Kiev office premises. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

The Group does not present information on segment assets and liabilities as the CODM does not review such information for decision-making purposes.

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As at 30 June 2025 and for the six months then ended the Group's segmental information was as follows:

Â	Â Exploration and Production	Trading	Consolidated
Â	Â '000	'000	'000
Sales of hydrocarbons	2,770	317	3,087
Other revenue	7	-	7
Total revenue	**2,777**	**317**	**3,094**
Other cost of sales	(2,146)	(248)	(2,395)
Other administrative expenses	(245)	(21)	(266)
Impairment of oil & gas	(12)	-	(12)
Other operating income	130	-	130
Finance income, net	242	-	242
Segment results	**746**	**48**	**793**
Unallocated other administrative expenses	-	-	(1,557)
Other finance income, net	Â	Â	144
Net foreign exchange gains	Â -	Â -	1,527
Profit before tax	**Â -**	**-Â**	**907**

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As at 30 June 2024 and for the six months then ended the Group's segmental information was as follows:

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Â	Exploration and Production '000	Trading '000	Consolidated '000
Sales of hydrocarbons	4,933	-	4,933
Other revenue	19	-	19
Total revenue	**4,952**	-	**4,952**
Other cost of sales	(2,670)	(1)	(2,671)
Other administrative expenses	(196)	(25)	(221)
Impairment of oil & gas	(10)	-	(10)
Other operating income	35	-	35
Finance income, net	226	-	226
Segment results	**2,337**	**(26)**	**2,311**
Unallocated other administrative expenses	-	-	(1,287)
Other income, net	-	-	541
Net foreign exchange loss	-	-	(542)
Profit before tax	**-**	**-**	**1,023**

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4. Finance income/(costs), net

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Â	Six months ended 30 June		Year ended 31 December
Â	2025	2024	2024
Â	'000	'000	'000
Interest expense on lease	(8)	(11)	(22)
Total interest expenses on financial liabilities	**(8)**	**(11)**	**(22)**

Interest income on cash deposit	397	396	799
Total interest income on financial assets	**397**	**396**	**799**
Â	Â Â		Â
Interest on loan	1	381	(5,657)
Unwinding of discount on decommissioning provision	(4)	1	(18)
Total	**386**	**767**	**(4,876)**

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5. Profit/(loss) per ordinary share

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Profit/(loss) per ordinary share is calculated by dividing the net profit/(loss) for the period/year attributable to Ordinary equity holders of the parent by the weighted average number of Ordinary shares outstanding during the period/year. The calculation of the basic profit/(loss) per share is based on the following data:

		Six months ended 30 June	**Year ended 31 December**
Â Profit /(Loss) attributable to owners of the Company	**2025 '000**	**2024 '000**	**2024 '000**
Profit /(loss) for the purposes of basic profit/(loss) per share being net profit/(loss) attributable to owners of the Company	907	219	Â Â Â Â Â Â Â Â Â Â (6,232)
Â	**Â**	**Â**	**Â**
Â Number of shares	**Number `000**	**Number `000**	**Number `000**
Weighted average number of Ordinary shares for the purposes of basic profit/(loss) per share	251,128	244,128	244,128
Â Â	**Â Cent**	**Â Cent**	**Â Cent**
Profit/(loss) per Ordinary share	**Â**	**Â**	**Â**
Basic	**0.4**	**0.1**	**(2.55)**

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6. Proved properties

As of 30 June 2025, the development and production assets balance which forms part of PP&E has decreased in comparison to 31 December 2024 by 5%, mainly due to depletion charge for the period.

Construction in progress in the amount of 5.3 million represents new assets acquired by the Group for its emerging business segment, the gas-to-power project and electricity generation project. As at 30 June 2025, the assets' value includes an electricity generator delivered in December 2024, which is expected for starting operations in Q4 2025; and several Gas Engine units, which have been already delivered in Ukraine at the end of June, and which are expected for starting operations in Q4 2025.

Prepayments for non-current assets represent 1.3 million euros of payments for purchasing gas engine units.

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7. Inventories

As at 30 June 2025, inventories are decreased to 287 thousand mainly due to sold natural gas to third parties (30 June 2024: 365 thousand, 31 December 2024: 515 thousand).

The impairment provision as at 30 June 2025 of 1 million is held to reduce the carrying value of the inventories to net realisable value. No additional provision on inventories has been recognised for the first half 2025.

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8. Trade and other receivables

		Six months ended 30 June		**Year ended 31 December**
Â	**Â**	**2025**	**2024**	**2024**
Â	**Â**	**'000**	**'000**	**'000**
VAT recoverable	**Â**	749	834	862
Impairment provision for VAT	**Â**	(741)	(829)	(793)
Prepayments	**Â**	275	326	256
Trade receivables	**Â**	62	29	32
Other receivables	**Â**	79	30	35
Impairment provision for bad debts	**Â**	(38)	(35)	(38)
Â	Â	**386**	**355**	**354**

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VAT recoverable asset was realized through natural gas and crude oil sales during the first half of 2025. The Directors consider that the carrying amount of the other receivables approximates their fair value. Management expects to realise VAT recoverable through the activities of the business segments.

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9. Trade and other payables

The 1.3 million of trade and other payables as at 30 June 2024 (30 June 2024: 1.5 million, 31 December 2024: 1.7 million) represent 0.87 million (30 June 2024: 0.8 million, 31 December 2024: 0.7 million) of other creditors and 0.44 million of accruals (30 June 2024: 0.7 million, 31 December 2024: 0.8 million).

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10. Commitments and contingencies

As of 30 June 2025, the Group had capital commitments related to the acquisition and commissioning of gas engine units under contracts. The total amount of outstanding capital expenditure under these contracts is expected to be settled by the end of Q3 2025. The Group anticipates that the assets will be brought into use in Q4 2025.

There have been no other significant changes to the commitments and contingencies reported on page 89 of the Annual Report.

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11. Loan provided

In February 2019, Cadogan used part of its cash (Euro 13.385 million) to enter into a 2-year Loan Agreement with Proger Managers & Partners, with an option to convert it into a direct 33% equity interest in Proger Ingegneria, equivalent to an indirect 25 % equity interest in Proger. According to IFRS, the instrument has to be represented in our balance sheet at fair value.

In February 2021, Cadogan notified PMP that according to the Loan Agreement, the Maturity Date occurred on 25 February 2021. As the Call Option was not exercised, PMP must fulfil the payment of EUR 14,857,350, being the reimbursement of the Loan in terms of principal and the accumulated interest. PMP was in default since 25 February 2021. In case of default payment, the terms of the agreement provide for the application of an increased interest rate (7.5%) on the amount of the debt.

Since the Call Option was not exercised before the Maturity Date and the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, the Loan provided was reclassified from `Financial assets at fair value through profit and loss' to `Financial assets at amortised cost'.

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Â Â Â	**Financial assets at amortised cost** **'000**
As at 1 January 2024	**17,074**
Interest	751
Change in provision	(370)
Exchange differences	(496)
As at 30 June 2024	**Â Â Â Â Â Â Â Â Â Â 16,959**
Interest	764
Change in provision	(6,802)
Exchange differences	(533)
As at 1 January 2025	**10,388**
Interest	116
Change in provision	(115)
Loan repayment	(10,487)
Exchange differences	98
As at 30 June 2025	**-**

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In December 2024, Cadogan and Proger entered into a Settlement Agreement to end their controversy on the Loan Agreement. In January 2025, Cadogan received 10 million euros as provided in the Settlement Agreement. Subsequently, Cadogan exited from the Loan Agreement, ended all the litigations procedures and dissolved the pledge over the corresponding shares in Proger Ingegneria.

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12. Share capital
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Authorized and issued equity share capital

		30/06/2025		**31/12/2024**	
	Â	**Â**		**Â**	
	Â	**Number `000'**	**'000**	**Number `000'**	**'000**
Authorised					
Ordinary shares of Â£0.03 each		1,000,000	57,713	1,000,000	57,713
Issued					
Ordinary shares of Â£0.03 each		251,128	14,093	244,128	13,832

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Authorised but unissued share capital of Â£30 million has been translated into US dollars at the historic exchange rate of the issued share capital. The Company has one class of Ordinary shares, which carry no right to fixed income.

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Issued equity share capital

	Â	**Â**		**Ordinary shares of Â£0.03**
At 31 December 2023		**Â**	**Â**	**244,128,487**
Issued during year		**Â**	**Â**	-
At 31 December 2024		**Â**	**Â**	**244,128,487**
Issued during first-half year		**Â**	**Â**	7 000 000
At 30 June 2025		**Â**	**Â**	**251,128,487**

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13. Tax

Â	Six months ended 30 June Â		Year ended 31-Dec
Â	2025	2024	2024
Â	'000	'000	'000
Current tax	-	333	434
Deferred tax	-	471	335
Â	**-**	**805**	**769**

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No current and deferred taxes were accrued on the profits of the oil extraction company LLC Usenco-Nadra.

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14. ÂÂÂEvents subsequent to the reporting date

In July 2025, the Group continued to make payments under the generators purchase agreement. As of the date of this report, the remaining contractual liabilities are expected to be fully settled by the end of October 2025. The commissioning of the power generation projects are scheduled to take place before the end of the current financial year.

Astroinvest Energy LLC is in discussion with local banks in Ukraine to enter into a Euro 4.5 million Loan Facility agreement.

In July 2025, Exploenergy was informed of the approval by the Emilia Romagna region of the Reno Centese project. Exploenergy is expecting the granting, in Q4 2025, of the gas exploration licence for this project.

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Cautionary Statement

The business review and certain other sections of this Half Yearly Report contain forward looking statements that have been made by the Directors in good faith based on the information available to them up to the time of their approval of this report. However, they should be treated with caution due to inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information and no statement should be construed as a profit forecast.

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