CADOGAN ENERGY SOLUTIONS PLC

Half Yearly Report for the Six Months ended 30 June 2026

(Unaudited and unreviewed)

Highlights

Cadogan Energy Solutions plc ("Cadogan" or the "Company"), an independent, diversified, multi-energy company listed on the Transition Market of the London Stock Exchange, with investments, operations and services along the energy value chain, is pleased to announce its unaudited results for the six months ended 30 June 2026.

- The war in Ukraine continued to affect our producing assets in Ukraine. All employees and assets remained safe throughout the period.
- H1 2026 has been another semester without LTI and TRI.
- The gas-to-power infrastructure at the Blazhiv field in Western Ukraine became operational in February 2026. It is aimed at utilizing the non-commercial associated gas from oil production and converting it into electricity for sale on the market.
- The power generation projects in Western Ukraine, totalling 12.3 MW of installed capacity, became operational in three phases during the first semester 2026.
- The ISO 14001 and ISO 45001 certifications have been revalidated for a new term with the scope of certification expanded to include electricity generation.
- The revenues increased by 83 % versus the same period in 2025, mainly due to the revenues from the electricity sales activities (gas-to-power and power generation).
- In H1 2026, the average daily oil production was 330 bpd (326 bpd in H1 2025), a 1% increase vs H1 2025.
- In H1 2026, the average daily electricity production was 61.2 MWh per day.
- The cash position at the end of period was $18 million (30 June 2025: $20.1 million). This level of cash is sufficient to sustain on-going operations and business development initiatives.
- Cadogan, through its Italian subsidiary, started conducting the analysis of the historic seismic data and studies for preparing the exploration phase for its two gas exploration licences in Northern Italy obtained in 2025 (Corzano and Reno Centese).

Key performance indicators

During H1 2026, 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 increase electricity generation measured in electricity produced per day ('MWhpd');
- to maintain administrative expenses contained;
- 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 2026, 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.

	Unit	30 June 2026	30 June 2025	31 December 2025
Average oil production [(a)]	Boepd	330	326	322
Average electricity generation [(a)]	MWhd	61.2	-	-
Administrative expenses	$million	1.7	1.8	4.0
Basic (loss)/profit per share [(b)]	Cent	(0.3)	0.4	(0.45)
Lost time incident [(c)]	Incidents	-	-	-
Diversification in energy sector	New activities	Power generation is completed and operational	Power generation under construction	Power generation under construction
Geographical diversification	New assets	Two Gas Exploration licences in Italy	One Gas Exploration licence in Italy	Two Gas Exploration licences in Italy

a. Average production/generation is calculated as the average daily production/generation 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)

Enquiries:

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Operations Review

Introduction

In Ukraine

The first half of 2026 remained challenging for Ukraine, as Russia continued its systematic attacks on industrial and energy infrastructure. Repeated missile strikes on oil refineries and power generation plants continued to weaken the country's energy system.

Despite these severe external pressures, the Group maintained the oil production, at the Blazhiv field sustained without unplanned shutdowns. In parallel, Cadogan pursued its diversification into power generation, with the Blazhiv gas-to-power infrastructure becoming fully operational in February 2026 and the decentralised power generation infrastructure in Western Ukraine progressively coming online during the period, reinforcing the Group's transition into a diversified multi-energy business.

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 Italy

The Group is holding two gas exploration licences in Northern Italy. Cadogan's subsidiary, Exploenergy, is developing the necessary studies and procedures for preparation of the exploration phase.

In this context, the Group has remained focused on safe operations, strict cost control, cash preservation, development of the gas exploration licences and selectively pursuing new growth opportunities across the energy value chain.

Operations

In Ukraine, 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 2026, the average gross production rated at 330 bpd, reflecting a 1% increase compared to 326 bpd in H1 2025.

Operational excellence of the Group has been confirmed again by zero LTI or TRI[1], with a total over 1,817,760 manhours since the last incident.

CO2 emissions level in H1 2026 was significantly optimised with completion and ongoing operation of the gas-to-power infrastructure. The Intensity ratio was 40 tons of CO_2,e/boe which is 73% less than for the same period in 2025 (147,17 tons of CO_2,e/boe in H1 2025).

The power generation projects with a total installed capacity of 12.3 MW were completed and became operational across several locations in Western Ukraine. These initiatives represent a significant milestone in reinforcing the Company's commitment to diversify and expand in new activities in the energy sector with a lower environmental footprint.

In Italy, Exploenergy is analysing seismic data and developing adequate studies for preparation of the exploration phase for its gas exploration licence for the Corzano project. It will do the same for the Reno Centese project during H2 2026.

Financial position

Cash at 30 June 2026 was $18 million ($20.1 million at 30 June 2025). The Group continuously monitors its exposure to currency risk. It maintains a portfolio of cash mainly in Sterling ("GBP"), EURO and US Dollars ("USD") held primarily in the UK.

Operations Review

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.

In H1 2026, the Group held working interests in one conventional gas, condensate and oil exploration and production licence in Western Ukraine, and two gas exploration licences in the Po Valley in Northern Italy.

Summary of the Group's licences (as at 30 June 2026)			
Working interest (%)	**Licence**	**Expiry**	**Licence type**
100	Blazhiv	November 2039	Production
90	Corzano	*	Exploration
90	Reno Centese	*	Exploration

**Requirements for presenting a project for drilling and an environmental impact evaluation within 4 years*

Below we provide an update to the full Operations Review contained in the 2025 Annual Report published on 20 April 2026.

Blazhiv gas and oil production licence

Through the reporting period the Group has been working to safely and efficiently producing from the existing wells located in the Blazhiv licence area. The average daily net oil production reached 330 barrels per day. This represents a 1% increase compared to the H1 2025 production level of 326 barrels per day. All wells have been operational during the reported period without unscheduled stoppages.

Gas-to-power

The gas-to-power infrastructure at the Blazhiv field, aimed at utilising the non-commercial associated gas from oil production and converting it into electricity for sale on the market, became operational in February 2026. The facility operates on Ukraine's electricity day-ahead market. Under this regime, the facility's output is scheduled and dispatched based on day-ahead price signals, with the plant running during the hours identified as commercially profitable which is practically on baseload basis.

As part of the project, new associated gas gathering infrastructure was built, enabling the capture and utilisation of the associated petroleum gas that would otherwise have been released into the atmosphere. This infrastructure, together with the gas-to-power facility, reduced CO_2 emissions by 73% compared with the same period in 2025, significantly improving the environmental performance of the Company's oil production operations.

Electricity generation

Cadogan has continued to expand its electricity generation business as part of its strategy to diversify its activities within the energy sector. Following substantial progress made during 2025, the Group's decentralised power generation infrastructure, with a total installed capacity of 12.3 MW across several locations in Western Ukraine became operational. The production of these generation assets is dispatched on Ukraine's electricity day-ahead market, during commercially profitable hours, generating revenues based on prevailing market price conditions for electricity.

Italy

Exploenergy bought historic seismic data for the Corzano project, and conducted studies for interpretation and identification of the subsoil characteristics and preparation of the exploration phase. Exploenergy is currently acquiring the historic seismic data for the Reno Centese project and will proceed with the necessary studies for preparation of the exploration phase.

Financial Review

Overview

Income statement

In H1 2026, revenues increased to $5.5 million (H1 2025: $3.1 million), primarily driven by new revenue streams from the decentralised power generation infrastructure ($2.5 million) and the Blazhiv gas-to-power infrastructure ($0.3 million). Within the oil production segment, a 1% decrease in average realised oil price was offset by higher production volumes, resulting in segment revenue of $2.6 million (H1 2025: $2.8 million).

The costs of sales of the oil production segment consist of $1.4 million of production royalties ($1.1 million), $0.6 million of operating costs ($0.9 million), $0.3 million of depreciation and depletion of producing wells ($0.3 million), and $0.2 million of direct staff costs for production ($0.1 million).

The main part of the costs of sales of power generation segment for the reporting period was the cost of gas and its delivery for $1.2 million. Depreciation of the equipment and other operating costs have added $0.2 million to the power generation cost of sales.

Half year gross profit from oil production activities remains stable at level of $0.5 million (H1 2025: $0.7 million). Power generation has added $1 million of gross profit to the Group consolidated result for the H1 2026.

Other administrative expenses were kept under control at $1.7 million (H1 2025: $1.8 million). They comprise other staff costs, professional fees and expenses, Directors' remuneration and depreciation charges on non-producing property.

Balance sheet

At 30 June 2026, the cash position decreased to $18 million compared to the $20.1 million as at 31 December 2025.

The Property, Plant and Equipment ("PP&E") balance of $13.7 million at 30 June 2026 (30 June 2025: $9.8 million, 31 December 2025: $13 million) includes the development and production assets on the Blazhyvska licence, the power generation assets and other PP&E of the Group.

Trade and other receivables of $0.8 million (30 June 2025: $0.4 million, 31 December 2025: $0.9 million) include $0.3 million of corporate income tax prepayment, recoverable VAT of $0.3 million (30 June 2025: $8 thousand, 31 December 2025: $0.3 million), $0.2 million of other receivables and prepayments (30 June 2025: $0.38 million, 31 December 2025: $0.2 million).

The $1.3 million of trade and other payables as of 30 June 2026 (30 June 2025: $1.3 million, 31 December 2025: $1.3 million) represent $0.8 million (30 June 2025: $0.9 million, 31 December 2025: $0.4 million) of other creditors and $0.5 million of accruals (30 June 2025: $0.4 million, 31 December 2025: $0.4 million).

Cash flow statement

The Consolidated Cash Flow Statement shows positive cash-flow from operating activities of $0.6 million (30 June 2025: negative $0.5 million, 31 December 2025: negative $2.3 million). Cashflow, before movements in working capital, shows an inflow of $0.3 million (30 June 2025: outflow $0.7 million, 31 December 2025: outflow $2.0 million).

Commitments

All material changes in the commitments and contingencies reported as at 31 December 2025 (refer to page 89 of the Annual Report).

Treasury

The Group continually monitors its exposure to currency risk. It maintains a portfolio of cash mainly in Great Britain Pound ("GBP"), US dollars ("USD") and Euro held primarily in the UK. Production revenues from the sale of hydrocarbons and power generation are received in the local currency in Ukraine, however, the hydrocarbon prices are linked to the USD denominated gas and oil prices and electricity prices are linked to Euro. 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 10 to 13 of the 2025 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

- Missiles and drones' 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
- Volatility and commodity price
- Currencies exchange

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 and administrative process

Director’s Responsibility Statement

We confirm that to the best of our knowledge:

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

(b) 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) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties’ transactions and changes therein); and

(d) 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.

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

Fady Khallouf
Chief Executive Officer
4 September 2026

CADOGAN ENERGY SOLUTIONS PLC

Consolidated Income Statement
Six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 $'000 (Unaudited)	Six months ended 30 June 2025 $'000 (Unaudited)	Year ended 31 December 2025 $'000 (Audited)
CONTINUING OPERATIONS				
Revenue	3	5,517	3,094	5,792
Cost of sales	3	(4,011)	(2,395)	(4,550)
Gross profit		**1,506**	**699**	**1,242**
Administrative expenses		(1,650)	(1,823)	(3,965)
Reversal of impairment of other assets		-	61	63
Reversal of Impairment/(Impairment) of gas and oil assets		16	(12)	(66)
Impairment of other assets		-	-	(33)
Net foreign exchange (losses)/gains		(451)	1,527	1,099
Other operating (losses)/income, net		(14)	69	(50)
Operating (loss)/profit		**(593)**	**521**	**(1,710)**
Finance (costs)/income, net	5	(125)	386	570
(Loss)/profit before tax		**(718)**	**907**	**(1,140)**
Tax (expense)/benefit	13	(31)	-	-
(Loss)/profit for the period/year		**(749)**	**907**	**(1,140)**
Attributable to:				
Owners of the Company	6	(745)	907	(1,136)
Non-controlling interest		(4)	-	(4)
		(749)	**907**	**(1,140)**
(Loss)/profit per Ordinary share		**Cents**	**Cents**	**Cents**
Basic and diluted	5	**(0.3)**	**0.4**	**(0.45)**

CADOGAN ENERGY SOLUTIONS PLC

Consolidated Statement of Comprehensive Income
Six months ended 30 June 2026

	Six months ended 30 June		Year ended 31 December
	2026	**2025**	**2025**
	$'000	**$'000**	**$'000**
	(Unaudited)	**(Unaudited)**	**(Audited)**
(Loss)/profit for the period/year	**(749)**	**907**	**(1,140)**
Other comprehensive (loss)/profit			
Items that may be reclassified subsequently to profit or loss			
Unrealised currency translation differences	(707)	157	(97)
Other comprehensive (loss)/profit	**(707)**	**157**	(97)
Total comprehensive (loss)/profit for the period/year	**(1,456)**	**1,064**	**(1,237)**
Attributable to:			
Owners of the Company	(1,452)	1,064	(1,233)
Non-controlling interest	(74)	-	(4)
	(1,456)	**1,064**	**(1,237)**

CADOGAN ENERGY SOLUTIONS PLC

Consolidated Statement of Financial Position
Six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 $'000 (Unaudited)	2025 $'000 (Unaudited)	Year ended 31 December 2025 $'000 (Audited)
ASSETS				
Non-current assets				
Intangible exploration and evaluation assets		497	-	497
Property, plant and equipment	6	13,740	9,767	13,050
Prepayments for non-current assets	6	-	1,436	879
Other financial assets	11	6,370	-	6,472
Right-of-use assets		46	125	86
		20,653	**11,328**	**20,984**
Current assets				
Inventories	7	148	287	241
Trade and other receivables	8	810	386	859
Cash and cash equivalents		11,710	20,090	13,620
		12,668	**20,763**	**14,720**
Total assets		**33,321**	**32,091**	**35,704**
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities		-	-	
Long-term borrowings		(3,837)		(4,617)
Long-term lease liability		-	(40)	(13)
Provisions		(170)	(101)	(152)
		(4,007)	**(141)**	**(4,782)**
Current liabilities				
Short-term borrowings		(1,181)	-	(1,231)
Trade and other payables	9	(1,262)	(1,313)	(1,325)
Short-term lease liability		(62)	(97)	(107)
Current provisions		(173)	(147)	(167)
		(2,678)	**(1,557)**	**(2,830)**
Total liabilities		**(6,685)**	**(1,698)**	**(7,612)**
Net assets		**26,636**	**30,393**	**28,092**
EQUITY				
Share capital	12	14,093	14,093	14,093
Share premium		514	514	514
Retained earnings		177,690	180,478	178,435
Cumulative translation reserves		(167,242)	(166,281)	(166,535)
Other reserves		1,589	1,589	1,589
Equity attributable to equity holders of the parent		**26,644**	**30,393**	**28,096**
Non-controlling interest		(8)	-	(4)
Total equity		**26,636**	**30,393**	**28,092**

CADOGAN ENERGY SOLUTIONS PLC

Consolidated Statement of Cash Flows
Six months ended 30 June 2026

	Six months ended 30 June		Year ended 31 December
	2026	**2025**	**2025**
	$'000	**$'000**	**$'000**
	(Unaudited)	**(Unaudited)**	**(Audited)**
Operating (loss)/profit	**(593)**	**521**	**(1,710)**
Adjustments for:			
Depreciation of property, plant and equipment	462	359	739
Changes in provision of oil and gas assets	16	12	66
Impairment of inventories	-	-	32
Reversal of impairment of VAT recoverable	-	(61)	(63)
Impairment of oil and gas assets	-	-	0
Impairment of receivables	-	-	1
Effect of foreign exchange rate changes	451	(1,527)	(1,099)
Operating cash flows before movements in working capital	**336**	**(696)**	**(2,034)**
Decrease in inventories	80	234	303
Decrease /(Increase) in receivables	201	45	(93)
(Decrease) in payables and provisions	(58)	(75)	(53)
Cash from operations	**559**	**(492)**	**(1,877)**
Income taxes paid	-	-	(386)
Net cash inflow/(outflow) from operating activities	**559**	**(492)**	**(2,263)**
Investing activities			
Purchases of property, plant and equipment	(1,141)	(6,152)	(9,486)
Purchase of intangible exploration and evaluation assets	-	-	(381)
Acquisition of other assets	-	-	(116)
Interest received	58	397	665
Net cash used in investing activities	**(1,083)**	**(5,755)**	**(9,318)**
Financing activities			
Loan interest paid	(154)	-	(55)
Repayment of loan facility	(660)	-	-
Decrease in other financial assets	-	-	(6,472)
Repayment of lease liability	(73)	-	(141)
Proceeds from bank loans	-	-	5,792
Repayment of issued loan	-	10,487	10,487
Net cash from financing activities	**(887)**	**10,487**	**9,611**
Net (decrease)/increase in cash and cash equivalents	**(1,411)**	**4,240**	**(1,970)**
Effect of foreign exchange rate changes	(499)	1,470	1209
Cash and cash equivalents at beginning of period/year	13,620	14,381	14,381
Cash and cash equivalents at end of period/year	**11,710**	**20,090**	**13,620**

CADOGAN ENERGY SOLUTIONS PLC

Consolidated Statement of Changes in Equity
Six months ended 30 June 2026

	Share capital	Share premium account	Retained earnings	Cumulative translation reserves	Other reserves	Equity attributable to owners of the Company	Non-controlling interest	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 1 January 2025	**13,832**	**514**	**185,803**	**(165,297)**	**1,589**	**36,441**	**-**	**36,441**
Net income for the period	-	-	907	-	-	907	-	907
Other comprehensive income	-	-	-	157	-	157	-	157
Total comprehensive income for the period	**-**	**-**	**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**
Net loss for the period	-	-	(2,043)	-	-	(2,043)	(4)	(2,047)
Other comprehensive loss	-	-	-	(254)	-	(254)	-	(254)
Total comprehensive loss for the period	**-**	**-**	**(2,043)**	**(254)**	**-**	**(2,297)**	**(4)**	**(2,301)**
As at 31 December 2025	**14,093**	**514**	**178,435**	**(166,535)**	**1,589**	**28,085**	**(4)**	**28,092**
Net loss for the period	-	-	(745)	-	-	(745)	(4)	(749)
Other comprehensive loss	-	-	-	(707)	-	(707)	-	(707)
Total comprehensive loss for the period	**-**	**-**	**(745)**	**(707)**	**-**	**(1,452)**	**(4)**	**(1,456)**
As at 30 June 2026	**14,093**	**514**	**177,690**	**(167,242)**	**1,589**	**26,644**	**(8)**	**26,636**

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'.

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

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. 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 20 April 2026.

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 2025 were approved by the Board of Directors on 17 April 2026 and delivered to the Registrar of Companies.

(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 2026 together with restricted cash balance was $18 million (31 December 2025: $20.1 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 operational performance, flow rates for commercial production and the price of hydrocarbons and electricity 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. 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.

(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:

1 £ = xUSD	**Six months ended 30 June**		**Year ended**
	2026	**2025**	**31 Dec 2025**
Closing rate	1.3244	1.37152	1.3457
Average rate	1.3448	1.2978	1.3189
1 USD = xUAH			
Closing rate	45.6214	41.9276	42.6289
Average rate	45.3954	41.8867	41.9364
1 Euro = xUSD			
Closing rate	1.1409	1.17438	1.1741
Average rate	1.1664	1.0937	1.1305

(c) Dividend

The Directors do not recommend the payment of a dividend for the period (30 June 2026: $nil; 31 December 2025: $nil).

(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.

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
- Gas-to-power electricity generation from substandard associated oil gas

Power Generation

- Electricity generation and sales on day-ahead market

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.

The segment result represents profit under IFRS before unallocated corporate expenses. Unallocated corporate expenses include Board remuneration. 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.

As at 30 June 2026 and for the six months then ended the Group's segmental information was as follows:

	Exploration and Production	Power generation	Trading	Consolidated
	$'000	$'000	$'000	$'000
Sales of hydrocarbons	2,718	-	-	2,718
Electricity sales	275	2,524	-	2,799
Total revenue	**2,993**	**2,524**	**-**	**5,517**
Other cost of sales	(2,445)	(1,566)	-	(4,011)
Other administrative expenses	(385)	(364)	-	(749)
Impairment of oil & gas	16	-	-	16
Other operating costs	(14)	-	-	(14)
Finance income/(costs), net	35	(160)	-	(125)
Segment results	**200**	**434**	**-**	**634**
Unallocated other administrative expenses				(901)
Net foreign exchange gains				(451)
Loss				**(718)**

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

	Exploration and Production	Power generation	Trading	Consolidated
	$'000	$'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				144
Net foreign exchange gains				1,527
Profit before tax				**907**

4. Finance (costs)/income, net

	Six months ended 30 June		Year ended 31 December
	2026	2025	2025
	$'000	$'000	$'000
Interest expense on lease	(7)	(8)	(19)
Total interest expenses on financial liabilities	**(7)**	**(8)**	**(19)**
Interest income on cash deposit	58	397	665
Total interest income on financial assets	**58**	**397**	**665**
Interest on loan	(154)	1	(55)
Unwinding of discount on decommissioning provision	(22)	(4)	(21)
Total	**(125)**	**386**	**570**

5. Profit/(loss) per ordinary share

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
	2026	2025	2025
(Loss) /profit attributable to owners of the Company	**$'000**	**$'000**	**$'000**
(Loss)/profit for the purposes of basic (loss)/profit per share being net (loss)/profit attributable to owners of the Company	(745)	907	(1,140)
	Number	**Number**	**Number**
Number of shares	**'000**	**'000**	**'000**
Weighted average number of Ordinary shares for the purposes of basic profit/(loss) per share	251,128	251,128	251,128
	Cent	**Cent**	**Cent**
(Loss)/profit per Ordinary share			
Basic	**(0.3)**	**0.4**	**(0.45)**

6. Properties, plants and equipment

Proved properties

As of 30 June 2026, the development and production assets balance which forms part of PP&E increased in comparison to 31 December 2025 mainly due to completion and commissioning of gas-to-power project on Blazhiv licence.

Power generation plants

The power generation projects with a total installed capacity of 12.3 MW were completed and became operational across several locations in Ukraine.

7. Inventories

As at 30 June 2026, inventories are decreased to $148 thousand mainly due to sold crude oil to third parties (30 June 2025: $287 thousand, 31 December 2025: $241 thousand).
The impairment provision as at 30 June 2026 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 2026.

8. Trade and other receivables

	Six months ended 30 June		Year ended 31 December
	2026	**2025**	**2025**
	$'000	**$'000**	**$'000**
VAT recoverable	944	749	1026
Impairment provision for VAT	(678)	(741)	(726)
CIT prepayment	336	-	380
Trade receivables	123	62	76
Impairment provision for bad debts	(36)	(38)	(39)
Prepayments	79	275	91
Other receivables	42	79	51
	810	**386**	**859**

VAT recoverable asset was realized through electricity sales during the first half of 2026. 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.

9. Trade and other payables

The $1.3 million of trade and other payables as of 30 June 2026 (30 June 2025: $1.3 million, 31 December 2025: $1.3 million) represent $0.8 million (30 June 2025: $0.9 million, 31 December 2025: $0.4 million) of other creditors and $0.5 million of accruals (30 June 2025: $0.4 million, 31 December 2025: $0.4 million).

10. Commitments and contingencies

The Group has no commitments and contingencies as of the date of the report.

11. Bank loan

In September 2025, the Group entered into a bank loan agreement with a contractual maturity of five years. The loan bears interest at a rate of €STR + 3.6%, where the reference rate is fixed at the date of drawdown and is subject to annual reset thereafter. Interest is accrued from the date of initial drawdown and is payable in accordance with the terms of the agreement. Repayment of the principal commenced three months after initial drawdown, with subsequent repayments made in line with the agreed repayment schedule over the remaining term of the facility. The loan is recognised initially at fair value net of directly attributable transaction costs and is subsequently measured at amortised cost using the effective interest method.

The loan was authorised subject to the issuance of a bank guarantee.

Security and guarantees

The loan is supported by a Standby Letter of Credit (SBLC) issued by Barclays in the amount of GBP 4.8 million. The bank guarantee was provided upon the deposit of cash GBP 4.8 million as collateral.

Carrying amount

	Six months ended 30 June		Year ended 31-Dec
	2026	2025	2025
	$'000	$'000	$'000
Non-current portion of the loan	3,837	-	4,617
Current	1,181	-	1,231
Accrued interest	-	-	-
Total loan payable	**5,006**	**-**	**5,848**

12. Share capital

Authorized and issued equity share capital

	30/06/2026		31/12/2025	
	Number '000'	$'000	Number '000'	$'000
Authorised				
Ordinary shares of £0.03 each	1,000,000	57,713	1,000,000	57,713
Issued				
Ordinary shares of £0.03 each	251,128	14,093	251,128	14,093

Authorised but unissued share capital of £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.

Issued equity share capital

	Ordinary shares of £0.03
At 31 December 2024	**244,128,487**
Issued during year	7 000 000
At 31 December 2025	**251,128,487**
Issued during first-half year	-
At 30 June 2026	**251,128,487**

13. Tax

	Six months ended 30 June		Year ended 31-Dec
	2026	2025	2025
	$'000	$'000	$'000
Current tax	31	-	-
Deferred tax	-	-	-
	31	**-**	**-**

The current income tax has been accrued on the profits of the oil extraction company SE Usenco Ukraine.

14. Events subsequent to the reporting date

No adjusting events have been occurred subsequently to the reporting dated.