



HALF YEARLY  
REPORT 2025

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## **Sound Energy plc**

### **Statement from the Executive Chairman**

#### **Transformation**

The first half of 2025 saw Sound in its new role as minority co-venturer with Mana Energy and the National Office of Hydrocarbons and Mines (ONHYM) in the development of the Tendirara concession. In June, two new initiatives to diversify the Sound portfolio in Morocco were announced, both with experienced partners. Firstly, the formation of HyMaroc Ltd, [www.HyMaroc.com](http://www.HyMaroc.com), a company established to explore for Natural Hydrogen and Helium in Morocco and secondly a binding agreement to create a joint venture to produce and sell renewable energy via access to the medium voltage grid in Morocco. Leveraging to our local knowledge and stakeholder relationships, Sound is now in a diversified position to perform a key role in Morocco's energy growth and transition plans.

#### **Phase 1 Tendirara Micro LNG Project (mLNG)**

The Micro-LNG project continues to move from design, engineering and construction to installation and commissioning with first gas production now scheduled for Q4 2025. Mana Energy as Operator has enhanced the former Sound Energy local team with additional specific project delivery resources. The main contract with Italfiuid GeoEnergy S.r.l (Italfiuid) has been changed from a vendor financing contract to a traditional Engineering, Procurement and Construction (EPC) contract with commensurate reduction in daily operating costs. This has only been possible with the support of Mana Energy's financial capacity. Attijariwafa Bank has provided a \$25 million debt facility to Mana Energy on behalf of the consortium to fund this contract conversion. Sound's share of this facility is \$ 5 million. Sound continues to support the Operator with certain services; however, it is recognised that Mana Energy is using its considerable Project delivery capacity to achieve first gas by year-end 2025.

#### **ESG**

Following the transfer of operatorship to Mana Energy, Sound Energy's Environmental, Social and Governance (ESG) commitments and activities associated with the Tendirara operations have been handed over to Mana Energy. Mana Energy continues to operate in an environmentally responsible manner and to support the local community. Governance continues to be a focus for the organisation, overseen by the Board of Directors. ESG related processes and commitments are core to Sound Energy's values and will be included in all new business opportunities. ESG remains at our core despite non-operator emissions attributable to Sound being de-minimis.

It is to our great sadness that our Health, Safety, Security and Environmental (HSSE) Manager, Sean Gallagher, passed away unexpectedly in July 2025 following a routine hospital operation. Sean was a much respected, liked and admired member of the Sound executive team at the Tendirara development with a wealth of experience in HSSE matters and extensive practical handling of risk management with 23 years' experience in the oil and gas industry. He will be sorely missed by all his colleagues.

#### **Phase 2 Tendirara Processing and Pipeline Project**

The pipeline project has not progressed as promptly as Sound would have liked this year, however updating of the Front-End Engineering & Design (FEED) study and selection of EPC contractor, which remains the key outstanding CP for the debt closure, is now in the hands of the Mana Energy procurement team who have commissioned this work. Results of the FEED update is due this year such that Final Investment Decision (FID) can be taken thereafter.

#### **Exploration**

The Company and ONHYM have previously proposed extensions to the Anoual licence to the relevant Ministries and we continue to await approval. Similarly, Sound is in continued exclusive discussions with ONHYM for the Grand Tendirara licence through Operator Mana Energy and directly for Sidi Moktar Onshore licence. Sound Energy's costs are to be carried by Managem SA for the SBK-1 structure well and M5 exploration wells as per terms of the farm-out transaction. We continue to push for optimal licence terms and instigation of exploration drilling.

#### **Corporate**

During the period Sound continued to optimise its costs. Zeus was appointed as NOMAD alongside its role as Corporate broker. Sound's former CFO resigned to pursue other opportunities, and the company hired Andy Matharu a very experienced corporate financier with strong background in Petroleum Engineering to succeed as CFO. Andy joined the Company full time as of 1st September 2025, corporate balance sheet restructuring being his current primary focus. The company continues to engage with stakeholders and has held several live Q&A sessions. The AGM was held on 17th June with all resolutions supported by shareholders.

## **Sound Energy plc**

### **Statement from the Executive Chairman**

#### **Board**

Mohammed Seghiri resigned as COO from the Company and the Board to join Managem SA, providing continuation of operations in Morocco. We thank Mohammed for his 8 years of service to Sound Energy.

#### **Conclusion**

The Company is now on the cusp of first revenue generation with Tendirara gas production and a funded second phase project development awaiting FID. It has two funded exploration wells to be drilled and has begun diversification with two exciting new ventures. I would like to thank the Ministries in Morocco and National Office of Hydrocarbons and Mines (ONHYM) our state partner, for their continued co-operation and increased support. I appreciate the pro-active approach of Mana Energy to enhance the value at Tendirara. Finally, a thank you to our staff who have continued to drive the Company forward and expand our portfolio opportunity set and to all our shareholders for their continuing support of the Company and its objectives.

Graham Lyon  
Chairman (Executive)

## Sound Energy plc Operations Review

### Tendrarra Development

Sound Energy is pursuing the Field Development Plan underpinning the Tendrarra Concession centred around the TE-5 Horst gas discovery. The development is progressing in two phases. Phase 1, the mLNG production scheme provides gas to industrial consumers. The planned Phase 2 pipeline development provides gas to power the state energy power stations. Phase 2 is centred around the installation of a 120km gas export pipeline to help fully unlock the gas potential of this region and lower the cost of development for future discoveries. Both phases address different markets in Morocco - the industrial energy user and the state power producer, both of which have strong and growing demand, with Tendrarra gas playing an important role in supporting Morocco's strategy to lower carbon emissions. As Morocco continues to grow both industrially and domestically and as other fuel sources become scarcer in-country, there is opportunity to supply more of the energy mix. Morocco's imports of natural gas from Spain through the GME pipeline rose again in 2024. In 2023 Morocco imported 9,472<sup>1</sup> GWh (approximately 0.965 BCM, 30.5 Bcf) of natural gas from Spain and in 2024 imports increased to 9,703<sup>1</sup> GWh (approximately 0.886 BCM, 31.3 Bcf). In the first five months of 2025, imports have risen by 7% compared to the same period in 2024<sup>1</sup>.

### Progress of the Phase 1 Development Project mLNG

This first phase focuses on the existing TE-6 and TE-7 wells of the TE-5 Horst. First gas will be achieved by tying the currently suspended TE-6 and TE-7 gas wells with flowlines connected to the inlet of a skid mounted, combined gas processing and mLNG plant. Production from both wells will meet the 10 mmcf/d sales gas volume.

In 2021, the Company entered into a lease contract with Italfiuid for the design, construction, commissioning, operation, and maintenance of the mLNG facilities under a 10-year lease arrangement. The mLNG facilities, which will also treat, and process raw gas produced from the wells prior to liquefaction, is the principal part of the surface facilities required to be built and operated as part of this first phase of development. Also in 2021, the Company entered into a Sale and Purchase Agreement with Afriquia Gaz to offtake the LNG produced. The LNG will be delivered to on-site storage from the outlet of the mLNG facilities whereupon Afriquia Gaz will lift and take title for LNG for transportation, distribution and sale to the Moroccan industrial market.

Groundworks for the construction of the mLNG facility commenced March 2022 following completion of surveying and remediation works to the access road for the facility. The raised foundation platform for the LNG storage tank, and pads for the skid mounted units, including the compressor package, were completed in 2023 along with the necessary piping and cabling for the firefighting system which have been installed along with fencing and lighting towers. During 2024, installation of the necessary insulation and construction of the outer and inner tank shells of the tank commenced and were completed in 2025. Facilities engineering and manufacturing continued to progress with major vendors under the Italfiuid contract. In 2023 the Company selected Gas to Liquid Equipment (GLE) to provide engineering and procurement services for the flowline system and associated well head facility equipment for the gas gathering system to transport the gas from the well heads to the mLNG plant. During the first half of 2025 the necessary equipment packages for the gas gathering system were delivered to site and the groundworks completed.

In 2024, works to convert TE-6 and TE-7 wells from appraisal gas wells into long term gas producers were successfully completed replacing the carbon steel production tubing with corrosion resistant steel. The wells were opened up in 2025, tested successfully flowing gas with no water.

During 2024, the equipment packages for the gas plant were completed and tested in the workshops, brought from workshops located around the world and delivered to site via the main ports in Morocco.

In March 2025, the Company announced that the mLNG project main contractor, Italfiuid, and the operator of the Tendrarra Production Concession had agreed to amend their contractual arrangement by terminating the vendor financed lease agreement entered into in 2020 and entering into an EPC contract. The parties are currently in advanced discussions to agree an operations and maintenance contract. Throughout 2025 the equipment packages are being assembled on site in preparation for plant commissioning and activation in the remaining quarter of the year.

<sup>1</sup> <https://www.cores.es/sites/default/files/archivos/estadisticas/gas-exports.xlsx> All gas data from Corporación de Reservas Estratégicas de Productos Petrolíferos under the aegis of the Spanish Ministry for the Ecological Transition and the Demographic Challenge

## Sound Energy plc Operations Review

### Progress of the Phase 2 Development Project

Based upon current development capital estimates, the funding arising from Managem SA combined with the previously announced project debt financing from Attijariwafa Bank, will provide Sound Energy with funds required to achieve first gas under its Phase 2 Tendirara Production Concession development plan.

### Eastern Morocco

#### Eastern Morocco Licences

<b>TENDRARA CONCESSION</b>		
– 25 years from September 2018		
20% interest Non-operated	Production permit	133.5 km <sup>2</sup> acreage
<b>GRAND TENDRARA</b>		
– 8 years from October 2018 <sup>2</sup>		
27.5% interest Non-operated	Exploration permit	14,411 km <sup>2</sup> acreage
<b>ANOUAL</b>		
– 11 years from September 2017 <sup>2</sup>		
27.5% interest Non-operated	Exploration permit	8,873 km <sup>2</sup>

### Exploration

Our Eastern Morocco Licences comprising the Concession together with the Anoual and Grand Tendirara exploration permits are positioned in a region containing a potential extension of the established petroleum plays of the Algerian Triassic Province and Saharan Hercynian Platform. The presence of the key geological elements of the Algerian Trias Argilo-Gréseux Inférieur or (TAGI) gas play are already proven within the licence areas with the underlying Palaeozoic, representing a significant upside opportunity to be explored.

These licences cover a surface area of over 23,000 square kilometres, but so far only thirteen wells have been drilled, of which six are either located within or local to the Concession. Exploration drilling beyond the region of the Concession has been limited and the Group maintains a portfolio of features identified from previous operators' studies, plus new targets identified by Sound Energy from the recent geophysical data acquisition, subsequent processing and ongoing interpretation studies. These features are internally classified as either prospects, leads or concepts based upon their level of technical maturity and represent potential future exploration drilling targets.

Whilst the Company has strategically prioritised its gas monetisation strategy through the phased development of the TE-5 Horst (Tendirara Production Concession), the Company has also re-evaluated its extensive exploration portfolio within the Grand Tendirara and Anoual exploration permits surrounding the Concession. By integrating the acquired data and learnings from previous drilling campaigns with acquired and reprocessed seismic datasets, the Company has high graded several potential near term subsalt drilling opportunities within the TAGI gas reservoir, the proven reservoir of the TE-5 Horst gas accumulation.

In June 2024, the Company concluded a competitive farm-out process in the underexplored but highly prospective Tendirara Basin in Eastern Morocco. This opportunity provides access to high impact, short term exploration opportunities, in a stable country with very attractive fiscal terms. By entering into a binding SPA with Managem, the Company has secured the funding of drilling two exploration wells, one on Grand Tendirara and one at Anoual, which each have the potential to be commercialised through the planned infrastructure on Phase 2. The SPA was completed in December 2024.

At Grand Tendirara an exploration well is planned on the structure previously drilled by the SBK-1 well in 2000, with an estimated unrisks exploration potential of 140 Bcf gross  $P_{mean}$  Gas Initially in Place (GIIP). SBK-1 flowed gas to surface during testing in 2000 at a peak rate of 4.41 mmscf/d post acidification but was not tested with mechanical stimulation. Mechanical stimulation has proven to be a key technology to commercially unlock the potential of the TAGI gas reservoir in the TE-5 Horst gas accumulation and accordingly the Company believes this offers potential to unlock commerciality elsewhere in the basin.

## Sound Energy plc Operations Review

At Anoual a well is planned to be drilled on the M5 prospect located on the Anoual permits, with an estimated unrisked exploration potential of 943 Bcf gross  $P_{\text{mean}}$  GIIP. The timing of drilling of both wells are to be agreed with Managem and the Company is providing technical support to the operator on an on-going basis under a Technical Services Agreement.

<sup>2</sup> agreed with ONHYM and subject to Ministry of Energy Transition and Sustainable Development approval

### Southern Morocco

#### Southern Morocco Licence

<b>SIDI MOKTAR ONSHORE</b> – 10 years from April 2018		
75% interest Operated	Exploration permit	4,712 km <sup>2</sup>

#### Southern Morocco Exploration

The Sidi Moktar licence is located in the Essaouira Basin, in Southern Morocco. The licence covers a combined area of 4,712 km<sup>2</sup>. The Group views the Sidi Moktar licences as an exciting opportunity to explore high impact prospectivity within the sub-salt Triassic and Palaeozoic plays in the underexplored Essaouira Basin in the West of Morocco.

The Sidi Moktar permit hosts a variety of proven plays. The licence host 44 vintage wells drilled between the 1950s and the present day. Previous exploration has been predominantly focused on the shallower post-salt plays. The licence is adjacent to the ONHYM operated Meskala gas and condensate field. The main reservoirs in the field are Triassic aged sands, directly analogous to the deeper exploration plays in the Sidi Moktar licence. The Meskala field and its associated gas processing facility are linked via a pipeline to a state-owned phosphate plant, which produces fertiliser both for domestic and export markets. This pipeline passes across the Sidi Moktar licence. The discovery of the Meskala field proved the existence of a deeper petroleum system in the basin. Specifically, Meskala provides evidence that Triassic clastic reservoirs are effective, proves the existence of the overlying salt seal and gives support for evidence of charge from deep Palaeozoic source rocks. Based on work undertaken by Sound Energy, the main focus of future exploration activity in the licence is expected to be within this deeper play fairway. The Company believes that the deeper, sub-salt Triassic and Palaeozoic plays may contain significant prospective resources, in excess of any discovered volumes in the shallower stratigraphy.

The Company's evaluation of the exploration potential of Sidi Moktar, following an independent technical review, includes a mapped portfolio of sub-salt, Triassic and Palaeozoic leads in a variety of hydrocarbon trap types. Sound Energy is developing a work programme to mature the licence with specific focus on the deeper, sub-salt plays. The Company believes additional seismic acquisition and processing is required to mature these leads into drillable exploration prospects.

Preparations for this seismic acquisition campaign have commenced with the completion and approval of an Environmental Impact Assessment (EIA) in late 2019.

The Company continues to seek to progress a farm out process for this permit, offering an opportunity to a technically competent partner to acquire a material position in this large tract of prospective acreage. In parallel, the Company continues to engage in dialogue with a number of seismic acquisition and processing contractors for potential services to undertake the survey.

## **Sound Energy plc**

### **Independent auditor's review report to Sound Energy plc on the interim financial information for the six months ended 30 June 2025**

#### **Conclusion**

We have been engaged by the Company to review the condensed set of financial statements in the half yearly report for the 6 months ended 30 June 2025 which comprises the Condensed Interim Consolidated Income Statement, the Condensed Interim Consolidated Balance Sheet, the Condensed Interim Consolidated Statement of Changes in Equity, the Condensed Interim Consolidated Statement of Cash Flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements in the half yearly financial report for the 6 months ended 30 June 2025 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the AIM rules for companies.

#### **Basis of Conclusion**

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half yearly report has been prepared in accordance with UK adopted International Accounting Standard 34 "Interim Financial Reporting".

#### **Material uncertainty in relation to going concern**

We draw attention to Note 1 to the condensed interim consolidated financial statements. The Group's cash flow forecast for the twelve-month period to September 2026, indicates that additional funding will be required to enable the Group to fulfil its obligations.

These conditions, along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the Group to cease to continue as a going concern.

#### **Directors' Responsibilities**

The directors are responsible for preparing the half yearly report in accordance with UK adopted International Accounting Standard 34 and the AIM Rules for Companies.

In preparing the half-yearly financial report, the directors are responsible for assessing the Groups ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibilities for the review of the financial information**

In reviewing the half-yearly report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our conclusion relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

#### **Use of our report**

This report is made solely to the company in accordance with the terms of our engagement and ISRE(UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independence review report and for no other purpose.



**Sound Energy plc**

**Independent auditor's review report to Sound Energy plc on the interim financial information for the six months ended 30 June 2025**

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report or for the conclusions we have formed.

Crowe U.K. LLP  
Statutory Auditor  
London  
17 September 2025

**Sound Energy plc**  
**Condensed Interim Consolidated Income Statement**

		<b>Six months ended 30 June 2025 Unaudited £'000s</b>	<b>Six months ended 30 June 2024 Unaudited £'000s</b>	<b>Year ended 31 Dec 2024 Audited £'000s</b>
	Notes			
Other income		8	–	–
Impairment loss on development assets and exploration costs	4	–	(122,951)	(122,042)
<b>Gross profit/(loss)</b>		<b>8</b>	<b>(122,951)</b>	<b>(122,042)</b>
Administrative expenses		(1,437)	(1,398)	(4,586)
<b>Group operating loss from continuing operations</b>		<b>(1,429)</b>	<b>(124,349)</b>	<b>(126,628)</b>
Finance revenue		33	9	12
Foreign exchange (loss)/gain		(3,866)	155	2,294
Finance expense		(262)	(903)	(2,302)
<b>Loss for period before taxation from continuing operations</b>		<b>(5,524)</b>	<b>(125,088)</b>	<b>(126,624)</b>
Tax expense		(2)	–	–
<b>Loss for period after taxation from continuing operations</b>		<b>(5,526)</b>	<b>(125,088)</b>	<b>(126,624)</b>
<b>Discontinued operations</b>				
Loss for the period after tax from discontinued operations	10	–	(23,141)	(24,196)
<b>Total loss for the period</b>		<b>(5,526)</b>	<b>(148,229)</b>	<b>(150,820)</b>
<b>Other comprehensive income</b>				
Items that may subsequently be reclassified to profit and loss account:				
Foreign currency translation income		51	810	9
<b>Total comprehensive loss for the period attributable to equity holders of the parent</b>		<b>(5,475)</b>	<b>(147,419)</b>	<b>(150,811)</b>
		<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
Basic and diluted (loss)/profit per share for the period from continuing and discontinued operations attributable to equity holders of the parent	3	(0.27)	(7.50)	(7.48)
Basic and diluted (loss)/profit per share for the period from continuing operations attributable to equity holders of the parent	3	(0.27)	(6.33)	(6.28)

**Sound Energy plc**  
**Condensed Interim Consolidated Balance Sheet**

		<b>30 June 2025</b>	30 June 2024	31 Dec 2024
	Notes	<b>Unaudited £'000s</b>	Unaudited £'000s	Audited £'000s
<b>Non-current assets</b>				
Property, plant and equipment	4	<b>12,222</b>	10,135	10,489
Intangible assets	5	<b>13,135</b>	13,846	14,097
Prepayments	6	<b>–</b>	1,367	1,522
Deferred consideration	7	<b>20,082</b>	–	21,045
		<b>45,439</b>	25,348	47,153
<b>Current assets</b>				
Inventories		<b>390</b>	191	69
Other receivables		<b>2,855</b>	53	3,247
Prepayments		<b>50</b>	43	25
Cash and short term deposits	8	<b>2,831</b>	235	7,895
		<b>6,126</b>	522	11,236
Assets of disposal group held for sale	10	<b>–</b>	35,531	–
<b>Total assets</b>		<b>51,565</b>	61,401	58,389
<b>Current liabilities</b>				
Trade and other payables		<b>2,137</b>	833	3,665
Lease liabilities		<b>68</b>	31	–
		<b>2,205</b>	864	3,665
Liabilities of disposal group held for sale	10	<b>–</b>	5,443	–
<b>Non-current liabilities</b>				
Lease liabilities		<b>90</b>	–	–
Loans and borrowings	9	<b>37,647</b>	35,534	37,707
		<b>37,737</b>	35,534	37,707
<b>Total liabilities</b>		<b>39,942</b>	41,841	41,372
<b>Net assets</b>		<b>11,623</b>	19,560	17,017
<b>Capital and reserves</b>				
Share capital and share premium		<b>41,073</b>	40,050	41,073
Shares to be issued		<b>374</b>	374	374
Warrant reserve		<b>2,071</b>	2,071	2,071
Convertible bond reserve		<b>28</b>	28	28
Foreign currency reserve		<b>1,659</b>	2,704	1,608
Accumulated deficit		<b>(33,582)</b>	(25,667)	(28,137)
<b>Total equity</b>		<b>11,623</b>	19,560	17,017

The financial statements were approved by the Board and authorised for issue on 17 September 2025 and were signed on its behalf by:

Graham Lyon, Director

**Sound Energy plc**  
**Condensed Interim Consolidated Statement of Changes in Equity**

	Share capital £'000s	Share premium £'000s	Shares to be issued £'000s	Accumulated Deficit £'000s	Warrant reserve £'000s	Convertible bond reserve £'000s	Foreign currency reserves £'000s	Total equity £'000s
<b>At 1 January 2025</b>	<b>20,806</b>	<b>20,267</b>	<b>374</b>	<b>(28,137)</b>	<b>2,071</b>	<b>28</b>	<b>1,608</b>	<b>17,017</b>
Total loss for the period	–	–	–	(5,526)	–	–	–	(5,526)
Other comprehensive income	–	–	–	–	–	–	51	51
Total comprehensive loss for the period	–	–	–	(5,526)	–	–	51	(5,475)
Share based payments	–	–	–	81	–	–	–	81
<b>At 30 June 2025 (unaudited)</b>	<b>20,806</b>	<b>20,267</b>	<b>374</b>	<b>(33,582)</b>	<b>2,071</b>	<b>28</b>	<b>1,659</b>	<b>11,623</b>

	Share capital £'000s	Share premium £'000s	Shares to be issued £'000s	Accumulated Deficit £'000s	Warrant reserve £'000s	Convertible bond reserve £'000s	Foreign currency reserves £'000s	Total equity £'000s
<b>At 1 January 2024</b>	<b>19,631</b>	<b>20,267</b>	<b>374</b>	<b>122,443</b>	<b>2,071</b>	<b>28</b>	<b>1,894</b>	<b>166,708</b>
Total loss for the period	–	–	–	(148,229)	–	–	–	(148,229)
Other comprehensive loss	–	–	–	–	–	–	810	810
Total comprehensive loss for the period	–	–	–	(148,229)	–	–	810	(147,419)
Issue of share capital on conversion of bond	300	(148)	–	–	–	–	–	152
Share based payments	–	–	–	119	–	–	–	119
<b>At 30 June 2024 (unaudited)</b>	<b>19,931</b>	<b>20,119</b>	<b>374</b>	<b>(25,667)</b>	<b>2,071</b>	<b>28</b>	<b>2,704</b>	<b>19,560</b>

**Sound Energy plc**  
**Condensed Interim Consolidated Statement of Changes in Equity**

	Share capital £'000s	Share premium £'000s	Shares to be issued £'000s	Accumulated Surplus/ (deficit) £'000s	Warrant reserve £'000s	Convertible Bond reserve £'000s	Foreign currency reserves £'000s	Total equity £'000s
At 1 January 2024	19,631	20,267	374	122,443	2,071	28	1,894	166,708
Total loss for the year	–	–	–	(150,820)	–	–	–	(150,820)
Other comprehensive gain	–	–	–	–	–	–	9	9
Total comprehensive loss	–	–	–	(150,820)	–	–	9	(150,811)
Issue of share capital on conversion of bond	1,175	–	–	(554)	–	–	–	621
Transfer to profit and loss account on bond conversion to shares	–	–	–	554	–	–	–	554
Reclassification to profit and loss account on disposal of subsidiary	–	–	–	–	–	–	(295)	(295)
Share-based payments	–	–	–	240	–	–	–	240
At 31 December 2024	20,806	20,267	374	(28,137)	2,071	28	1,608	17,017

**Sound Energy plc**  
**Condensed Interim Consolidated Statement of Cash Flows**

	Six months ended 30 June 2025 Unaudited £'000s	Six months ended 30 June 2024 Unaudited £'000s	Year ended 31 Dec 2024 Audited £'000s
Notes			
<b>Cash flow from operating activities</b>			
Cash flow from operations	(2,815)	(191)	(2,352)
Interest received	33	20	23
Tax paid	(2)	–	–
<b>Net cash flow from operating activities</b>	<b>(2,784)</b>	<b>(171)</b>	<b>(2,329)</b>
<b>Cash flow from investing activities</b>			
Disposal of subsidiary	–	–	9,236
Capital expenditure	(992)	(1,616)	(4,640)
Exploration expenditure	(242)	(371)	(651)
Prepayment for Phase 1, mLNG Project	–	–	(143)
<b>Net cash flow from investing activities</b>	<b>(1,234)</b>	<b>(1,987)</b>	<b>3,802</b>
<b>Cash flow from financing activities</b>			
Net proceeds from borrowings	–	2,046	5,822
Interest payments	(666)	(354)	(1,168)
Loan repayments	–	–	(1,350)
Lease payments	(6)	(93)	(124)
<b>Net cash flow from financing activities</b>	<b>(672)</b>	<b>1,599</b>	<b>3,180</b>
Net (decrease)/increase in cash and cash equivalents	(4,690)	(559)	4,653
Net foreign exchange difference	(374)	(345)	226
Cash and cash equivalents at the beginning of the period	7,895	3,016	3,016
<b>Cash and cash equivalents at the end of the period</b>	<b>8</b>	<b>2,831</b>	<b>2,112</b>
			<b>7,895</b>

**Notes to Statement of Cash Flows**

	Six months ended 30 June 2025 Unaudited £'000s	Six months ended 30 June 2024 Unaudited £'000s	Year ended 31 Dec 2024 Audited £'000s
<b>Cash flow from operations reconciliation</b>			
Loss before tax from continuing operations	(5,526)	(125,088)	(126,624)
Loss before tax from discontinued operations	–	(23,141)	(24,196)
Total (loss)/profit for the period before tax	(5,526)	(148,229)	(150,820)
Finance revenue	(33)	(20)	(23)
Increase in inventories	(321)	(717)	(260)
Decrease in short term receivables and prepayments	367	794	803
(Decrease)/increase in accruals and short term payables	(1,529)	585	1,113
Impairment loss on development assets, intangible assets and exploration costs	–	146,425	122,042
Loss on disposal of subsidiary	–	–	23,438
Foreign currency translation loss reclassified from other comprehensive income	–	–	295
Depreciation and amortisation	18	104	128
Share based payments charge	81	119	794
Finance costs and exchange adjustments	4,128	748	138
<b>Cash flow from operations</b>	<b>(2,815)</b>	<b>(191)</b>	<b>(2,352)</b>

There were no non-cash transactions during the period.

# Sound Energy plc

## Notes to the Condensed Interim Consolidated Financial Statements

### 1. Basis of preparation

The condensed interim consolidated financial statements do not represent statutory accounts within the meaning of section 435 of the Companies Act 2006. The financial information for the year ended 31 December 2024 is based on the statutory accounts for the year ended 31 December 2024. Those accounts, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The condensed interim financial information is unaudited and has been prepared on the basis of the accounting policies set out in the Group's 2024 statutory accounts and in accordance with IAS 34 Interim Financial Reporting as adopted by the United Kingdom.

The seasonality or cyclical nature of operations does not impact on the interim financial statements.

### Going concern

As at 31 August 2025, the Group's unaudited cash balance was approximately £2.1 million. The Directors have reviewed the Company's cash flow forecasts for the next 12-month period to September 2026.

The need for additional financing indicates the existence of a material uncertainty, which may cast significant doubt about the Group and Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not include adjustments that would be required if the Company was unable to continue as a going concern. Mana Energy, the Operator of the Tendrara Production Concession (Concession) expect to achieve first gas before the end of 2025. During August 2025, Mana Energy entered into a facility agreement (subject to some conditions precedent), with a local Moroccan bank to fund Phase 1 of the Concession. The facility is intended to finance capital expenditure, for all the partners, attributable to the engineering, procurement and construction contract with the mLNG project main contractor, Italfilid, during 2025. The Company, through its wholly owned subsidiary, Sound Energy Meridja Limited which has a 20% interest in the Concession, is in discussion with Mana Energy to conclude the terms under which the Company will access up to \$5.0 million of the facility to fund its share of the capital expenditure. The Company continues to exercise rigorous cost control to conserve cash resources, and the Directors believe that there are several corporate funding options available to the Company, including various debt, equity and equity-linked funding options. The Directors therefore have a reasonable expectation that the Company and the Group will be able to secure the funding required to continue in operational existence for the foreseeable future and have made a judgement that the Group will continue to realise its assets and discharge its liabilities in the normal course of business. Accordingly, the Directors have adopted the going concern basis in preparing the condensed interim consolidated financial statements.

### 2. Segment information

The Group categorises its operations into three business segments based on Corporate, Exploration and Appraisal and Development and Production. The Group's Exploration and Appraisal activities are carried out in Morocco. The Group's reportable segments are based on internal reports about the components of the Group which are regularly reviewed by the Board of Directors, being the Chief Operating Decision Maker, for strategic decision making and resources allocation to the segment and to assess its performance. The segment results for the period ended 30 June 2025 are as follows:

#### Segment results for the period ended 30 June 2025

	Corporate £'000s	Development & Production £'000s	Exploration & Appraisal £'000s	Total £'000s
Other income	–	–	8	8
Impairment loss on development assets and exploration costs	–	–	–	–
Administration expenses	(1,437)	–	–	(1,437)
<b>Operating loss segment result</b>	<b>(1,437)</b>	<b>–</b>	<b>8</b>	<b>(1,429)</b>
Interest revenue	33	–	–	33
Finance costs and exchange adjustments	(4,128)	–	–	(4,128)
<b>Loss for the period before taxation from continuing operations</b>	<b>(5,532)</b>	<b>–</b>	<b>8</b>	<b>(5,524)</b>

**Sound Energy plc**  
**Notes to the Condensed Interim Consolidated Financial Statements**

**2. Segment information (continued)**

The segments assets and liabilities at 30 June 2025 are as follows:

	Corporate £'000s	Development & Production £'000s	Exploration & Appraisal £'000s	Total £'000s
Non-current assets	208	32,141	13,090	45,439
Current assets	2,893	3,001	232	6,126
Liabilities attributable to continuing operations	(23,898)	(15,922)	(122)	(39,942)

The geographical split of non-current assets at 30 June 2025 is as follows:

	UK £'000s	Morocco £'000s
Development and production assets	–	12,059
Deferred consideration	–	20,082
Right of use assets	156	–
Fixtures, fittings and office equipment	2	5
Software	37	8
Exploration and evaluation assets	–	13,090
Total	195	45,244

Segment results for the period ended 30 June 2024

	Corporate £'000s	Development & Production £'000s	Exploration & Appraisal £'000s	Total £'000s
Other income	–	–	–	–
Impairment loss on development assets and exploration costs	–	(122,951)	–	(122,951)
Administration expenses	(1,398)	–	–	(1,398)
Operating profit segment result	(1,398)	(122,951)	–	(124,349)
Interest revenue	9	–	–	9
Finance costs and exchange adjustments	(748)	–	–	(748)
Profit for the period before taxation from continuing operations	(2,137)	(122,951)	–	(125,088)

The segments assets and liabilities at 30 June 2024 were as follows:

	Corporate £'000s	Development & Production £'000s	Exploration & Appraisal £'000s	Total £'000s
Non-current assets	88	11,483	13,777	25,348
Current assets	288	191	43	522
Liabilities attributable to continuing operations	(23,583)	(12,613)	(202)	(36,398)

The geographical split of non-current assets at 30 June 2024 was as follows:

	UK £'000s	Morocco £'000s
Development and production assets	–	10,116
Right of use assets	15	–
Fixtures, fittings and office equipment	3	1
Software	60	9
Prepayment	–	1,367
Exploration and evaluation assets	–	13,777
Total	78	25,270



**Sound Energy plc**  
**Notes to the Condensed Interim Consolidated Financial Statements**

**2. Segment information (continued)**

Segment results for the year ended 31 December 2024

	Corporate £'000s	Development & Production £'000s	Exploration & Appraisal £'000s	Total £'000s
Other income	–	–	–	–
Impairment of development assets and exploration costs	–	(122,042)	–	(122,042)
Administration expenses	(4,586)	–	–	(4,586)
Operating (loss)/profit segment result	(4,586)	(122,042)	–	(126,628)
Interest receivable	12	–	–	12
Finance expense and exchange adjustments	(8)	–	–	(8)
Loss for the year before taxation from continuing operations	(4,582)	(122,042)	–	(126,624)

The segments assets and liabilities at 31 December 2024 were as follows:

	Corporate £'000s	Development & Production £'000s	Exploration & Appraisal £'000s	Total £'000s
Non-current assets	61	28,707	18,385	47,153
Current assets	9,513	1,649	74	11,236
Liabilities attributable to continuing operations	(25,818)	(15,433)	(121)	(41,372)

The geographical split of non-current assets at 31 December 2024 was as follows:

	UK £'000s	Morocco £'000s
Development and production assets	–	10,485
Fixtures, fittings and office equipment	3	1
Deferred consideration	–	21,045
Software	49	8
Prepayments	–	1,522
Exploration and evaluation assets	–	14,040
Total	52	47,101

**Sound Energy plc**  
**Notes to the Condensed Interim Consolidated Financial Statements**

**3. Profit/(loss) per share**

The calculation of basic profit/(loss) per Ordinary Share is based on the profit/(loss) after tax and on the weighted average number of Ordinary Shares in issue during the period. The calculation of diluted profit/(loss) per share is based on the profit/(loss) after tax on the weighted average number of ordinary shares in issue plus weighted average number of shares that would be issued if dilutive options and warrants were converted into shares. Basic and diluted profit/(loss) per share is calculated as follows:

	<b>30 June 2025 £'000</b>	<b>30 June 2024 £'000</b>	<b>31 December 2024 £'000</b>
Loss after tax from continuing operations	<b>(5,526)</b>	(125,088)	(126,624)
Loss after tax from discontinued operations	–	(23,141)	(24,196)
<b>Total loss after tax from continuing operations</b>	<b>(5,526)</b>	<b>(148,229)</b>	<b>(150,820)</b>

	<b>million</b>	<b>million</b>	<b>million</b>
Weighted average shares in issue	<b>2,081</b>	1,977	2,017
Dilutive potential ordinary shares	–	–	–
<b>Diluted weighted average number of shares</b>	<b>2,081</b>	<b>1,977</b>	<b>2,017</b>

	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
Basic and diluted loss per share from continuing operations	<b>(0.27)</b>	(6.33)	(6.28)
Basic and diluted loss/(profit) per share from discontinued operations	–	(1.17)	(1.20)
<b>Basic and diluted loss per share from continuing operations and discontinued operations</b>	<b>(0.27)</b>	<b>(7.50)</b>	<b>(7.48)</b>

**4. Property, plant and equipment**

	<b>30 June 2025 £'000</b>	<b>30 June 2024 £'000</b>	<b>31 December 2024 £'000</b>
<b>Cost</b>			
At start of period	<b>135,274</b>	158,791	158,791
Additions	<b>1,185</b>	2,628	5,260
Transfer from prepayments	<b>1,391</b>	–	–
Exchange adjustments	<b>(11,526)</b>	1,050	2,023
Derecognition on expiry of lease	–	–	(331)
Disposal	–	(192)	(30,469)
Transfer to assets of disposal group held for sale	–	(28,482)	–
<b>At end of period</b>	<b>126,324</b>	<b>133,795</b>	<b>135,274</b>

**Impairment and depreciation**

At start of period	<b>124,785</b>	864	864
Charge for period	<b>6</b>	128,260	129,948
Exchange adjustments	<b>(10,689)</b>	32	2,393
Derecognition on expiry of lease	–	–	(331)
Disposal	–	(182)	(8,089)
Transfer to assets of disposal group held for sale	–	(5,314)	–
<b>At end of period</b>	<b>114,102</b>	<b>123,660</b>	<b>124,785</b>
<b>Net book amount</b>	<b>12,222</b>	<b>10,135</b>	<b>10,489</b>

The Company undertook an assessment of external and internal indicators of impairment as at 30 June 2025 and concluded that there was no indication that the carrying amount of the Company's share of the Tendirara Production Concession was impaired.

**Sound Energy plc**  
**Notes to the Condensed Interim Consolidated Financial Statements**

**5. Intangibles**

	<b>30 June 2025 Unaudited £'000s</b>	<b>30 June 2024 Unaudited £'000s</b>	<b>31 December 2024 Audited £'000s</b>
<b>Cost</b>			
At start of period	<b>14,222</b>	45,964	45,964
Additions	<b>243</b>	427	749
Exchange adjustments	<b>(1,193)</b>	498	334
Disposal	<b>–</b>	–	(32,825)
Transfer to assets of disposal group held for sale	<b>–</b>	(32,721)	–
At end of period	<b>13,272</b>	14,168	14,222
<b>Impairment and Depreciation</b>			
At start of period	<b>125</b>	10,962	10,962
Charge for period	<b>12</b>	17,902	16,526
Exchange adjustments	<b>–</b>	269	207
Disposal	<b>–</b>	–	(27,570)
Transfer to assets of disposal group held for sale	<b>–</b>	(28,811)	–
At end of period	<b>137</b>	322	125
Net book amount	<b>13,135</b>	13,846	14,097

**6. Prepayments**

During Q1 2025 Micro-LNG Project main contractor, Italfiuid, and the operator of the Tendrara Production Concession agreed to amend their contractual arrangement by terminating the vendor financed lease agreement entered into in 2020 and entering into an engineering, procurement and construction (EPC) contract. As a result, amounts previously reported as non-current prepayment were reclassified to property, plant and equipment.

**7. Deferred consideration**

	<b>30 June 2025 Unaudited £'000s</b>	<b>30 June 2024 Unaudited £'000s</b>	<b>31 December 2024 Audited £'000s</b>
At Start of period	<b>21,045</b>	–	–
Additions	<b>–</b>	–	20,696
Unwinding of discount/change in discount rate	<b>893</b>	–	–
Exchange adjustments	<b>(1,856)</b>	–	349
At end of period	<b>20,082</b>	–	21,045

Deferred consideration relates to future funding to be received by the group from Managem SA, (the purchaser) of the Company's former subsidiary disposed in December 2024. The Company's share of its future expenditure on the Tendrara Production Concession Phase 2 development (Phase 2 development) will be funded by the purchaser up to \$24.5 million, the purchaser will also fund the drilling of one exploration well on each of the Anoual and Grand Tendrara licences for up to \$2.6 million and \$3.6 million, respectively, and pay to the group \$1.5 million upon achieving first gas on the Phase 2 development. The Company calculated the deferred consideration after taking account of the expected timing of receipt of the various elements of the deferred consideration based on current estimates of the timing of the operations and applied a discount rate of 10.24% (2024: 10.55%).

**Sound Energy plc**  
**Notes to the Condensed Interim Consolidated Financial Statements**

**8. Cash and cash equivalents**

For the purposes of the condensed interim consolidated statement of cash flows, cash and cash equivalents comprise the following as at 30 June 2025.

	<b>30 June 2025 Unaudited £'000s</b>	<b>30 June 2024 Unaudited £'000s</b>	<b>31 December 2024 Audited £'000s</b>
Cash and short term deposits	<b>2,831</b>	235	7,895
Cash and short term deposits attributable to discontinued operations	<b>–</b>	1,877	–
	<b>2,831</b>	2,112	7,895

**9. Loans and borrowings**

	<b>30 June 2025 Unaudited £'000s</b>	<b>30 June 2024 Unaudited £'000s</b>	<b>31 December 2024 Audited £'000s</b>
<b>Non-current liability</b>			
Secured bonds	<b>23,184</b>	21,964	21,950
Loan note- Afriquia	<b>14,108</b>	12,613	15,433
Convertible bonds	<b>355</b>	957	324
	<b>37,647</b>	35,534	37,707

The Company has €25.32 million secured bonds (the “Secured Bonds”). The Secured Bonds mature on 21 December 2027. The Secured Bonds bear 2% cash interest paid per annum until maturity and 3% interest per annum to be paid at redemption. In 2021, the Company issued to the Bondholders 99,999,936 warrants to subscribe for new ordinary shares in the Company at an exercise price of 2.75 pence per share. The warrants expire on 21 December 2027. The Bonds are secured on the issued share capital of Sound Energy Morocco South Limited. After taking account of the terms of the Bonds, the effective interest is approximately 6.5%.

The Company has a \$18.0 million 6% secured loan note facility with Afriquia Gaz maturing in December 2033 (the “Loan”). The drawn down principal bears 6% interest per annum payable quarterly, but was deferred and capitalised semi-annually, until the second anniversary of the issue of Notice to Proceed. Repayment of interest that is not deferred commenced in Q2 2024. The principal and deferred interest will be repayable annually in equal instalments commencing December 2028. The Loan is secured on the issued share capital of Sound Energy Meridja Limited. The weighted effective interest on the drawdowns made is approximately 6.2%.

The Company has outstanding interest of £0.6 million accrued on previously issued convertible bonds that were converted to equity and £0.25 million being the principal amount that was then outstanding repaid in December 2024. The carrying amount of the deferred interest is stated at fair value and is measured using the discounted cashflow method. A discount rate of 17.4% was used to discount the outstanding deferred interest over the term of the liability.

**Sound Energy plc**  
**Notes to the Condensed Interim Consolidated Financial Statements**

**10. Discontinued operations**

On 14 June 2024, the Company announced that it had entered into a binding sale and purchase agreement with Managem SA for the disposal of SEME that owns:

- 55% interest in the Tendrara Production Concession, including the liability for payments arising from the Schlumberger net profit interest (NPI) agreement (pursuant to the acquisition of Schlumberger Silk Route Services Limited in 2021);
- 47.5% interest in the Grand Tendrara licence; and
- 47.5% interest in the Anoual licence.

The consideration for the sale (which completed in December 2024) comprised:

- Back costs (expenditure on the licences) from 1 January 2022 to completion date;
- Tendrara Production Concession Phase 2 carry of up \$24.5 million;
- Anoual licence carry on one well, \$2.6 million;
- Grand Tendrara licence carry on one well, \$3.6 million;
- On achieving Phase 2 first gas, \$1.5 million.

The results of discontinued operations for the period are presented below.

	<b>Six months ended 30 June 2025 Unaudited £'000s</b>	<b>Six months ended 30 June 2024 Unaudited £'000s</b>	<b>Year ended 31 December 2024 Audited £'000s</b>
<b>Other income</b>	–	–	–
Impairment of tangible and intangible assets	–	(23,107)	–
<b>Gross loss</b>	–	(23,107)	–
Administrative costs	–	(140)	(563)
<b>Operating loss from discontinued operations</b>	–	(23,247)	(563)
Finance revenue	–	11	11
Foreign exchange loss	–	(71)	(76)
Finance costs recovery/(expense)	–	166	165
Foreign currency translation loss reclassified from other comprehensive income	–	–	(295)
Loss on disposal of subsidiary	–	–	(23,438)
<b>Loss for the period before taxation from discontinued operations</b>	–	(23,141)	(24,196)
Tax expense	–	–	–
<b>Loss for the period after taxation from discontinued operations</b>	–	(23,141)	(24,196)

**Sound Energy plc**  
**Notes to the Condensed Interim Consolidated Financial Statements**

**10. Discontinued operations (continued)**

The major classes of assets and liabilities of the discontinued operations classified as held for sale as at 30 June 2024 are as follows:

	<b>30 June 2024 Unaudited £'000s</b>
<b>Assets</b>	
Property, plant and equipment	23,168
Intangible assets	3,910
Prepayments	4,278
Inventories	1,441
Other receivables	857
Cash and short term deposits	1,877
Assets of disposal group held for sale	35,531
<b>Liabilities</b>	
Trade and other payables	4,002
Tax liabilities	1,441
Liabilities of disposal group held for sale	5,443
<b>Net assets</b>	<b>30,088</b>

The net cash flows of the discontinued operations were as follows:

	<b>Six months ended 30 June 2025 Unaudited £'000s</b>	<b>Six months ended 30 June 2023 Unaudited £'000s</b>	<b>Year ended 31 December 2024 Audited £'000s</b>
Net cash flow from operating activities	–	1,581	(816)
Net cash flow from investing activities	–	(1,361)	9,236
Net cash flow from financing activities	–	–	–
Net cash inflow/(outflow)	–	220	8,420

**11. Post balance sheet events**

In August 2025, the joint operations Operator of the Concession, Mana Energy, on behalf of the consortium finalised a \$25 million debt facility from a local bank to partially fund mLNG project capital expenditure. The Company, through its wholly owned subsidiary, Sound Energy Meridja Limited which has a 20% interest in the Concession, is in discussion with Mana Energy to conclude the terms under which the Company will access up to \$5.0 million of the facility.

## **Sound Energy plc Shareholder Information**

### **Dealing Information**

Stock code – SOU.LN

### **Financial Calendar**

#### **Meetings**

Annual General Meeting – June 2024

### **Announcements**

2024 Interim – September 2024

2024 Preliminary – March 2025

### **Addresses**

#### **Registered Office**

Sound Energy plc  
4<sup>th</sup> Floor  
20 St Dunstan's Hill  
London  
EC3R 8HL

#### **Business Address**

Sound Energy plc  
4<sup>th</sup> Floor  
20 St Dunstan's Hill  
London  
EC3R 8HL

#### **Company Secretary**

Amba Secretaries Limited  
400 Thames Valley Park Drive  
Reading  
RG6 1PT

#### **Website**

[www.soundenergyplc.com](http://www.soundenergyplc.com)

#### **Auditor**

Crowe U.K. LLP  
55 Ludgate Hill  
London  
EC4M 7JW

#### **Stockbrokers and Nominated Advisers**

Zeus Capital Limited  
125 Old Broad St  
London  
EC2N 1AR

#### **Registrars**

Link Asset Services  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU