HALF YEARLY
REPORT 2026

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Sound Energy plc
Chief Executive Officer Statement

The first half of 2026 has been a period of significant change for Sound Energy. Our main focus has been on strengthening the balance sheet and putting the Company in a position where it can invest in new growth opportunities.

During the period, we announced the divestment of the Company's 20% interest in the Tendrara Exploitation Concession to Managem, the relinquishment of its 27.5% interest in the Anoual Exploration Permit and the waiver of any subsisting rights in the Grand Tendrara Exploration Permit. We continued to pursue a farm-out of Sidi Moktar while engaging with the National Office of Hydrocarbons and Mines (‘‘ONHYM’’) on the permit term and work programme, including the unfulfilled minimum work programme. We continue to fully impair expenditure pending resolution of these discussions with ONHYM. We also announced a restructuring of the Company's Eurobonds to allow repayment at a significant discount, providing a route to repay the bonds from the proceeds of the Tendrara sale.

In August 2026, we completed the sale of Tendrara to Managem. The transaction crystallised the value of our remaining interest in the Tendrara Phase 1 development and realised significant value from the Phase 2 development ahead of Final Investment Decision for that project, while removing Sound's exposure to its future funding requirements. It also provided the Company with the capital to repay its debt and invest in new opportunities.

Since completion, we have repaid all the Company's term loans and repurchased the outstanding Eurobonds. Sound has now repaid all the financial debt on its balance sheet and after other payments, at end August 2026 had $9.8 million (£7.3 million) of cash. This is a fundamental change for the Company and leaves us in a much stronger financial position from which to grow the business.

Alongside the work on Tendrara and the balance sheet, we continued to progress our solar activities in Morocco.
We are also actively looking at acquisition opportunities outside our existing portfolio. Our focus is on businesses and assets which can bring cash flow and scale to Sound and where we believe there is an opportunity to create material value.

Sound is in a very different position today from where it was at the beginning of the year. We completed the sale of Tendrara and eliminated debt from the balance sheet. We now have the financial capacity to pursue growth opportunities rather than having to navigate the constraints of the Company's historic balance sheet.

Our focus for the remainder of 2026 is therefore straightforward: to deploy our capital carefully and execute acquisitions which can evolve Sound into a larger, diversified and cash-generative energy company.

Majid Shafiq
Chief Executive Officer

Sound Energy plc
Operations Review

Eastern Morocco

Eastern Morocco Licences

TENDRARA PRODUCTION CONCESSION – 25 years from September 2018		
20% interest Non-operated	Production permit	133.5 km^2 acreage

GRAND TENDRARA – 8 years from October 2018		
27.5% interest Non-operated	Exploration permit	14,411 km^2 acreage
ANOUAL – 11 years from September 2017		
27.5% interest Non-operated	Exploration permit	5,031 km^2

Tendrara Production Concession
The development of the Tendrara Production Concession is centred around the TE-5 Horst gas discovery and has continued to progress during 2026. Phase 1, the mini-LNG (“mLNG”) production scheme provides gas to industrial consumers via the trucking of LNG (carried out by Afriquia Gaz). 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 unlock the gas potential of this region fully and lower the cost of development for future discoveries.

Progress of the Phase 1 Development Project mLNG
This first phase focused on the existing TE-6 and TE-7 wells of the TE-5 Horst gas discovery. First gas will be achieved by tying the currently shut-in 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 10 mmcf/d sales gas volume.

During 2025 significant equipment deliveries were made to the site and construction progressed. This led to commencement of initial commissioning of the Gas Gathering System in Q4 of 2025, and in early 2026 the gas-fired generators were commissioned and tested using natural gas from one of the Tendrara Phase 1 development wells, displacing more costly diesel. This has the benefit of reducing operating costs and Scope 1 emissions.

Post period on 3 August 2026, the Company announced the divestment of the Company's remaining 20% interest in the Tendrara Production Concession, by way of the disposal of the entire share capital of Sound Energy Meridja Limited to Managem SA.

Eastern Morocco Exploration
The Eastern Morocco Licences comprise the Concession together with the Anoual and Grand Tendrara 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 is already proven within the licence areas and represents a significant upside opportunity to be explored.

These licences cover a surface area of over 19,000 square kilometres, but so far only thirteen wells have been drilled, of which six are located either within or near to the Concession. Exploration drilling beyond the region of the Concession has been limited and a portfolio of features identified from previous operators’ studies, plus new targets identified by Sound Energy from geophysical data acquisition, followed by processing and completed interpretation studies. These features were internally classified as either prospects, leads or concepts based upon their level of technical maturity and are potential future exploration drilling targets.

Post period on 3 August 2026, the Company announced that, alongside the divestment of the Company's interests in the Tendrara Production Concession, by way of the disposal of the entire share capital of Sound Energy Meridja Limited to

Managem SA, the Company relinquished its 27.5% interest in the Anoual Exploration Permit and the waived any subsisting rights in the Grand Tendrara Exploration Permit.

Southern Morocco

Southern Morocco Licence

SIDI MOKTAR ONSHORE – 10 years from April 2018		
75% interest Operated	Exploration permit	4,712 km^2

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 km2. 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 hosts 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 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.

During the first half of 2026 the Company continued 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 direct dialogue with ONHYM to secure a modification to the initial period previously proposed by ONHYM to expire in April 2026 through renewal, extension or change in work programme. During the period the Company received correspondence from ONHYM seeking to make a claim for non-fulfilment of the minimum exploration work programme for the initial period of the Sidi Moktar licence. The Company has accrued what it considers to contractually owe and continues to engage constructively with ONHYM on the steps necessary to regularise the situation in a manner satisfactory to all parties and has continued to impair the expenditure incurred on the permit until the discussions with ONHYM are concluded.

Sound Energy plc
Independent auditor’s review report to the members of Sound Energy plc on the interim financial information for the six months ended 30 June 2026

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 2026 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 six months ended 30 June 2026 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”.

Conclusions Relating to Going Concern

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 management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE (UK); however future events or conditions may cause the entity 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 Group 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 International Standard on Review Engagements 2410 (UK) “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Financial Reporting Council. Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in this report and for no other purpose.

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
16 September 2026

Sound Energy plc
Condensed Interim Consolidated Income Statement

	Notes	**Six months ended 30 June 2026 Unaudited £'000s**	Six months ended 30 June 2025 Unaudited £'000s	Year ended 31 Dec 2025 Audited £'000s
Other income		**–**	8	8
Exploration costs and impairment of exploration assets		**(2,220)**	–	(12,770)
Gross (loss)/profit		**(2,220)**	8	(12,762)
Administrative expenses		**(1,363)**	(1,437)	(2,661)
Group operating loss from continuing operations		**(3,583)**	(1,429)	(15,423)
Finance revenue		**2**	33	44
Foreign exchange gain/(loss)		**879**	(3,866)	(3,804)
Finance expense		**(1,575)**	(1,155)	(2,272)
Share of joint venture expenses		**(21)**	–	–
Loss for period before taxation from continuing operations		**(4,298)**	(6,417)	(21,455)
Tax expense		**–**	(2)	(2)
Loss for period after taxation from continuing operations		**(4,298)**	(6,419)	(21,457)
Discontinued operations				
Profit/(loss) for the period after tax from discontinued operations	10	**1,065**	893	(892)
Total loss for the period		**(3,233)**	(5,526)	(22,349)
Other comprehensive income				
Items that may subsequently be reclassified to profit and loss account:				
Foreign currency translation income		**(251)**	51	362
Total comprehensive loss for the period attributable to equity holders of the parent		**(3,484)**	(5,475)	(21,987)

		Pence	Pence (restated)	Pence (restated)
Basic and diluted (loss)/profit per share for the period from continuing and discontinued operations attributable to equity holders of the parent	3	**(1.46)**	(2.63)	(10.64)
Basic and diluted (loss)/profit per share for the period from continuing operations attributable to equity holders of the parent	3	**(1.94)**	(3.06)	(10.22)

Sound Energy plc
Condensed Interim Consolidated Balance Sheet

	Notes	**30 June 2026 Unaudited £'000s**	30 June 2025 Unaudited £'000s	31 Dec 2025 Audited £'000s
Non-current assets				
Property, plant and equipment	4	**76**	12,222	14,699
Intangible assets	5	**14**	13,135	1,039
Investment in joint ventures	6	**–**	–	–
Deferred consideration	7	**–**	20,082	18,928
		90	45,439	34,666
Current assets				
Inventories		**–**	390	72
Other receivables		**61**	2,855	2,289
Prepayments		**25**	50	24
Cash and short term deposits	8	**254**	2,831	802
		340	6,126	3,187
Assets of disposal group held for sale	10	**38,647**	–	–
Total assets		**39,077**	51,565	37,853
Current liabilities				
Trade and other payables		**3,060**	2,137	997
Lease liabilities		**90**	68	84
Loans and borrowings	9	**1,310**	–	–
		4,460	2,205	1,081
Liabilities of disposal group held for sale	10	**2,908**	–	–
Non-current liabilities				
Lease liabilities		**–**	90	46
Loans and borrowings	9	**39,209**	37,647	41,781
		39,209	37,737	41,827
Total liabilities		**46,577**	39,942	42,908
Net (liabilities)/assets		**(7,500)**	11,623	(5,055)
Capital and reserves				
Share capital and share premium		**42,298**	41,073	41,073
Shares to be issued		**188**	374	374
Warrant reserve		**1,534**	2,071	1,998
Convertible bond reserve		**–**	28	28
Foreign currency reserve		**1,719**	1,659	1,970
Accumulated deficit		**(53,239)**	(33,582)	(50,498)
Total equity		**(7,500)**	11,623	(5,055)

The financial statements were approved by the Board and authorised for issue on 16 September 2026 and were signed on its behalf by:

Majid Shafiq, 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**
At 1 January 2026	**20,806**	**20,267**	**374**	**(50,498)**	**1,998**	**28**	**1,970**	**(5,055)**
Total loss for the period	**–**	**–**	**–**	**(3,233)**	**–**	**–**	**–**	**(3,233)**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**(251)**	**(251)**
Total comprehensive loss for the period	**–**	**–**	**–**	**(3,233)**	**–**	**–**	**(251)**	**(3,484)**
Equity raise	**10**	**490**	**–**	**–**	**–**	**–**	**–**	**500**
Share issue costs	**–**	**(30)**	**–**	**–**	**–**	**–**	**–**	**(30)**
Issue of shares on conversion of convertible bond interest	**8**	**561**	**–**	**–**	**–**	**–**	**–**	**569**
Issue of shares on exercise of nil cost options	**1**	**185**	**(186)**	**–**	**–**	**–**	**–**	**–**
Reclassification on conversion of convertible bond interest	**–**	**–**	**–**	**28**	**–**	**(28)**	**–**	**–**
Reclassification on expiry of warrants	**–**	**–**	**–**	**464**	**(464)**	**–**	**–**	**–**
Share based payments	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
At 30 June 2026 (unaudited)	**20,825**	**21,473**	**188**	**(53,239)**	**1,534**	**–**	**1,719**	**(7,500)**

	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
At 1 January 2025	20,806	20,267	374	(28,137)	2,071	28	1,608	17,017
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
At 30 June 2025 (unaudited)	20,806	20,267	374	(33,582)	2,071	28	1,659	11,623

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 2025	20,806	20,267	374	(28,137)	2,071	28	1,608	17,017
Total loss for the year	–	–	–	(22,349)	–	–	–	(22,349)
Other comprehensive gain	–	–	–	–	–	–	362	362
Total comprehensive (loss)/income	–	–	–	(22,349)	–	–	362	(21,987)
Reclassification on expiry of warrants	–	–	–	73	(73)	–	–	–
Share-based payments	–	–	–	(85)	–	–	–	(85)
At 31 December 2025	20,806	20,267	374	(50,498)	1,998	28	1,970	(5,055)

Sound Energy plc
Condensed Interim Consolidated Statement of Cash Flows

	Notes	**Six months ended 30 June 2026 Unaudited £'000s**	Six months ended 30 June 2025 Unaudited £'000s	Year ended 31 Dec 2025 Audited £'000s
Cash flow from operating activities				
Cash flow from operations		**(288)**	(2,813)	(1,818)
Interest received		**2**	33	44
Tax paid		**–**	(2)	(2)
Net cash flow from operating activities		**(286)**	(2,782)	(1,776)
Cash flow from investing activities				
Capital expenditure		**(1,266)**	(992)	(3,214)
Exploration expenditure		**(174)**	(242)	(401)
Investment in joint ventures		**(21)**	–	–
Net cash flow from investing activities		**(1,461)**	(1,234)	(3,615)
Cash flow from financing activities				
Net proceeds from borrowings		**1,132**	–	–
Net proceeds from equity issue		**470**	–	–
Interest payments		**(436)**	(666)	(1,324)
Lease payments		**(47)**	(6)	(43)
Net cash flow from financing activities		**1,119**	(672)	(1,367)
Net (decrease)/increase in cash and cash equivalents		**(628)**	(4,688)	(6,758)
Net foreign exchange difference		**81**	(376)	(335)
Cash and cash equivalents at the beginning of the period		**802**	7,895	7,895
Cash and cash equivalents at the end of the period	8	**255**	2,831	802

Note to Statement of Cash Flows

	Six months ended 30 June 2026 Unaudited £'000s	Six months ended 30 June 2025 Unaudited £'000s	Year ended 31 Dec 2025 Audited £'000s
Cash flow from operations reconciliation			
Loss before tax from continuing operations	**(4,298)**	(6,417)	(21,455)
Profit/(loss) before tax from discontinued operations	**1,065**	893	(892)
Total loss for the period before tax	**(3,233)**	(5,524)	(22,347)
Finance revenue	**(2)**	(33)	(44)
Increase in inventories	**(25)**	(321)	(3)
Decrease in short term receivables and prepayments	**978**	367	3,700
Increase/(decrease) in accruals and short term payables	**2,068**	(1,529)	(2,682)
Impairment (reversal)/charge on exploration assets	**(11)**	–	12,770
Share of joint venture expenses	**21**	–	–
Depreciation and amortisation	**95**	18	70
Share based payments charge	**–**	81	(85)
Finance costs and exchange adjustments	**(179)**	4,128	6,803
Cash flow from operations	**(288)**	(2,813)	(1,818)

Non-cash transactions during the period were the issue of 8,310,189 ordinary shares of the Company on conversion of £568,750 of accrued interest on convertible bonds into ordinary shares and the issue of 774,094 ordinary shares of the Company to a director of the Company following the exercise of 774,094 nil-cost options.

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 2025 is based on the statutory accounts for the year ended 31 December 2025. 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 2025 statutory accounts and in accordance with IAS 34 Interim Financial Reporting as adopted by the United Kingdom.

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

Going concern

As at 31 August 2026, the Group's unaudited cash balance was approximately £7.3 million. The Directors have reviewed the Company's cash flow forecasts for the next 12-month period to September 2027.

Post period end, the Company completed the divestment of the Company's 20% interest in the Tendrara Production Concession and exit from its 27.5% interest in the Anoual and Grand Tendrara exploration permits. Out of the proceeds received, the Company has fully repaid all its financial debt obligations and of the remaining cash resources, the Company's cash flow forecasts indicate that the Company will be able to meet its current obligations and commitments as they fall due. To fund the Company's growth including investment into new cash generative projects of scale, the Company will require additional funding. The Directors believe that there are various funding options available to the Company involving debt, equity and equity linked funding options. Accordingly, the Directors have a reasonable expectation that the Company will have adequate resources available to continue in operational existence for the foreseeable future and 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 2026 are as follows:

Segment results for the period ended 30 June 2026

	Corporate £'000s	Development & Production £'000s	Exploration & Appraisal £'000s	Total £'000s
Other income	–	–	–	–
Exploration costs and impairment of exploration assets	–	–	(2,220)	(2,220)
Administration expenses	(1,363)	–	–	(1,363)
Operating loss segment result	**(1,363)**	**–**	**(2,220)**	**(3,583)**
Interest revenue	2	–	–	2
Share of joint venture expenses	(21)	–	–	(21)
Finance costs and exchange adjustments	(696)	–	–	(696)
Loss for the period before taxation from continuing operations	**(2,078)**	**–**	**(2,220)**	**(4,298)**

2. Segment information (continued)

The segments assets and liabilities at 30 June 2026 are as follows:

	Corporate £'000s	**Development & Production £'000s**	**Exploration & Appraisal £'000s**	**Total £'000s**
Non-current assets	**90**	**–**	**–**	**90**
Current assets	**335**	**–**	**5**	**340**
Liabilities attributable to continuing operations	**(26,526)**	**(14,825)**	**(2,318)**	**(43,669)**

The geographical split of non-current assets at 30 June 2026 is as follows:

	UK £'000s	**Morocco £'000s**
Development and production assets	**–**	**–**
Deferred consideration	**–**	**–**
Right of use assets	**75**	**–**
Fixtures, fittings and office equipment	**1**	**–**
Software	**14**	**–**
Exploration and evaluation assets	**–**	**–**
Total	**90**	**–**

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)
Operating loss segment result	(1,437)	–	8	(1,429)
Interest revenue	33	–	–	33
Finance costs and exchange adjustments	(5,021)	–	–	(5,021)
Loss for the period before taxation from continuing operations	(6,425)	–	8	(6,417)

The segments assets and liabilities at 30 June 2025 were 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	(23,898)	(15,922)	(122)	(39,942)

The geographical split of non-current assets at 30 June 2025 was 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

2. Segment information (continued)

Segment results for the year ended 31 December 2025:

	Corporate £'000s	Development and production £'000s	Exploration and appraisal £'000s	Total £'000s
Other income	–	–	8	8
Operating costs	–	–	–	–
Impairment of intangible assets	–	–	(12,770)	(12,770)
Administration expenses	(2,661)	–	–	(2,661)
Operating (loss)/profit segment result	(2,661)	–	(12,762)	(15,423)
Interest receivable	44	–	–	44
Finance expense and exchange adjustments	(6,076)	–	–	(6,076)
Loss for the year before taxation from continuing operations	(8,693)	–	(12,762)	(21,455)

The segments assets and liabilities at 31 December 2025 were as follows:

	Corporate £'000s	Development and production £'000s	Exploration and appraisal £'000s	Total £'000s
Non-current assets	172	30,045	4,449	34,666
Current assets	590	2,397	200	3,187
Liabilities	(24,972)	(17,803)	(133)	(42,908)

The geographical split of non-current assets at 31 December 2025 was as follows:

	UK £'000s	Morocco £'000s
Development and production assets	–	14,564
Fixtures, fittings and office equipment	4	16
Deferred consideration	–	18,928
Right of use assets	115	–
Software	37	–
Exploration and evaluation assets	–	1,002
Total	156	34,510

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:

	30 June 2026 £'000	30 June 2025 £'000	31 December 2025 £'000
Loss after tax from continuing operations	**(4,298)**	(6,419)	(21,457)
Profit/(loss) after tax from discontinued operations	**1,065**	893	(892)
Total loss after tax for the period	**(3,233)**	(5,526)	(22,349)

	million	million	million
Weighted average shares in issue	**221**	210	210
Dilutive potential ordinary shares	**–**	–	–
Diluted weighted average number of shares	**221**	210	210

	Pence	Pence	Pence
Basic and diluted loss per share from continuing operations	**(1.94)**	(3.06)	(10.22)
Basic and diluted profit/(loss) per share from discontinued operations	**0.48**	0.43	(0.42)
Basic and diluted loss per share from continuing operations and discontinued operations	**(1.46)**	(2.63)	(10.64)

As a result of the share consolidation described in note 11, the number of weighted average shares in issue as at 30 June 2025 and 31 December 2025 and the resulting basic and diluted profit/(loss) per share have been restated accordingly.

4. Property, plant and equipment

	30 June 2026 £'000	30 June 2025 £'000	31 December 2025 £'000
Cost			
At start of period	**130,907**	135,274	135,274
Additions	**1,303**	1,185	3,507
Transfer from prepayments	**–**	1,391	1,418
Exchange adjustments	**2,086**	(11,526)	(9,179)
Disposal	**(2)**	–	(113)
Transfer to assets of disposal group held for sale	**(133,995)**	–	–
At end of period	**299**	126,324	130,907
Impairment and depreciation			
At start of period	**116,208**	124,785	124,785
Charge for period	**72**	6	51
Exchange adjustments	**1,863**	(10,689)	(8,515)
Disposal	**–**	–	(113)
Transfer to assets of disposal group held for sale	**(117,920)**	–	–
At end of period	**223**	114,102	116,208
Net book amount	**76**	12,222	14,699

Following the entry into a sale and purchase agreement as described in note 10, the Company compared the carrying amount of the assets of the disposal group held for sale and the fair value of the consideration less cost to sell and concluded that there was no impairment charge to recognise.

5. Intangibles

	30 June 2026 Unaudited £'000s	30 June 2025 Unaudited £'000s	31 December 2025 Audited £'000s
Cost			
At start of period	**13,694**	14,222	14,222
Additions	**174**	243	415
Exchange adjustments	**212**	(1,193)	(943)
Reversal on reduction in accrued expenditure	**(87)**	–	–
Transfer to assets of disposal group held for sale	**(1,180)**	–	–
At end of period	**12,813**	13,272	13,694
Impairment and Depreciation			
At start of period	**12,655**	125	125
Charge for period	**12**	12	12,789
Exchange adjustments	**201**	–	(259)
Transfer to assets of disposal group held for sale	**(69)**	–	–
At end of period	**12,799**	137	12,655
Net book amount	**14**	13,135	1,039

6. Investment in joint ventures

	30 June 2026 Unaudited £'000s	30 June 2025 Unaudited £'000s	31 December 2025 Audited £'000s
At Start of period	**–**	–	–
Additions	**21**	–	–
Expenses during the period	**(21)**	–	–
At end of period	**–**	–	–

The Company is seeking investment opportunities in solar power projects in Morocco. Expenses during the period related to initial set up related costs.

In 2025, the Company through a wholly owned subsidiary and Getech plc (Getech) formed a joint venture Company, HyMaroc Limited (HyMaroc), owned 50% by the Company and 50% by Getech. HyMaroc is expected to negotiate exclusive rights for the exploration of hydrogen and helium resources in Morocco, progressing towards necessary geophysical and drilling activities to unlock potential deposits. As the business is still in the initial stages of negotiating exclusive rights, no material transactions had been incurred by HyMaroc as at 30 June 2026.

7. Deferred consideration

	30 June 2026 Unaudited £'000s	30 June 2025 Unaudited £'000s	31 December 2025 Audited £'000s
At Start of period	**18,928**	21,045	21,045
Unwinding of discount/change in discount rate	**867**	893	(692)
Exchange adjustments	**319**	(1,856)	(1,425)
Transfer to assets of disposal group held for sale	**(20,114)**	–	–
At end of period	**–**	20,082	18,928

7. Deferred consideration (continued)

Deferred consideration related to funding that was 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) was to be funded by the purchaser up to $24.5 million. The purchaser was also to 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 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 10.97% (Dec 2025: 10.64%). Following post period completion of sale of the Company's subsidiary and exit from the Anoual and Grand Tendrara licences as described in note 12, the deferred consideration no longer applies.

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 2026.

	30 June 2026 Unaudited £'000s	30 June 2025 Unaudited £'000s	31 December 2025 Audited £'000s
Cash and short term deposits	**254**	2,831	802
Cash and short term deposits attributable to discontinued operations	**1**	–	–
	255	2,831	802

9. Loans and borrowings

Current liability	**30 June 2026 Unaudited £'000s**	30 June 2025 Unaudited £'000s	31 December 2025 Audited £'000s
Term loan facility	**1,310**	–	–
Non-current liability			
Secured bonds	**24,384**	23,184	24,155
Loan note- Afriquia	**14,825**	14,108	14,377
Convertible bonds	**–**	355	384
Joint operations partner facility	**–**	–	2,865
	39,209	37,647	41,781

The Company had €25.32 million secured bonds (the "Secured Bonds"). The Secured Bonds were to mature on 21 December 2027. The Secured Bonds bore 2% cash interest paid per annum until maturity and 3% interest per annum was 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. Following the capital reorganisation described in note 11, the exercise price is 27.5 pence per share. 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 was approximately 6.5%.

The Company had a $18.0 million 6% secured loan note facility with Afriquia Gaz maturing in December 2033 (the ''Loan''). The drawn down principal bore 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 was not deferred commenced in Q2 2024. The principal and deferred interest were to be repayable annually in equal instalments commencing December 2028. The Loan was secured on the issued share capital of Sound Energy Meridja Limited. The weighted effective interest on the drawdowns made was approximately 6.2%.

9. Loans and borrowings (continued)

The Company had outstanding interest of £0.6 million accrued on previously issued convertible bonds. During the period, the £0.6 million interest was converted into 8,310,198 ordinary shares of the Company.

In March 2026, the Company entered into a €1.3 million term facility agreement with an international investment bank (the 'Lender'). The term loan attracted interest of 20% per 120 days, accruing daily on a pro rata basis and was to fall due for repayment on or before 31 December 2026. In the event of default, the principal plus accrued interest plus default interest (40% per 120 days), at the Lender's option, was to be converted into the Company's ordinary shares priced at the VWAP of the 10-month period ending on the day preceding the date of the conversion notice.

In 2025, the Operator of the Concession (joint operations) finalised approximately MAD 225.5 million debt facility from a local bank in Morocco to partially fund the mLNG project capital expenditure. The Company, through its wholly owned subsidiary, Sound Energy Meridja Limited which had a 20% interest in the joint operations had been in discussion with the Operator to conclude the terms under which the Company was to access up to MAD 50.5 million of the facility. The utilised facility of approximately £2.9 million as at 30 June 2026 is included in the liabilities of disposal group held for sale at 30 June 2026.

Following post period completion of the sale of Sound Energy Meridja Limited (SEML) and exit from the Anoual and Grand Tendrara exploration permits as described in note 12, all the Company's loans and borrowings were repaid.

10. Discontinued operations

In May 2026, the Company announced that it had entered into a binding sale and purchase agreement with Managem SA for the divestment of the Company's 20% interest in the Tendrara Production Concession in Morocco by way of the disposal of Sound Energy Meridja Limited (SEML) for aggregate proceeds of $57.0 million (subject to working capital adjustments). In addition, the Company announced the relinquishment of its 27.5% interest in the Anoual Exploration Permit and the waiving of any subsisting rights in the Grand Tendrara Exploration Permit. Post period, the transaction completed in August 2026.

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

	Six months ended 30 June 2026 Unaudited £'000s	Six months ended 30 June 2025 Unaudited £'000s	Year ended 31 December 2025 Audited £'000s
Other income	**835**	–	287
Operating expenses	**(791)**	–	(261)
Gross profit	**44**	–	26
Administrative costs recovery/(expense)	**146**	–	(191)
Operating loss from discontinued operations	**190**	–	(165)
Foreign exchange gain	**83**	–	–
Finance costs recovery/(expense)	**792**	893	(727)
Profit/(loss) for the period before taxation from discontinued operations	**1,065**	893	(892)
Tax expense	**–**	–	–
Profit/(loss) for the period after taxation from discontinued operations	**1,065**	893	(892)

10. Discontinued operations (continued)

The major classes of assets and liabilities of the discontinued operations classified as held for sale as at 30 June 2026 were as follows:

	30 June 2026 Unaudited £'000s
Assets	
Property, plant and equipment	16,075
Intangible assets	1,111
Inventories	97
Deferred consideration and other receivables	21,363
Cash and short term deposits	1
Assets of disposal group held for sale	38,647
Liabilities	
Trade and other payables	2,908
Liabilities of disposal group held for sale	2,908
Net assets	**35,739**

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

	Six months ended 30 June 2026 Unaudited £'000s	Six months ended 30 June 2025 Unaudited £'000s	Year ended 31 December 2025 Audited £'000s
Net cash flow from operating activities	601	1,879	2,171
Net cash flow from investing activities	(1,363)	(1,147)	(3,456)
Net cash flow from financing activities	–	–	2,741
Net cash inflow/(outflow)	(762)	732	1,456

11. Shares in issue

In February 2026, the Company shareholders approved a capital reorganisation to consolidate 10 ordinary shares into one new ordinary share (excluding 2,180,000 sanctioned shares) and reset the nominal share price from 1.0 pence share to 0.1 pence per share. Each of the consolidated ordinary share was subdivided into one new ordinary share of 0.1 pence each and one deferred share of 9.9 pence each. Each of the new ordinary share will carry the same rights as previously existing ordinary shares and each deferred share will have very limited rights. The share consolidation reduced the number of existing ordinary shares in issue from 2,080,622,672 ordinary shares to 207,844,268 ordinary shares and 2,180,000 sanctioned shares making a total of 210,024,268 shares.

From the date of the consolidation to 30 June 2026, the following ordinary shares were issued:

In March 2026, the Company issued 8,310,198 ordinary shares following conversion into ordinary shares, of £568,750 accrued interest on convertible bonds.

In March 2026, the Company issued 10,000,000 ordinary shares at 5 pence per share following an equity placing.

In June 2026, the Company issued to a director of the Company 774,094 ordinary shares of 0.1 pence per share following the exercise of nil-cost options.

12. Post balance sheet events

In August 2026, the Company announced the completion of the disposal of Sound Energy Meridja Limited and exit from the 27.5% interest in the Anoual and Grand Tendrara Exploration permits. The sale proceeds were $57.0 million (prior to working capital adjustments), and a substantial part of the proceeds was utilised to repay all the Company's outstanding debt. The loans and borrowings repaid including, where applicable, capitalised and accrued interest up to the date of repayment comprised: $20.3m paid to Afriquia Gaz, €1.6 million term loan facility and €17.3 million EUR secured bonds. The joint operations partner facility was included as part of the working capital adjustments to the sale proceeds of $57.0 million.

Sound Energy plc
Shareholder Information

Dealing Information

Stock code – SOU.LN

Financial Calendar
Meetings
Annual General Meeting – June 2026

Announcements
2026 Interim – September 2026
2026 Preliminary – March 2027

Addresses

Registered Office
Sound Energy plc
20 St Dunstan's Hill
London
EC3R 8HL

Business Address
Sound Energy plc
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

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