

Nostrum Oil & Gas PLC

Interim financial report

For the six months ended 30 June 2025 ("H1 2025")

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Interim management report

For the six months ended 30 June 2025 ("H1 2025")

Business review

Some of the statements in this interim financial report are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of the Group or its officers with respect to various matters. When used in this document, the words "expects," "believes," "anticipates," "plans," "may," "will," "should" and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual outcomes to differ materially from those suggested by any such statements.

Overview

Nostrum Oil & Gas PLC (the "Company" and together with its subsidiaries the "Group" or "Nostrum") is an independent mixed-asset energy company with world-class gas processing facilities and export hub in north-west Kazakhstan. Nostrum, through its indirectly wholly-owned subsidiary Zhaikmunai LLP, is currently the owner and operator of the Chinarevskoye oil and gas condensate field in Kazakhstan (the "Chinarevskoye Field"). In addition, Nostrum owns an 80% stake in Positiv Invest LLP, which holds the subsoil use rights for the "Kamenskoe" and "Kamensko-Teplovsko-Tokarevskoe" areas in the West Kazakhstan region (the "Stepnoy Leopard Fields").

Chinarevskoye Field and reserves

The Group's primary producing field and licence area, which has been the Group's primary source of production to date, is the Chinarevskoye Field located in the northern part of the oil-rich Pre-Caspian Basin. The Chinarevskoye Field, approximately 274 square kilometres in size, is located in the West-Kazakhstan Oblast, near the border between Kazakhstan and Russia, and close to the main international railway lines in and out of Kazakhstan as well as to several major oil and gas pipelines.

The Group carries out its activities in accordance with the Contract for Additional Exploration, Production and Production-Sharing of Crude

Hydrocarbons in the Chinarevskoye Field (the "PSA") dated 31 October 1997 between the State Committee of Investments of the Republic of Kazakhstan and Zhaikmunai LLP in accordance with the license MG No. 253D.

Chinarevskoye Field is a multi-layer structure with 17 reservoirs and 53 compartments spread over three areas. Commercial hydrocarbons have been found in the Lower Permian, Bashkirian, Bobrikovski, Tournaisian, Frasnian, Mullinski, Ardatovski, and Biyski-Afoninski reservoirs.

Group management provided an estimate of the Chinarevskoye Proven, Probable and Possible reserves as at 31 December 2024, which was internally prepared under the guidelines set forth in the 2018 Petroleum Resources Management System and was not subject to an external audit as no material change in the reserves development was made.

Total estimated 2P (Proven and Probable) reserves were 18 mmboe as at 31 December 2024, requiring 13 CAPEX interventions, with an additional 10 OPEX well interventions for production maintenance.

Stepnoy Leopard Fields and reserves

The Group's activities on the Stepnoy Leopard Fields are carried out by Positiv Invest LLP, which has 100% subsoil use rights under the contract No.25 dated 3 March 1995, for the assessment, development and production of hydrocarbons (hereinafter referred to as "Contract No.25").

The Stepnoy Leopard Fields are located approximately 60-120 km west of Nostrum's Chinarevskoye Field and within 10 km of its oil and condensate loading terminal. The Stepnoy Leopard Fields consist of two licences, covering eight hydrocarbon-bearing structures. Reserves have been identified for only five structures (four eastern – Artinskian reservoir and Kamenskoye – Kalinovski reservoir), while the three western

structures only hold resources. The reservoirs are carbonate formations, characterised by a high degree of reservoir properties heterogeneity and partially high fracture permeability.

The Competent Person's Report on the Stepnoy Leopard Fields (the "SL CPR") shows 138 mmboe gross proved and probable gross reserves (80% working interest) and representing material value creation of approximately US\$220 million of after-tax net Nostrum NPV10 at 34% IRR, and a substantial driver for increasing shareholder and investor returns.

In addition, the remaining large discovered, proven un-developed contingent resource base

(2C) of 67 mmboe gross across the Stepnoy Leopard Fields represents a significant potentially commercial opportunity. Future subsurface work is also planned to identify deeper exploration and prospective resources.

On 3 April 2025, the Ministry of Energy of the Republic of Kazakhstan approved a phased, full-field development plan (the "FDP") extending until 2044, which allows the Group to proceed with confidence towards field development. This milestone is aligned with the Company's strategy to maximise utilisation of its 4.2 billion cubic metres raw gas processing facilities.

Processing third-party volumes

In December 2023 Nostrum commenced processing third-party hydrocarbons delivered by Ural Oil & Gas LLP ("Ural O&G") from the Rozhkovskoye field, which is situated less than 20 km from the Chinarevskoye Field. Ural O&G is jointly owned by KazMunaiGas ("KMG") (50%), MOL (27.5%) and Sinopec (22.5%).

According to MOL 158.8 mmboe of gas and condensate are expected to be recoverable from the Rozhkovskoye field; this includes 101.5 mmboe of gas and 57.3 mmboe of condensate, based on the Kazakhstan State Balance Reserves Report.

According to KMG, 0.53 billion cubic metres of raw gas feed is expected from Ural O&G in 2025.

In March 2025, Zhaikmunai LLP entered into a binding agreement with Ural O&G to extend the processing of the hydrocarbons on new terms, until May 2031. A new fixed processing fee structure across all products strengthens cash-flows, supports plant operations and increases the utilisation of Nostrum's world-class processing facilities.

Business review (continued)

Infrastructure

With its world-class infrastructure and processing hub, Nostrum is well positioned to become a major third-party gas processor. The Company's key operational facilities include:

- Gas treatment facility (GTF) which includes three gas treatment units (GTU 1, 2 & 3) with a total capacity to treat 4.2 billion cubic metres of raw gas per annum and produce condensate, LPG and dry gas with a by-product of granulated sulphur;
- The oil treatment facility (OTF) with a maximum throughput capacity of 400,000 tonnes of crude oil per annum;
- Gas Lift system (GL) is designed to enhance oil and gas-condensate production. GL consists of three gas-lift compressors with a capacity of 54,000 standard cubic metres per hour. Currently, the compressors are running at ca. 46,000 standard cubic meters per hour. Full capacity will be achieved once the Low Pressure capacity upgrade is implemented;
- Low-pressure system (LPS) to facilitate the reduction of the GTF inlet pressure from 42 to 8 bar, to prolong the run-life of wells, primarily gas-condensate. Installed capacity

of gas compression is 48,000 standard cubic meters per hour with 15 wells flowing through the low-pressure system as at 30 June 2025. The LPS upgrade is scheduled for completion in September 2025. This project includes increasing capacity by utilizing spare GTU-3 compressors, made possible through a newly constructed LPS pipeline connecting GTU-1/2 and GTU-3. Additionally, debottlenecking of GTU-1/2 will be achieved by upstream splitting of the Chinarevskoye and Ural O&G feedstocks.

- Gas-fired power generation plant linked to the GTF with an output of 26 megawatts electrical power, which is sufficient to meet the existing and the maximum future need. Backup generation capacity of up to 15 megawatts is available at the processing facilities;
- Storage capacity for over 35,000 cubic metres of liquids at the field site and rail loading terminal;
- 17-km dry gas pipeline which is connected to the Orenburg-Novoposkov gas pipeline, which is sufficient to export the entire dry gas volumes produced at GTF maximum production capacity;

- 120-km liquids pipeline that runs from the Chinarevskoye processing facilities to the Company's rail loading terminal in Beles (near Uralsk). The pipeline has a maximum throughput capacity of 3,500 tonnes per day;
- Automated rail loading terminal at Beles (near Uralsk), that receives all produced crude oil and condensate and has a capacity of 5,000 tonnes per day;
- Secondary crude oil pipeline enabling export sales from rail loading terminal via the Atyrau-Samara export pipeline operated by KazTransOil (KTO). The connection to the KTO pipeline has enhanced the Company's ability to maximise crude oil netbacks through the commodity cycle;
- In 2024, the Sulphur Recovery Unit was modified to handle higher H₂S levels, making it suitable for processing third-party gas such as Ural O&G. With these upgrades, H₂S can now be processed using either the direct oxidation method or the Claus process.
- Other facilities include multiple oil gathering and transportation lines, warehouse and storage facilities, an employee field camp.

Products and sales

Nostrum produces crude oil, condensate, LPG, dry gas and granulated sulphur. In addition, from December 2023 the Group commenced processing third-party hydrocarbons.

The Group sells crude oil, gas condensate and LPG under agreements priced by reference to Platt's and/or Argus' index quotations and adjusted for freight, insurance and quality differentials where applicable. Crude oil domestic sales are

conducted typically at a discount of over 50% from Brent. The Group sells dry gas under the agreement with Brent-based price formula agreed until 30 June 2027.

The Group exports 100% of its condensate by railcar to various destinations including Mediterranean, Uzbekistan and Afghanistan.

As per PSA guidelines, the Group ensures that a minimum of 15% of our crude oil is sold

domestically. During H1 2025, all exported crude oil volumes were sold through the KTO pipeline.

Chinarevskoye LPG is shipped to various final destinations in Poland, Latvia, Bulgaria, Uzbekistan and Tajikistan. LPG produced from Ural O&G feedstock is sold domestically.

The Group's dry gas is sold domestically to JSC National Company QazaqGas.

Market review

With its assets located in the Pre-Caspian Basin close to the Russian border and in close proximity to some of the most significant hydrocarbon resources in the FSU, the Group has the advantage of access to multiple export markets, as well as labour and specialist equipment providers.

Since the start of the conflicts in the Middle East and U.S. tariff tensions, Brent prices have been volatile amid potential geopolitical impact on supply and concerns of slowing global growth. The geopolitical factors have led to significant fluctuations in oil prices and market uncertainty.

Due to the ongoing conflict between Russia and Ukraine, the US, UK and EU are regularly imposing

new sanctions packages aimed at weakening Russia's ability to finance the war and specifically targeting the political, military and economic elite responsible for the invasion (the "Sanctions").

Nostrum is committed to complying with the Sanctions. The Company follows external legal advice on sanctions compliance, regularly updates lists of sanctioned persons and entities, terminates relationships affected by sanctions, inquires with commercial partners to mitigate risks, analyses sanctions restrictions on the sale, export or shipment of products and consults with legal counsel as need.

In late 2022 the Group of Seven countries – the United States, Canada, Britain, Italy, France, Germany and Japan – together with the European

Union and Australia imposed a cap of US\$60-per-barrel on the sale of Russian oil on a free-on-board basis, seeking to reduce Russia's revenue from seaborne oil exports as part of sanctions.

Consequently, in 2022 there was a US\$35-40 per barrel gap between Urals blend and Brent, which has narrowed to approximately US\$12 per barrel in 2024 and US\$10.7 per barrel in H1 2025. The spread would have had substantial negative impact on the Company's revenues, if not addressed actively by management to mitigate these risks related to the secondary effects of the Russian invasion of Ukraine.

Strategic initiatives

Nostrum's core strategy is to create value for its stakeholders by commercializing its infrastructure, with a focus on utilizing spare capacity through processing third-party hydrocarbons and expansion of its upstream asset base.

During H1 2025 we made a substantial progress by obtaining approval from the Kazakhstan's Ministry of Energy for a phased Stepnoy Leopard FDP extending until 2044.

In addition, we entered into a binding agreement with Ural O&G to extend the processing of the hydrocarbons on new terms, until May 2031. We continue to internally evaluate a range of scenarios for connecting nearby fields to our 4.2 bcma processing facilities. One of such opportunities is a potential connection to the giant Karachaganak field, which is located approximately 100 km south of our field site, and plays a key role in country's energy security and its energy transition goals. According to KPO, in 2023 Karachaganak produced over 22 bcm of gas, of which over 12 bcm were re-injected into a reservoir.

The transition to natural gas is a pivotal step in Kazakhstan's low-carbon development strategy. As a cleaner fossil fuel, natural gas serves as a bridge toward a more sustainable energy mix, offering lower emissions than coal and oil while aligning with the global shift toward cleaner energy solutions. Utilising existing infrastructure, such as the Nostrum GTF, is key to addressing Kazakhstan's gas supply deficit. Nostrum alone could reduce the shortfall by 4 bcm annually, significantly supporting the country's energy needs.

Business strategy

Nostrum operates as a closely integrated team across all disciplines, committed to delivering excellence throughout the entire value chain. We take our corporate, social, and ecological responsibilities seriously and we are dedicated to the health, safety, and well-being of our employees and contractors.

The Company focuses on unlocking the full potential and value of its assets through the prism of the following strategic pillars:

	<u>Developing upstream potential</u>	<u>Pursuing new gas processing opportunities</u>	<u>Managing our capital allocation</u>	<u>Focusing on ESG performance</u>
<u>Strategic pillars</u>	We remain confident in our long-term growth strategy, while broadening our opportunities with investments in future growth and continuous improvement of our portfolio in the industry.	We have developed multiple scenarios to commercialise the spare capacity in our worldclass gas processing facilities. Nostrum is well-positioned to become a major gas processor in the region, concentrating on opportunities that offer a favourable risk/reward balance.	We are building a cost-conscious culture to support our growth ambitions, striving to improve our balance sheet and focusing on cash flow growth through disciplined capital and cost management.	Strong ESG performance focus: contributing to the transition to cleaner energy. Strengthening of corporate governance with highly experienced Board of Directors.
<u>Priorities</u>	<p>The key priorities for the remainder of 2025:</p> <ul style="list-style-type: none"> Progress limited-scale drilling programme and continue execution of the most optimal well workovers at our Chinarevskoye Field, on time and within budget. Commence the initial development phase for the Stepnoy Leopard Fields. 	<p>The key priorities for the remainder of 2025:</p> <ul style="list-style-type: none"> Advancing ongoing discussions with third parties interested in supplying raw gas to take advantage of the Group's gas processing capacity. Continue processing of Ural O&G volumes and ensure operational readiness for increased raw gas supplies from Ural O&G and supporting the installation of fiscal metering. 	<p>The key priorities for the remainder of 2025:</p> <ul style="list-style-type: none"> Continue to challenge costs. Evaluate all sales routes to maximise profitability. Assess the opportunities and their ranking for the most efficient allocation of capital to maximise stakeholder returns. Advance discussions with bondholders in relation to restructuring of the bonds (maturity date June 2026). 	<p>The key priorities for the remainder of 2025:</p> <ul style="list-style-type: none"> Safe operations and care for the environment. Fulfilment of the social responsibility. Transparency with all stakeholders by enhancing ESG Reporting. Active involvement of the Board in the transformation/transition.
<u>Risks and Uncertainties</u>	<p>The key risks and uncertainties for the remainder of 2025:</p> <ul style="list-style-type: none"> Significant subsurface uncertainties and risks could negatively impact drilling and workover campaigns. Impact of equipment failure. At low production levels, unexpected sub-surface events could severely impact Group's operating cashflow. Delay in commencement of Stepnoy Leopard Fields development. 	<p>The key risks and uncertainties for the remainder of 2025:</p> <ul style="list-style-type: none"> Ongoing negotiations with various parties are complex and commercially sensitive, and there can be no certainty that agreement with reached. Delays in installation of fiscal metering by Ural O&G causing a delay in the increase of raw gas supplies. 	<p>The key risks and uncertainties for the remainder of 2025:</p> <ul style="list-style-type: none"> Sustained higher commodity prices can lead to cost inflation in Kazakhstan. Challenges in attracting additional capital for execution of prospective opportunities. Requirement for capex spend in accordance with license terms. Uncertainties around the timing and terms of bond restructuring. 	<p>The key risks and uncertainties for the remainder of 2025:</p> <ul style="list-style-type: none"> Legal framework for environmental protection and operational safety still being developed in Kazakhstan. The Group's operations are subject to hazards and risks common in its industry. Lack of adequate controls and policies, or a failure of those to operate effectively.

Business review (continued)

Operational performance

Production and field development

During the first half of 2025, daily titled production (i.e. final products processed and owned by Nostrum), averaged 16,974 boepd. This is a 39% increase compared with the first half of 2024 (12,220 boepd). The increase is primarily attributed to ramp up of the production by Ural Oil & Gas LLP, which contributed to increase in Nostrum's titled production and processed volumes.

Chinarevskoye drilling programme

The Company is planning a limited-scale drilling campaign starting from mid-August. This campaign will focus on high-value subsurface opportunities and will also ensure compliance with license commitments. In addition, the Company plans to optimise the utilisation of the workover unit to minimise production decline.

Stepnoy Leopard fields

The Company secured approval from Kazakhstan's Ministry of Energy for phased FDP for the Stepnoy Leopard Fields, enabling optimized capital deployment, which allows the Group to proceed towards field development. This marks a key milestone in advancing the commercial potential of the upstream asset. As part of the ongoing progress, the Company continues to advance design and engineering works.

Processing of Ural O&G products

Throughout H1 2025, the Company continued processing raw gas and condensate volumes from Ural O&G, significantly contributing to the increases in titled production and processed volumes.

In March 2025 the agreement for the processing hydrocarbons from Ural O&G was extended on new terms until May 2031. According to KMG, 0.53 bcm of raw gas production is expected from Ural O&G in 2025.

Sustainability

Sustainability has been a primary focus for Nostrum since its inception. By focusing on health and safety, our people, social responsibility, and the environment, we can advance our sustainability agenda. Within each focus area, we establish actionable activities and projects that are monitored by all levels of management and the board. Some of the achievements related to sustainability in H1 2025 include:

- Zero fatalities during operations to employees and contractors.
- Zero Lost Time Injury Rate (incidents per million man-hours) ("LTI").
- Total Recordable Incidents Rate (incidents per million man-hours) of 1.3.
- 2,236 tonnes of air emissions emitted in H1 2025 against 5,188 tonnes permitted for 2025 under the Kazakhstan Environmental Code.

Material events

Ural Oil & Gas contract extension

Refer to Overview section above for details.

Stepnoy Leopard FDP approval

Refer to Overview section above for details.

Shares Cancellation, Change in Total Voting Rights

Pursuant to the terms of the restructuring, which was approved by the court on 26 August 2022, the following post-reporting date events occurred:

On 4 April 2025, the Company cancelled 4,136,578 ordinary shares of £0.01 each. As a result, the issued share capital now comprises 165,244,983 ordinary shares, each carrying one vote. The Company holds no treasury shares in its own name.

On 7 April 2025, the Company cancelled 5,628,000 outstanding Senior Secured Notes (SSNs) and 9,629,836 Senior Unsecured Notes (SUNs), together "the Notes". Subsequently, US\$1.1 million of relevant coupon was refunded to the Company.

Delayed bondholder interest payments

The Group was required by 30 June 2025 to have paid accrued interest in accordance with the terms and conditions of the Notes. The due interest has not been paid, and as of 30 July 2025 such default has become an "Event of Default" (as defined in the conditions of the Notes) relating to the unpaid interest on the Notes due by 30 June 2025 (the "Interest EOD").

The delay continues to be a result of a payment administration issue which currently does not permit the Group to make a payment on the Notes, including payment-in-kind interest, through the clearing systems without additional regulatory licenses related to sanctioned bondholders and/or custodians.

The delay in the interest payments does not reflect any issue of the Group's solvency or liquidity. All underlying funds for making the interest payments are available and secured.

The Group is preparing to make payments to holders of the Notes as soon as possible in compliance with all applicable rules and regulations, including seeking applicable regulatory licenses. In addition, the Group is in the process of launching a noteholder consent solicitation and is reasonably confident that it will receive the necessary votes to waive the Interest EOD.

Financial review

Results of operations for the six months ended 30 June 2025 and 2024

The table below sets forth the line items of the Group's interim condensed consolidated statement of comprehensive income for the six months ended 30 June 2025 and 2024 in US Dollars and as a percentage of revenue.

In thousands of US Dollars	For the six months ended 30 June			
	2025	% of revenue	2024	% of revenue
Revenue	64,102	100.0%	65,291	100.0%
Cost of sales	(39,690)	61.9%	(34,846)	53.4%
Gross profit	24,412	38.1%	30,445	46.6%
General and administrative expenses	(7,082)	11.0%	(6,968)	10.7%
Selling and transportation expenses	(6,105)	9.5%	(6,627)	10.1%
Taxes other than income tax	(5,272)	8.2%	(7,440)	11.4%
Finance costs	(67,075)	104.6%	(55,456)	84.9%
Foreign exchange (loss) / income, net	(39)	0.1%	(55)	0.1%
Interest income	2,333	3.6%	3,760	5.8%
Other income	16,792	26.2%	900	1.4%
Other expenses	(20,108)	31.4%	(4,227)	6.5%
Loss before income tax	(62,144)	96.9%	(45,670)	69.9%
Income tax expense	(4,587)	7.2%	(2,492)	3.8%
Loss for the period	(66,731)	104.1%	(48,162)	73.8%
Currency translation difference	40	0.1%	2	0.0%
Total comprehensive loss for the period	(66,691)	103.0%	(48,160)	73.8%

During H1 2025, the increase in the total comprehensive loss to US\$66 million from US\$48.2 million during six months ended 30 June 2024 ("H1 2024"), was due to:

- The US\$4.9 million cost of sales increase, primarily driven by a higher depreciation charge, resulting from the US\$86.7 million impairment reversal recorded as at 31 December 2024.
 - The US\$11.6 million increase in finance costs driven by the higher amortisation of the US\$174.4 million fair value adjustment on borrowings recorded in 2023.
 - The US\$15.9 million increase in other income mainly driven by the cancellation of US\$5.6 million SSNs and US\$9.6 million SUNs in April 2025.
 - The US\$15.9 million increase in other expenses mainly driven by the payments under the management incentive plan.
- Further detailed analysis of current period financial performance is provided below.

Revenue

The Group's revenue decreased by US\$1.2 million or 1.8% in H1 2025 compared to H1 2024. The increase in titled production and processed volumes from Ural O&G feedstock had a positive impact on revenues. However, this was offset by a natural decline in production at the Chinarevskoye field and a 16% decrease in the average Brent crude oil price (US\$71.92/bbl in H1 2025 vs US\$83.70/bbl in H1 2024).

The increase in sales volumes from 1.9 mmbbl in H1 2024 to 2.8 mmbbl in H1 2025 is linked to the additional volumes of dry gas and LPG produced from the raw gas purchased from Ural O&G. The difference between titled production and sales volumes is primarily due to the internal consumption of dry gas produced and timing of product deliveries, which leads to inventory increases or decreases at period end.

Pricing of the Group's products is, directly or indirectly, related to the price of Brent crude oil.

Group revenue breakdown by product types:

In thousands of US Dollar	For the six months ended 30 June			
	2025	2024	Variance	Variance, %
Revenue from oil and gas condensate sales	37,936	49,009	(11,073)	(22.6%)
Revenue from gas and LPG sales	17,159	12,353	4,806	38.9%
Third-party hydrocarbon tolling fees	8,960	3,929	5,031	128.0%
Revenue from sulphur sales	47	–	47	100.0%
Total revenue	64,102	65,291	(1,189)	(1.8%)
Average Brent crude oil price (US\$/bbl)	71.9	82.2	(10.2)	(12.4%)

Group revenue breakdown by export and domestic sales destinations:

In thousands of US Dollar	For the six months ended 30 June			
	2025	2024	Variance	Variance, %
Revenue from export sales	36,419	52,696	(16,277)	(30.9%)
Revenue from domestic sales	27,683	12,595	15,088	119.8%
Total revenue	64,102	65,291	(1,189)	(1.8%)

The decrease in export sales revenue is explained by the impact of lower average Brent price during H1 2025 combined with the timing of domestic and export sales shipments. The substantial increase in domestic sales was driven by the additional volumes of dry gas and LPG produced from the raw gas purchased from Ural O&G.

Group sales volumes by products and production volumes:

In boe	For the six months ended 30 June			
	2025	2024	Variance	Variance, %
Oil and gas condensate sales volumes	822,873	761,383	61,489	8.1%
Gas and LPG sales volumes	1,992,554	1,145,071	847,482	74.0%
Total sales volumes	2,815,427	1,906,455	908,972	47.7%
Production volumes	3,072,110	2,224,034	848,076	38.1%

Financial review (continued)

Cost of sales

In thousands of US Dollars	For the six months ended 30 June			
	2025	2024	Variance	Variance, %
Depreciation, depletion and amortization	16,279	12,835	3,444	26.8%
Payroll and related taxes	8,163	9,433	(1,270)	(13.5%)
Materials and supplies	5,556	3,900	1,656	42.5%
Repair, maintenance and other services	4,089	3,885	204	5.3%
Transportation services	1,536	1,714	(178)	(10.4%)
Well repair and maintenance costs	2,961	2,158	803	37.2%
Environmental levies	131	93	38	40.9%
Change in stock	581	220	361	164.1%
Other	394	608	(214)	(35.2%)
Total	39,690	34,846	4,844	13.9%
Cost of sales per boe sold	14.1	18.3	(4.2)	(22.9%)
Opex* per boe processed	5.1	8.0	(2.9)	(36.9%)

* Opex stands for operating costs, calculated as the cost of sales excluding DD&A and change in stock.

Overall cost of sales in H1 2025 increased by US\$4.8 million or 13.9% compared to H1 2024.

Both cost of sales per boe sold and opex per boe processed decreased in H1 2025 compared to H1 2024, mainly due to the increase in processed and sales volumes as a result of additional dry gas and LPG produced from raw gas supplied by Ural O&G, as described above.

The net increase in cost of sales was mainly driven by:

- Higher DD&A due to the US\$86.7 million impairment reversal recognised as at 31 December 2024, which increased the book value of fixed assets by approximately 30%.
- An increase in cost of materials and supplies costs, which is mainly driven by the increased volumes of raw gas purchased from Ural O&G.
- An increase in well repair and maintenance costs as a result of the Group's active well workover & maintenance efforts to sustain productivity of the wells.
- A decrease in payroll and related taxes reflects internal resource allocation and the net impact of a 12% devaluation of the Kazakh Tenge compared to H1 2024. This decrease was partially offset by an annual wage indexation of 8.6%, effective from 1 January 2025.

General and administrative (G&A) expenses

In thousands of US Dollars	For the six months ended 30 June			
	2025	2024	Variance	Variance, %
Payroll and related taxes	3,682	3,877	(195)	(5.0%)
Professional services	2,301	2,120	181	8.5%
Insurance fees	230	236	(6)	(2.5%)
Business travel	295	243	52	21.4%
Short-term leases	58	71	(13)	(18.3%)
Communication	78	88	(10)	(11.4%)
Depreciation and amortisation	184	97	87	89.7%
Materials and supplies	61	56	5	8.9%
Bank charges	14	15	(1)	(6.7%)
Other	179	165	14	8.5%
Total	7,082	6,968	114	1.6%
G&A per boe processed	1.6	2.6	(1.0)	(38.1%)

General and administrative expenses remained relatively stable during the H1 2025 reflecting effective cost control measures, which successfully offset the impact of inflation and indexation adjustments.

G&A per boe processed decreased in H1 2025 compared to H1 2024, mainly due to the increase in processed volumes as a result of additional raw gas supplied by Ural O&G.

Selling and transportation (S&T) expenses

In thousands of US Dollars	For the six months ended 30 June			
	2025	2024	Variance	Variance, %
Transportation costs	2,661	2,615	46	1.8%
Loading and storage costs	1,706	2,201	(495)	(22.5%)
Payroll and related taxes	938	921	17	1.8%
Other	837	890	(53)	(6.0%)
Total	6,105	6,627	(522)	(7.9%)
S&T expenses per boe sold	2.2	3.5	(1.3)	(37.6%)

The net decrease in selling and transportation expenses was due to:

- changes in condensate exports offtake terms, which reduced transport costs offset by a corresponding increase in the condensate sales price discount (reducing revenue).
- increase in transportation costs related to the higher volumes of LPG produced from processing raw gas from Ural O&G.

Interim management report

For the six months ended 30 June 2025

Financial review (continued)

Taxes other than income tax

In thousands of US Dollars	For the six months ended 30 June			
	2025	2024	Variance	Variance, %
Export customs duty	2,941	4,267	(1,326)	(31.1%)
Royalties	1,689	2,371	(682)	(28.8%)
Government profit share	403	598	(195)	(32.6%)
Other taxes	239	204	35	17.2%
Total	5,272	7,440	(2,168)	(29.1%)

Decrease in Export customs duty, Royalties and Government profit share was driven by the combined effects of declining production from the Chinarevskoye field, lower market prices and relatively lower crude oil export volumes

Finance Cost

In thousands of US Dollars	For the six months ended 30 June			
	2025	2024	Variance	Variance, %
Coupon on bonds	29,807	20,671	9,136	44.2%
Amortisation of fair value adjustment and arrangement fees	36,099	33,588	2,511	7.5%
Other finance costs	1,169	1,197	(28)	(2.3%)
Total	67,075	55,456	11,619	21.0%

Increase in finance costs is primarily due to the accelerated amortisation of the fair value adjustment and transaction fees, as determined by the effective interest method applied. These adjustments were recognised on the balance sheet as part of the initial recognition of the SSNs and SUNs.

Additionally, higher balance of the SUNs resulting from the capitalised 13% per annum payment-in-kind (PIK) coupon as at 30 June 2024 and 31 December 2024, contributed to the increase in finance costs.

Interest Income

Interest income decreased by US\$1.5 million, or 39.5%, to US\$2.3 million in H1 2025 (H1 2024: US\$3.8 million). Since January 2024 the Company has been investing surplus cash balances in term deposits and money market funds (MMFs) yielding higher interest rates. Decrease in H1 2025 resulted from a combination of relatively lower interest rates and a lower average cash balance invested due to the temporary utilisation of cash reserves for inter-company debt restructuring in early 2025.

Income tax

Income tax expense increased by US\$2.1 million to US\$4.6 million in H1 2025 (2024 H1: US\$2.5 million). The increase is driven by relatively higher current income tax as a result of the increased income from processing third-party hydrocarbons. In addition, increase in the deferred tax expense resulted from the widening difference between tax and IFRS bases of PP&E, resulting from: a) different depreciation rates and methodologies between tax and accounting treatments and b) foreign exchange rates of the tenge against the US dollar (creating temporary differences as the tax base is fixed in tenge).

Financial review (continued)

Liquidity and capital resources

During H1 2025, Nostrum funded its ongoing activities from the cash generated from operations, and utilised cash reserves only for one-off items. As the Group continues implementing its mixed-asset strategy which is based on diversification of both upstream and midstream business, Nostrum evaluates the right risk/reward for each of the opportunities, before making decisions on capital allocation and requirements for external financing. Further details on the short-term and medium-term liquidity analysis are described in the Going Concern statement.

Cash Flows

The following table sets forth the summary of the Group's consolidated cash flow statement data:

	H1 2025			H1 2024		
	Before one-off items	One-off items	TOTAL	Before one-off items	One-off items	TOTAL
Net cash from / (used in) operating activities	6,213	(16,369)	(10,156)	4,220	–	4,220
Net cash used in investing activities	(1,822)	(3,242)	(5,064)	(1,754)	(13,466)	(15,220)
Net cash from / (used in) financing activities	(143)	1,063	920	(8,181)	–	(8,181)
Effects of exchange rate changes on cash	(186)	–	(186)	9	–	9
Net cashflows for the period	4,062	(18,548)	(14,486)	(5,706)	(13,466)	(19,172)
Cash and cash equivalents at the beginning of the period¹	150,419			161,711		
Cash and cash equivalents at the end of the period¹	135,933			142,539		

¹ Unrestricted cash balance (excludes debt service retention account ("DSRA") and liquidation account funds).

Net cash flows from operating activities before one-off items

Net cash from operating activities before one-off items amounted to US\$6.2 million in H1 2025 (H1 2024: US\$4.2 million cash inflow). Despite slightly lower revenues the increase was achieved due to favourable working capital movements.

Net cash used in investing activities before one-off items

Net cash used in investing activities before one-off items in H1 2025 amounted to US\$1.8 million (H1 2024: US\$1.7 million) and was mainly due to:

- US\$3.5 million (H1 2024: US\$3.4 million) expenditure on various capital repairs and facility upgrades; offset by
- US\$1.9 million interest received from money market funds (2023: US\$2.2 million interest received from term deposits and money market funds).

Net cash used in financing activities before one-off items

Net cash used in financing activities before one-off items in H1 2025 amounted to US\$0.1 million (H1 2024: US\$8.2 million) due to the delayed H1 2025 interest payments on SSNs and SUNs of US\$8.4 million, described in "Material Events" section above.

One-off items in H1 2025

- Operating activities - US\$15.5 million payments under the management incentive plan (MIP) including associated social security payments.
- Investing activities - drilling programmes, with US\$0.5 million spent on the Chinarevskoye field and US\$2.7 million spent on the Stepnoy Leopard fields.
- Financing activities - the US\$1.1 million coupon refunded following the cancellation of SSNs and SUNs, as described above.

One-off items in H1 2024

- Investing activities - US\$13.5 million net cash used in investing activities reflects payments in relation to drilling programmes, with US\$9.6 million spent on the Chinarevskoye field and US\$3.9 million spent on the Stepnoy Leopard fields.

Capital commitments

As at 30 June 2025, the Group had contractual capital commitments in the amount of US\$13.2 million (31 December 2024: US\$11.3 million), mainly in respect of the Group's capital projects including Chinarevskoye Field drilling programme.

Dividend policy

The Group has not paid dividends since 2015, as the Board determined it was not in the Company's best interests to do so. This will be reviewed annually by the Board.

Interim management report

For the six months ended 30 June 2025

Financial review (continued)

Alternative performance measures

In the discussion of the Group's reported operating results, alternative performance measures (APMs) are presented to provide readers with additional financial information that is regularly reviewed by management to assess the financial performance or financial health of the Group or is useful to investors and stakeholders to assess the Group's performance and position.

However, this additional information presented is not uniformly defined by all companies including those in the Group's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Certain information presented is derived from amounts calculated in accordance with IFRS but is not itself an expressly permitted IFRS measure. Such measures should not be viewed in isolation or as an alternative to the equivalent IFRS measure.

EBITDA

EBITDA is a non-IFRS measure and is defined as profit / (loss) before tax and depreciation, depletion and amortisation, share-based compensation, foreign exchange gains / losses, finance costs, interest income, other income, other expenses, and one-off items. This metric is relevant as it allows management to assess the operating performance of the Group in the absence of exceptional and non-cash items.

Operating costs

Operating costs are the cost of sales less depreciation and change in stock. This metric is relevant as it allows management to see the cost base of the Company on a cash basis

EBITDA reconciliation

<i>In thousands of US Dollars</i>	H1 2025	H1 2024
Loss before income tax (as reported under IFRS)	(62,144)	(45,673)
Add back:		
Finance costs	67,075	55,456
Foreign exchange loss / (gain), net	39	57
Interest income	(2,333)	(3,760)
Other income	(16,792)	(900)
Other expenses	21,108	4,230
Depreciation, depletion and amortisation	16,279	12,835
Depreciation and amortisation	184	97
EBITDA	22,416	22,342
EBITDA margin as a % of revenue	35.0%	34.2%

Related parties and related party transactions

The following is a description of the material transactions with related parties to which the Company or its subsidiaries are a party. The Company believes that it has executed all transactions with related parties on terms no less favourable to the Group than those it could have obtained from unaffiliated third parties.

Remuneration of the directors and key management personnel amounted to US\$13,987 thousand for the six months ended 30 June 2025 (H1 2024: US\$1,939 thousand), including payments under the Management Incentive Plan (the "MIP") of US\$12,102 thousand (H1 2024: nil).

In 2024, Nostrum adopted the Management Incentive Plan (the "MIP"), details of which can be found on pages 118–121 of the Company's 2024 Annual Report.

Principal risks and uncertainties

Key risks are reviewed by the Audit Committee and the Board of Nostrum on a regular basis and where appropriate, actions are taken to mitigate the key risks that are identified.

The key risks and uncertainties are unchanged from those disclosed in the Group's 2024 Annual Report. The Group believes that its principal risks and uncertainties for the remaining six months are:

Principal financial risks and uncertainties

Description of risk	Risk management
STRATEGIC RISKS	
Geopolitical factors	
<p>The Group's operations are exposed to risks associated with the political and business environment in Kazakhstan, being the Group's sole country of commercial operations, as well as its neighbouring countries.</p> <p>Nostrum has historically benefited from its geo-strategic position in the heart of an export corridor between Russia and markets to the west of the Caspian, however, the Group remains exposed to the risks of the ongoing economic and political impact on Russia of its actions in Ukraine, being reliant on its transport routes and ports.</p> <p>Ongoing severe sanctions and trade restrictions imposed by, among others, the US, UK and EU on Russia, have increased the economic and political uncertainty and may have a material adverse impact on the Group's business, results of operations, financial condition and prospects.</p>	<p>Nostrum's Senior Management Team is pro-actively engaged with key stakeholders among state authorities to address and resolve any potential issues at early stages. In addition, the Group endeavours to identify legislative changes at early stages before their introduction and to the extent possible participate in the relevant working groups engaged in development of such changes.</p> <p>To mitigate geopolitical, regional and customer risks, the Group continues to strengthen customer relationships through establishing long-term off-take agreements whilst also looking at possibilities to geographically diversify its customer portfolio.</p> <p>The Group has implemented robust internal controls and procedures to ensure compliance with international sanctions on Russian and Belarus individuals, organisations and supplies of goods and services, including the evaluation of counterparties and their banks, contract procedures, and liaising with external legal advisers. The Group regularly updates lists of all persons/entities and products sanctioned in order to ensure Nostrum does not enter into transactions which violate applicable sanctions.</p>
Product price volatilities	
<p>The Group's operations and financial performance are exposed to changes in the market prices for its products driven by external business and political factors, which are outside the Group's control.</p> <p>Oil and gas prices are subject to volatility due to a variety of factors beyond the Group's control. Factors affecting crude oil prices include supply and demand fundamentals, global geopolitical events, production quotas set by OPEC and non-OPEC producers.</p> <p>Since the domestic selling price of dry gas is directly dependent on the price of crude oil and the price of oil is volatile, the Company could also face volatility in the price of dry gas. Also, the Group could be compelled by governmental authorities, to sell its oil, condensate, LPG and gas domestically at prices determined by the RoK Government, which could be significantly lower than prices which the Group could otherwise achieve.</p> <p>Lower oil and gas prices may reduce the economic viability of the Group's operations and proposed operations and materially adversely affect its business, results of operations, financial condition and prospects. In particular, the Group's ability to produce economically from the Chinarevskoye Field or any prospective fields will be determined, in large part, by the difference between the revenue received for its products and the operating costs, taxation costs, royalties and costs incurred in transporting and selling those products.</p>	<p>The Group quarterly revisits the product price assumptions used in its short-term, medium-term and long-term financial models, and performs stress testing of such forecasts to fluctuations in product prices and these are monitored by senior management and the Board.</p> <p>The Group continues to take prudent actions to protect liquidity, including identifying reductions in operating costs, general and administrative, and selling and transportation costs that could be implemented without having a negative impact on production or operations in the going concern period.</p> <p>Senior management constantly monitors the Group's exposure to foreign currency exchange rate changes and makes plans for necessary measures. In addition, the Group maintains its relationships with multiple financial institutions should it need to implement commodity price hedging contracts. No such contracts were entered into in H1 2025.</p>

Principal risks and uncertainties (continued)

Description of risk	Risk management
<p>Filling the spare gas processing capacity</p> <p>The Chinarevskoye field is a mature declining asset with a proved and probable reserves base at a level that will produce volumes of hydrocarbons including raw gas sufficient to utilise less than 15 percent of capacity available at the Group's gas treatment facilities, which have a combined 4.2 billion cubic meters capacity per annum.</p> <p>The Company is therefore reliant on acquiring and developing nearby assets with significant resource potential and/or processing third party gas through its processing facilities to continue to produce free cash flows and build sufficient cash reserves to repay future indebtedness. The ability to negotiate and secure these strategic acquisitions is highly uncertain and the ability to fund the development of such projects, the costs of which may be substantial and require external funding, may not materialise.</p> <p>Oil and gas exploration and production activities are capital intensive and subject to financing limitations and inherent uncertainty in their outcome. Further, significant expenditure is required to establish the extent of oil and gas reserves through seismic re-processing and mapping, other surveys as well as drilling.</p> <p>Therefore, there can be no certainty that further commercial quantities of oil and gas will be discovered at Chinarevskoye or acquired by the Group to enable it to utilise the spare capacity in its treatment facilities.</p>	<p>The Group's mixed-asset strategy is aimed at diversification of its sources of feed stock to the processing facilities, which is expected to provide the Group with an opportunity to gain from expanding the use of available capacities, technological resources and human capital, and ultimately benefit from its underutilised infrastructure.</p> <p>The GTU-3 plant was upgraded and prepared to receive future gas supplies. Throughout H1 2025, GTU 1-2-3 gas processing facilities operated simultaneously, processing inlet gas from the Chinarevskoye field and Ural O&G gas from the Rozhkovskoye field. By implementing GTU-3's deep gas treatment process (utilising a Turbo Expander), LPG recovery was substantially increased. The flexibility to switch operations between GTU 1-2-3 units improved the overall uptime of the processing facility.</p> <p>The Sulphur Recovery Unit upgrade was completed in 2024. With this enhancement, the Sulphur recovery facility can operate using either the direct oxidation method or the Claus process, thus allowing for the treatment of inlet gases with varying H₂S concentrations. The extension of the granulated Sulphur storage area was completed in H2 2025.</p> <p>The Company secured approval from Kazakhstan's Ministry of Energy for a phased full-field development plan (FDP) for the Stepnoy Leopard fields, enabling optimized capital deployment and targeting production start-up between late 2026 and early 2027.</p> <p>In March 2025 the agreement for the processing hydrocarbons from Ural O&G was extended on new terms until May 2031.</p> <p>Also, the Group has several additional area-wide opportunities under review that may serve to strengthen the Group's upstream and midstream portfolio in the coming years.</p>
OPERATIONAL RISKS	
<p>Oil and gas reserves and production</p> <p>Estimating the value and quantity of economically recoverable oil and natural gas reserves and resources, and consequently the rates of production, necessarily depend upon a number of variables and assumptions, such as ultimate reserves recovery, interpretation of geological and geophysical data, marketability of oil and gas, future product prices, operating costs, development and production costs and workover and remedial costs, all of which may vary from actual results, which would affect the Group's financial performance and achievement of strategic objectives. The re-classifications of significant amounts of reserves from 2P to contingent resources in 2020-2021 were the result of crystallising of such risks.</p> <p>Even if the Group is able to discover or acquire commercial quantities of oil and gas in the future, there can be no assurance that these will be commercially developed. Appraisal and development activities involving the drilling of wells across a field may be unpredictable and may not result in the outcome planned, targeted or predicted, as only by extensive testing can the properties of an entire field be more fully understood.</p> <p>Finally, given that the Chinarevskoye reservoir is a mature and declining asset, the Group has been actively performing well workovers and interventions to reduce the rate of decline of the reservoirs. Such activities, as well as construction, operation and maintenance of surface facilities, are subject to various risks, including the availability of adequate services, technologies and expertise, which may adversely affect the fulfilment of the Group's strategic objectives.</p>	<p>The Group has a department of geologists and reservoir engineers who Perform periodic assessments of its oil and gas reserves in accordance with international standards on reserve estimations and prepare production forecasting using advanced exploration risk and resource assessment systems. The results of the assessments are audited periodically by the Group's independent reserves consultants.</p> <p>For drilling and well workover activities, the Group engages skilled personnel and leading service suppliers, as well as employing internationally accredited operations and cost monitoring systems, based on which management oversees the work progress. The Group continued its well workover and intervention programme in H1 2025 and plans to increase these activities in H2 2025 by utilising the workover unit more effectively. Additionally, it will continue its rigless operations for well maintenance purposes to minimising production decline.</p> <p>For 2025, the Company's Board of Directors have approved further drilling in the Chinarevskoye field, in line with the licence commitments and field development plan of the Company's subsidiary Zhaikmunai LLP.</p> <p>One well was connected to the gas lift system in H1 2025, however, it had to be shut in due to well integrity issues. Two more wells are planned for connection in H2 2025 to continue benefiting from the gas lift expansion project completed in 2023.</p> <p>Maintenance of wells and surface facilities is scheduled in advance, in accordance with technical requirements, and all necessary preparations are performed in a timely manner ensuring a high quality of work. In addition, the Group has emergency response and disaster recovery plans in place and periodically conducts necessary training and testing procedures.</p>
<p>Cybersecurity risks</p> <p>Nostrum may be vulnerable to the unauthorised or inappropriate access to data, or the unlawful use, disclosure, disruption, deletion, corruption, modification, inspection, recording, or devaluation of information. Such cybersecurity failures may significantly adversely affect the Group's operations and financial results through disruptions, shutdowns and delays in production and other activities.</p>	<p>The Group uses several dashboards such as MS Secure and MS Compliance, which monitor security and compliance, and also help to identify areas where security might be enhanced. At the start of employment each new employee is briefed on the Group's Information Security Policy and signs a confidentiality agreement. All mailboxes and data are placed on Microsoft servers with appropriate levels of protection. Passwords have complexity requirement, and double authorisation has been introduced for most users. All data traffic, servers and computers are subject to scanning and protection by anti-virus software. Physical access to data storage is restricted to authorised personnel.</p>

Principal risks and uncertainties (continued)

Description of risk	Risk management
ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS	
Risks of incidents, including risk of explosion	
<p>The Group's operations are subject to hazards and risks common in its industry, including encountering unusual or unexpected rock formations or geological pressures, fires, explosions or power shortages, equipment failures or accidents, premature declines in reservoirs, blowouts, uncontrollable flows of oil, gas or well fluids, or water cut levels, pollution and other environmental risks.</p> <p>Failure to prevent or adequately mitigate these hazards can have a broad range of results, including, but not limited to, injury of employees or local residents, a partial or total shutdown of operations, significant damage to equipment, suspension or withdrawal of licences and relevant sanctions. Any of the above could materially and adversely affect the Group's business, results of operations, financial condition and prospects.</p> <p>It should also be noted that the legal framework for operational safety is not yet fully developed in Kazakhstan and given the changing nature of environmental regulations, there is a risk that the Group will not be in full compliance with all such regulations at all times.</p>	<p>The Group's QHSE policies are periodically revised to ensure compliance with changes and new requirements in this area. Periodic training on the requirements of policies and regulations is held for employees. Nostrum's operations are based on the five QHSE pillars: HSE leadership; rigorous incident investigation; process safety-critical elements identified and maintained; contractor HSE management; and environment and climate change.</p> <p>Monthly QHSE reports are issued to communicate HSE performance. Management KPIs include lost time injury frequency, road traffic injury frequency, total recordable injury frequency and numbers of Hazard Observation Cards submitted as well as managing reduction of GHG emissions from our operations.</p> <p>Through the system of Hazard Observation Cards, employees and contractors report any unsafe conditions observed in the workplace, which helps to ensure their awareness of safe working conditions at all times. All incidents are investigated, their causes identified, and corrective action plans developed.</p> <p>There is a classification of equipment as critical or non-critical. Safety critical elements are devices, equipment or systems that are required to ensure process conditions are maintained within safe operating limits, or the purpose of which is to prevent malfunctioning. For example, devices are installed at well-sites to automatically close the wells in the case of shutdown, preventing blow-down by flaring.</p> <p>Contractor HSE performance is managed by identifying and mitigating risks, setting HSE performance criteria, monitoring, auditing and reporting HSE performance, and subsequently using this information for continuous development and feedback into the process of contractor selection.</p>
Governance risks	
<p>Nostrum adheres to UK corporate governance and reporting requirements. Governance risk factors are usually related to board composition and structure, executive remuneration, internal controls and risk management framework, corporate policies and procedures, risks of corruption and bribery, and others.</p> <p>Lack of adequate controls and policies, or a failure of those to operate effectively, could lead to loss of company resources, non-compliance with regulations, and respective significant fines, penalties, as well as reputational damage.</p>	<p>The Group has established a robust governance framework which covers all aspects of the Group's activities through respective Board committees and functional teams under senior management.</p> <p>The corporate governance framework is supported by an extensive range of policies and procedures covering numerous areas including delegation of authority, inside information disclosure, related party transactions, anticorruption and bribery, anti-facilitation of tax evasion and whistle-blowing, and various other policies and practices related to social and environmental matters described across other sections of the report.</p> <p>Such policies and procedures are designed and implemented to ensure that all required compliance obligations are met.</p>
Environmental risks	
i) Emissions, effluents, and waste management risks	
<p>The Group's operations are subject to environmental risks inherent in oil and gas exploration and production industries. Examples of environmental risks include risks stemming from more intense extreme weather events, rising energy intensity in the oil and gas industry, the changing regulatory landscape, the risk of fugitive emissions and climate change policies driving down demand.</p> <p>Compliance with environmental regulations may make it necessary for the Group, at substantial cost, to undertake measures in connection with the storage, handling, transportation, treatment or disposal of hazardous materials and waste and the remediation of contamination.</p> <p>In addition, the legal framework for environmental protection and operational safety is not yet fully developed in Kazakhstan. Stricter environmental requirements may be adopted in the near future, and the environmental authorities may move towards a stricter interpretation of existing legislation. The costs associated with compliance with such regulations could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.</p>	<p>Nostrum actively manages emissions, effluents, and waste-related risks through related policies, targeted initiatives, and established governance framework.</p> <p>Oversight is provided by the CEO through the HSE and ESG committees, with regular reporting to the Board. GHG emissions management is one of the KPIs, with efforts focused on improving energy efficiency, minimising flaring and leaks, and monitoring emissions.</p> <p>The company reports Scope 1, 2, and disaggregated Scope 3 emissions for transparency. Key initiatives include energy efficiency improvements, waste management, GHG emissions, renewable energy integration, methane mitigation, and an oil spill response plan.</p> <p>The Sulphur recovery unit reduces harmful emissions turning waste into a saleable by-product. Environmental management is further strengthened by emergency response plans, an energy policy, and strict permit compliance. Nostrum annually reports to the CDP Climate Questionnaire, and earned a score of "B" in February 2025, demonstrating its commitment to environmental responsibility.</p>

Principal risks and uncertainties (continued)

Description of risk	Risk management
<p>ii) Water source management risks</p> <p>Nostrum as an Oil & Gas Exploration and Production company requires significant water use, with activities like hydraulic fracturing and enhanced hydrocarbon recovery permanently removing water from the cycle. Growing water scarcity, climate change, and competing demands increase risks, potentially leading to business disruptions, regulatory restrictions, and higher costs. Companies must adopt best practices such as water recycling, alternative sourcing, and treatment technologies to enhance sustainability, compliance, and resilience.</p>	<p>Nostrum takes a proactive approach to managing water-related risks, ensuring sustainable water use and compliance with regulations through a structured environmental and water stewardship framework. The company has a well established Health Safety and Environment Policy that emphasises stakeholder engagement, raising environmental awareness, and continuous improvement through an Environmental Management System.</p> <p>Water management is a key focus, with a dedicated Water Management Policy in place. Effluent management is regularly monitored, with initiatives aimed at reducing, reusing, and recycling wastewater. Any incidents are thoroughly investigated, and corrective measures are implemented as needed.</p> <p>Responsibility for managing water-related risks is assigned at both the senior management and executive levels, reinforcing the company's commitment to responsible water management and ensuring that risk assessment outcomes are integrated into business strategy. The company recognises the physical, regulatory, and reputational risks linked to water use and takes them into account when making strategic decisions.</p> <p>Nostrum also participates in the annual CDP Water questionnaire and received a B score in February 2025, reflecting strong environmental management. Key initiatives include assessing the quality of injection water, improving water treatment processes, and maintaining Emergency Response Plans to mitigate potential risks.</p>
<p>iii) Climate-related risks</p> <p>Nostrum faces climate-related transition and physical risks, including regulatory, technological, market, and reputational challenges. Stricter emissions regulation, carbon pricing, and evolving policies may increase costs and compliance burdens, impacting competitiveness and financing. Technological shifts require high investment, with risks of stranded assets, while reputational pressures could affect stakeholder trust. Kazakhstan's carbon market seeks to systematically transition businesses to low-carbon technologies by gradually reducing free GHG emission quotas and advancing the emissions trading system. Kazakhstan aims to achieve carbon neutrality by 2060 and acknowledges the importance of transitioning from fossil fuels to alternative fuels and energy sources.</p> <p>However, significant uncertainty remains regarding the rate of quota reductions, carbon pricing, and other regulatory mechanisms, making it challenging to establish reliable assumptions for project planning and investment decisions.</p> <p>Additionally, acute and chronic physical risks such as floods, extreme temperatures, and severe weather may disrupt operations, damage infrastructure, and raise costs. Failure to adapt could lead to financial penalties, operational constraints, and reduced long-term viability.</p>	<p>Nostrum manages climate risks through strategic planning, compliance, and operational resilience. To address physical risks, the company integrates climate considerations into risk assessments and strengthens emergency response measures. For policy and legal risks, it ensures compliance through regular monitoring and legal oversight. To mitigate market risks, Nostrum diversifies into gas processing and optimises operations for efficiency. For technology risks, it invests in digitalisation, automation, and emission management. To manage reputational risks, the company maintains transparent climate disclosures and engages with stakeholders to align with regulatory and social expectations.</p> <p>For a more detailed description of the climate-related risks and the company's strategy in this regard, please see the section of the 2024 Annual Report on Climate related Financial Disclosures.</p>
<p>iv) Land use and biodiversity impact risks</p> <p>Nostrum's operations, like much of the oil and gas industry, can impact biodiversity through habitat disruption, land use, and infrastructure development. While individual well sites may be small, the combined effect of multiple sites, roads, and pipelines can put pressure on local ecosystems and wildlife. In some areas, this could contribute to species population declines, leading to tighter regulations and higher compliance costs. Additionally, improper handling of hazardous materials, even in small amounts, can harm wildlife, attract media attention, and result in fines. As environmental expectations grow, Nostrum must actively manage land use and biodiversity risks to minimise its impact and ensure long-term sustainability.</p>	<p>Nostrum actively manages land use and biodiversity risks through structured policies, environmental programmes, and responsible operational practices. Biodiversity considerations are integrated into the company's Environmental Management System, Health, Safety, and Environment Policy, and Waste Management practices to minimise environmental impact. Sustainable site closure and rehabilitation ensure that land affected by operations is responsibly restored. The company has biodiversity policies and programmes in place, with management plans designed for priority areas, following best practices to mitigate environmental impact.</p> <p>Nostrum engages with local communities, biodiversity experts, and stakeholders to assess and manage risks effectively. There is a formal commitment to minimising biodiversity impact, with initiatives aimed at achieving no net loss in operational areas. Biodiversity management is overseen at the managerial level to ensure accountability and alignment with sustainability goals. The company regularly identifies biodiversity priority areas and reports on initiatives, mitigation efforts, and environmental performance to maintain transparency and drive continuous improvement.</p>

Principal risks and uncertainties (continued)

Description of risk	Risk management
COMPLIANCE RISKS	
Subsoil use agreements	
As the Group performs exploration, development and production activities in accordance with related licences for the oil and gas fields, there are related risks that the Group might not be able to obtain extensions or agree amendments to the field development plan, when necessary, risks of non-compliance with the licence requirements owing to ambiguities, risks of alteration of the licence terms by the authorities and others. These risks may result in the Group's inability to fulfil scheduled activities; fines, penalties, suspension or termination of licences by authorities; and, respectively, significant and adverse impact on the Group's business, financial performance and prospects.	<p>The Group has procedures and processes in place for the timely application for extension of licence periods or for amendments to field development plans, when it is considered appropriate. However, uncertainty remains in relation to timing and results of decisions of authorities. The Group maintains an open dialogue with RoK governmental authorities regarding its subsoil use agreement.</p> <p>The Group is in material compliance with such agreements but in the event of non-compliance with an obligation under such agreements, the Group endeavours to have such terms modified or pays any penalties and fines that may apply.</p>
Compliance with laws and regulations	
<p>The Group carries out its activities in a number of jurisdictions and, therefore, must comply with a range of laws and regulations, which exposes the Group to the respective risks of non-compliance. In addition, the Group must comply with the Listing Rules, the Disclosure Guidance and Transparency Rules, FRC guidance and requirements, as well as requirements in connection with its restructured debt, in light of its publicly traded shares and notes.</p> <p>Hence, there are non-compliance risks, including reputational, litigation and government sanction risks, to which the Group is exposed.</p> <p>The impact of these risks may vary in magnitude and include regulatory actions, fines and penalties by authorities, diversion of management time, and may have an overall adverse effect on the Group's performance and activities towards achieving its strategic objectives.</p>	<p>For the purpose of effective corporate governance and compliance with laws, regulations and rules, the Group has adopted a number of policies and procedures, as mentioned above. The Group also performs periodic updates based on the changes in regulatory requirements and carries out related communications and training for employees.</p> <p>Necessary communication lines are established with authorities to ensure timely and adequate inbound and outbound flow of information. Management and the Board monitor significant matters related to legal and compliance matters in order to act promptly in response to any actions. In addition, management maintains an open dialogue with its sponsors in relation to any matter related to non-compliance with Listing Rules and other regulatory requirements.</p>
Compliance with the Notes covenants	
The Group faces the risk of non-compliance with its Notes covenants, which could arise from fluctuations in financial performance, liquidity pressures, adverse market conditions or third-party payment processing issues. Failure to meet covenant requirements may lead to consequences such as increased borrowing costs, restrictions on operations, or potential acceleration of debt repayment obligations.	<p>The Group addresses compliance with its Notes covenants through financial planning, monitoring, and forecasting processes. Assessments of covenants compliance are performed by the Company and its legal advisors and reviewed by senior management and the Board to ensure early identification of potential breaches.</p> <p>Contingency plans, including maintaining sufficient liquidity buffers and operational adjustments, are in place to mitigate the impact of potential covenant breaches. The Group also adheres to robust internal controls and governance practices to ensure accurate and timely financial reporting, facilitating effective covenant compliance and safeguarding the Group's financial stability.</p>
FINANCIAL RISKS	
Liquidity risks	
<p>Forecasting to maintain an adequate liquidity position is subject to the risk that inaccurate information or assumptions are used for forecasts, and to risks of counter-party delay or a counter-party's failure to meet their contractual obligations owing to severe market conditions.</p> <p>Moreover, the Group's current and planned expenditures are subject to unexpected problems, costs and delays, and the economic results and actual costs may differ significantly from the Group's current estimates. Prices for the materials and services the Group depends on to conduct and expand its business may increase to levels that no longer enable the Group to operate profitably.</p> <p>All the above factors in combination with a significant negative movement in world energy prices could result in the Group's liquidity position becoming more strained than the severe but plausible downside scenario in the Going Concern assessment.</p>	<p>Management and the Board constantly monitor the Group's actual and forecast liquidity position to ensure that sufficient funds are available to meet any commitments as they arise.</p> <p>In addition, management and the Board assess key financial ratios, sensitivity tests of its liquidity position for changes in crude oil price, production volumes and timing of completion of various ongoing projects, to understand the resilience of the business and to be prepared for taking necessary remedies.</p> <p>Further efforts are made on cost optimisation to reduce capital expenditures, operating costs and general and administration costs.</p>

Principal risks and uncertainties (continued)

Description of risk

Risk management

Refinancing risks and uncertainties

The Group's Notes will mature in June 2026 and, there is a risk that the Group will require partial or full refinancing of SSNs, and repay SUNs in specie through the issuance of new shares (further diluting the existing ordinary shareholders at the time) or have their maturity extended through another refinancing or restructuring exercise.

Based on their discussions with the noteholders, the Directors are reasonably confident that the Notes can be restructured, recognising that the results of such discussions are uncertain and largely outside of the Group's control.

Tax risks and uncertainties

The uncertainty of application, including retroactive application, of tax laws and the evolution of tax laws in Kazakhstan create risks related to additional tax liabilities from assessments and risks related to the recoverability of tax assets.

Kazakhstan's tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional, and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe and where the tax authorities disagree with the positions taken by the Group the financial outcomes could be material. Fiscal periods remain open to review by tax authorities for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

Tax risks and uncertainties may adversely affect the Group's profitability, liquidity and planned growth.

The Group has policies and procedures related to various tax assessments and positions, as well as other control activities to ensure the timely assessment and filing of tax returns, payment of tax obligations and recovery of tax assets.

The Group regularly challenges, either with the RoK tax authorities or through the RoK courts, tax assessments that it believes are inapplicable to it, pursuant to the terms of either its subsoil use agreements or applicable law.

OTHER RISKS

Other significant risks, including emerging risks

Other risks are those that are not specifically identified within any of the principal risks and uncertainties but may be related to several such areas or be organisation wide. These include risks related to:

- Fraudulent activities;
- The Group's supply chains;
- Accounting and reporting management systems; or
- The availability of human resources.

They may also significantly impact the Group's financial performance, reputation and achievement of its strategic objectives.

The Group has an Anti-Bribery and Corruption Policy, and provisions relating to the same are included in the Group's Code of Conduct. Related training and updates are periodically provided for employees in relation to their obligations in this area.

The Group has a wide range of internal controls over its supply chains and accounting and reporting processes, including policies, procedures, segregation of duties for authorisation of matters, periodic training for employees and so on. The Contracts Board was established to meet weekly to review and approve the placement of contracts or expenditures.

Senior management and the Board stay alert to emerging challenges related to various management systems and related governance matters and, when necessary, initiate change initiatives to ensure enhancement and integration of certain management systems.

The risks listed above do not comprise all those associated with the Group's business and are not set out in any order of priority. Additional risks and uncertainties not presently known to management, or currently deemed to be less material, may also have an adverse effect on the Group's business. The risks listed above are continuously monitored by the management team and assessed when making business decisions.

Going concern

The Group monitors on an ongoing basis its liquidity position, near-term forecasts, and key financial ratios to ensure that sufficient funds are available to meet its commitments as they arise and liabilities as they fall due. The Group reforecasts its cashflows every quarter on a rolling three-year basis and tests the robustness of its future liquidity position for changes in product prices, production volumes, costs and other relevant assumptions.

The Directors are focused on a range of potential opportunities and actions to improve the near-term liquidity outlook and to create future value from long-term growth catalysts. In the base case scenario, these actions include, amongst other things, initiatives to further optimize capital expenditures, operating costs and G&A cost, to improve product sales netbacks, and to increase the utilisation of the Group's gas processing infrastructure.

The Directors' going concern assessment is supported by cash flow forecasts for the twelve-month going concern period to 31 August 2026. The Group had unrestricted cash balances of US\$135.9 million as at 30 June 2025 (including liquid current investments of US\$122 million) and US\$17.0 million in the DSRA. The base case going concern assessment ("Base Case") reflects production forecasts consistent with the Board approved plans and assumes a flat Brent oil price of US\$70/bbl. Under the Base Case, the Group forecasts to have a closing cash balance of over US\$115 million and US\$18.3 million in the DSRA as of 31 August 2026.

The Base Case assumes minimum licence commitment expenditures for the Chinarevskoye and Stepnoy Leopard Fields (per approved Field Development Plans). The Base Case has also been tested for sensitivity against the key assumptions, including a US\$15/boe reduction in Brent prices, a 10% reduction in forecast Chinarevskoye production and third-party UOG processing volumes, a 10% increase in operating and G&A costs, the addition of contingent capital expenditures and possible tax and other audit fines and penalties. As a result of such sensitivity analysis, the Directors concluded that the Group would be financially capable of withstanding downside volatility of these key assumptions individually or in aggregate.

The Directors have also considered key risks and uncertainties, which may cast significant doubt on the Group's ability to continue as a going concern for the assessment period ending 31 August 2026, and have made significant assumptions as described below:

(a) The outstanding Event of Default (as defined in the conditions of the Notes) relating to the unpaid interest on the Notes due by 30 June 2025 (the "Interest EOD"). The delay in the interest payments does not reflect any issue of the Group's solvency or liquidity and the Group is preparing to make payments to holders of the Notes as soon as possible in compliance with all applicable rules and regulations, including seeking applicable regulatory licenses. Nostrum is in the process of launching a noteholder consent solicitation and is reasonably confident that it will receive the necessary votes to waive the Interest EOD.

(b) The Notes mature on 30 June 2026 which falls within the going concern assessment period. Based on their discussions with the noteholders, the Directors are reasonably confident that the Notes can be restructured, recognising that the results of such discussions are uncertain and largely outside of the Group's control.

After careful consideration of these material uncertainties, and on the assumptions that the Interest EOD is waived and a restructuring of the Notes to an affordable level is completed, the Directors have a reasonable expectation that the Group will have sufficient financial resources to continue in operation for the going concern period to 31 August 2026.

In accordance with provision 30 of the UK Corporate Governance Code 2024, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the H1 2025 Financials. If the Group is unable to successfully restructure or extend the maturity of the Notes and continue to realise assets and discharge liabilities in the normal course of business, it would be necessary to adjust the amounts in the statement of financial position in the future to reflect these circumstances, which may materially change the measurement and classification of certain figures contained in the H1 2025 Financials.

Responsibility statement

To the best of our knowledge

- a) the interim condensed set of financial statements, which has been prepared in accordance with the International Accounting Standard 34, "Interim Financial Reporting", as adopted in the UK, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by DTR 4.2.4 R;
- b) the interim management report includes a fair review of the information required by DTR 4.2.7 R; and
- c) the interim management report includes a fair review of the information required by DTR 4.2.8 R.

The interim management report and the interim condensed consolidated financial statements for the six months ended 30 June 2025 have not been audited nor reviewed by the Group's external auditor.

Signed on behalf of the Board:

Mr. Viktor Gladun

Chief Executive Officer

28 August 2025

Nostrum Oil & Gas PLC

Interim condensed consolidated financial statements (unaudited)

For the six months ended 30 June 2025 ("H1 2025")

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Consolidated statement of financial position

<i>In thousands of US Dollars</i>	Notes	30 June 2025 (unaudited)	31 December 2024 (audited)
Assets			
Non-current assets			
Property, plant and equipment	4	365,109	372,883
Advances and other non-current assets	5	4,790	4,388
Restricted cash	9	26,164	25,924
		396,063	403,195
Current assets			
Inventories	6	32,070	30,637
Other current assets	7	12,073	9,515
Income tax prepayment	22	1,781	3,028
Trade receivables	8	18,779	9,204
Cash and cash equivalents	9	135,933	150,419
		200,636	202,803
TOTAL ASSETS		596,699	605,998
Equity and liabilities			
Share capital and reserves			
Share capital	10	2,152	2,152
Treasury capital		(166)	(166)
Share premium		792,744	792,744
Retained deficit and reserves		(953,564)	(887,266)
Attributable to owners of Nostrum Oil & Gas PLC		(158,834)	(92,536)
Non-controlling interest		(338)	55
		(159,172)	(92,481)
Non-current liabilities			
Notes payable and accumulated interest	12	–	571,194
Abandonment and site restoration provision		28,519	27,344
Amounts due to Government of Kazakhstan		2,959	3,200
Deferred tax liability	22	71,259	69,064
		102,737	670,802
Current liabilities			
Notes payable and accumulated interest	12	626,037	177
Trade payables	13	9,735	8,238
Advances received		948	1,569
Current tax payable		29	49
Amounts due to Government of Kazakhstan		1,031	1,031
Other current liabilities	14	15,354	16,613
		653,134	27,677
TOTAL EQUITY AND LIABILITIES		596,699	605,998

The interim condensed consolidated financial statements of Nostrum Oil & Gas PLC, registered number 8717287, were authorised for issue by the Board of Directors on 27 August 2025.

Signed on behalf of the Board:

Mr. Viktor Gladun

Chief Executive Officer

28 August 2025

The accounting policies and explanatory notes on pages 26 through 33 are an integral part of these interim condensed consolidated financial statements.

Consolidated statement of comprehensive income

In thousands of US Dollars	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Revenue					
Revenue from export sales		20,760	26,682	36,419	52,696
Revenue from domestic sales and tolling fees		13,331	6,774	27,683	12,595
	15	34,091	33,456	64,102	65,291
Cost of sales	16	(20,451)	(17,831)	(39,690)	(34,846)
Gross profit		13,640	15,625	24,412	30,445
General and administrative expenses	17	(3,502)	(3,392)	(7,082)	(6,968)
Selling and transportation expenses	18	(3,747)	(3,323)	(6,105)	(6,627)
Taxes other than income tax	19	(2,993)	(3,733)	(5,272)	(7,440)
Finance costs	20	(32,954)	(26,977)	(67,075)	(55,456)
Foreign exchange (loss) / income, net		(200)	807	(39)	(57)
Interest income		1,360	1,952	2,333	3,760
Other income	21	15,355	505	16,792	900
Other expenses	21	(17,697)	(2,455)	(20,108)	(4,230)
Loss before income tax		(30,738)	(20,991)	(62,144)	(45,673)
Current income tax expense		(856)	1,869	(2,392)	(1,320)
Deferred income tax expense		(8,656)	(1,130)	(2,195)	(1,172)
Income tax (expense) / benefit	22	(9,512)	739	(4,587)	(2,492)
Loss for the period		(40,250)	(20,252)	(66,731)	(48,165)
Currency translation difference		(10)	(3)	40	2
Other comprehensive (loss) / income for the period		(10)	(3)	40	2
Total comprehensive loss for the period		(40,260)	(20,255)	(66,691)	(48,163)
Loss for the period attributable to non-controlling interests				(393)	(110)
Loss for the period attributable to the shareholders				(66,338)	(48,055)
Weighted average number of shares (Notes 13)				169,086,713	169,086,713
Basic and diluted loss per share (in US dollars)	11			(0.39)	(0.28)

All items in the above statement are derived from continuing operations.

Consolidated statement of cash flows

In thousands of US Dollars	Notes	For the six months ended 30 June	
		2025 (unaudited)	2024 (unaudited)
Cash flow from operating activities:			
Loss before income tax		(62,144)	(45,673)
<i>Adjustments for:</i>			
Depreciation, depletion and amortisation	16, 17	16,463	12,932
Finance costs	20	67,075	55,333
Income from cancellation of SSNs and SUNs	14	(13,716)	–
Interest income		(2,333)	(3,760)
Foreign exchange loss on investing and financing activities		692	102
Loss on disposal of property, plant and equipment		40	385
Operating profit before working capital changes		6,077	19,319
<i>Changes in working capital:</i>			
Change in inventories		(1,916)	(1,960)
Change in trade receivables		(9,575)	(6,991)
Change in prepayments and other current assets		(2,144)	(2,605)
Change in trade payables		1,049	366
Change in advances received		(621)	(65)
Change in due to Government of Kazakhstan		(516)	(516)
Change in other current liabilities		(55)	(217)
Cash (used in) / from operations		(7,701)	7,331
Income tax paid		(2,328)	(3,111)
Cash (used in) / from operations		(10,029)	4,220
Cash flow from investing activities:			
Interest received		1,919	2,183
Purchase of property, plant and equipment		(6,735)	(13,202)
Expenditures on exploration and evaluation assets		–	(3,937)
Transfer to restricted cash		(248)	(264)
Net cash used in investing activities		(5,064)	(15,220)
Cash flow from financing activities:			
Finance costs paid		–	(8,181)
Other finance costs		(270)	–
Return of unclaimed SSNs and SUNs coupons	12	1,063	–
Net cash from / (used) in financing activities		793	(8,181)
Effects of exchange rate changes on cash		(186)	9
Net decrease in cash and cash equivalents		(14,486)	(19,172)
Cash and cash equivalents at the beginning of the period	9	150,419	161,711
Cash and cash equivalents at the end of the period	9	135,933	142,539

The accounting policies and explanatory notes on pages 26 through 33 are an integral part of these interim condensed consolidated financial statements.

Consolidated statement of changes in equity

In thousands of US Dollars	Notes	Attributable to owners of Nostrum Oil & Gas PLC						Non-controlling interest	Total
		Share capital	Treasury capital	Deferred shares	Share premium	Other reserves (Note 12)	Retained deficit		
As at 1 January 2024 (audited)		2,152	(166)	18,551	792,744	262,123	(1,141,579)	502	(65,673)
Loss for the period		–	–	–	–	–	(48,055)	(110)	(48,165)
Other comprehensive income		–	–	–	–	2	–	–	2
Total comprehensive loss for the period		–	–	–	–	2	(48,055)	(110)	(48,163)
As at 30 June 2024 (unaudited)		2,152	(166)	18,551	792,744	262,125	(1,189,634)	392	(113,836)
Loss for the period		–	–	–	–	–	21,925	(337)	21,588
Other comprehensive loss		–	–	–	–	(233)	–	–	(233)
Total comprehensive loss for the period		–	–	–	–	(233)	21,925	(337)	21,355
Redemption of deferred shares	10	–	–	(18,551)	–	18,551	–	–	–
As at 31 December 2024 (audited)		2,152	(166)	–	792,744	280,443	(1,167,709)	55	(92,481)
Loss for the period		–	–	–	–	–	(66,338)	(393)	(66,731)
Other comprehensive income		–	–	–	–	40	–	–	40
Total comprehensive loss for the period		–	–	–	–	40	(66,338)	(393)	(66,691)
As at 30 June 2025 (unaudited)		2,152	(166)	–	792,744	280,483	(1,234,047)	(338)	(159,172)

The accounting policies and explanatory notes on pages 26 through 33 are an integral part of these interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements

1. General

Overview

Nostrum Oil & Gas PLC ("the Company" or "the Parent") is a public limited company incorporated on 3 October 2013 under the Companies Act 2006 and registered in England and Wales with registered number 8717287. The registered address of Nostrum Oil & Gas PLC is: 20 Eastbourne Terrace, London, W2 6LG, UK.

These interim condensed consolidated financial statements for the six months ended 30 June 2025 (the "H1 2025 Financials") include the financial position and the results of the operations of Nostrum Oil & Gas PLC and its following subsidiaries:

Company	Registered office	Form of capital	Ownership, %
Nostrum Oil & Gas Holding Ltd.	20 Eastbourne Terrace, London, W2 6LA, United Kingdom	Ordinary shares	100
Nostrum Oil & Gas B.V.	Anna van Buerenplein 41 A, Unit 4.27, 2595DA The Hague, The Netherlands	Ordinary shares	100
Nostrum Oil & Gas Finance B.V.	Anna van Buerenplein 41 A, Unit 4.27, 2595DA The Hague, The Netherlands	Ordinary shares	100
Nostrum Oil & Gas Coöperatief U.A.	Anna van Buerenplein 41 A, Unit 4.27, 2595DA The Hague, The Netherlands	Members' interests	100
Nostrum Services N.V.	Chaussee de Wavre 20, 1360 Perwez, Belgium	Ordinary shares	100
Zhaikmunai LLP	43/1 Karev street, 090000 Uralsk, Republic of Kazakhstan	Participatory interests	100
Positiv Invest LLP	43/1 Karev street, 090000 Uralsk, Republic of Kazakhstan	Participatory interests	80
Midstream Energy Company LLP	60/4 Syganak Street, 26th floor, Astana, 010000, Republic of Kazakhstan	Participatory interests	100
Nostrum Services Central Asia LLP	Aksai 3a, 75/38, 050031 Almaty, Republic of Kazakhstan	Participatory interests	100
Nostrum Associated Investments LLP	43B Karev street, 090000 Uralsk, Republic of Kazakhstan	Participatory interests	100

Nostrum Oil & Gas PLC and its subsidiaries are hereinafter referred to as the "Group". The Group's operations comprise of a single operating segment including all Group's assets related to its Chinarevskoye field, including surface facilities, and Stepnoy Leopard Fields, primarily conducted through its oil and gas producing entity Zhaikmunai LLP located in Kazakhstan.

On 12 June 2025 Midstream Energy Company LLP was established in the Republic of Kazakhstan with its registered office located at 60/4 Syganak Street, 26th floor, Astana, 010000. The company is a wholly owned subsidiary of Nostrum Oil & Gas Finance B.V. and was created to support the Group's midstream operations.

Zhaikmunai LLP carries out its activities in accordance with the Contract for Additional Exploration, Production and Production-Sharing of Crude Hydrocarbons in the Chinarevskoye oil and gas condensate field (the "Contract") dated 31 October 1997 between the State Committee of Investments of the Republic of Kazakhstan and Zhaikmunai LLP in accordance with the license MG No. 253D for the exploration and production of hydrocarbons in Chinarevskoye oil and gas condensate field.

The term of the Chinarevskoye subsoil use rights included a 5-year exploration period followed by a 25-year production period with the Contract being valid until May 2031.

Positiv Invest LLP holds the rights to the the "Kamenskoe" and "Kamensko-Teplovsko-Tokarevskoe" areas in the West Kazakhstan region (the "Stepnoy Leopard Fields") located in the West Kazakhstan region, in proximity to Nostrum's existing gas treatment facilities and have a subsurface contract valid until December 2044.

On August 20, 2024, Nostrum Oil & Gas Coöperatief U.A. transferred its 80% participating interest in Positiv Invest LLP and its 100% participating interest in Zhaikmunai LLP to Nostrum Oil & Gas Finance B.V. This reorganisation consolidates ownership under a single entity of the Group's primary assets, including Zhaikmunai LLP and Positiv Invest LLP, enhancing operational alignment and strategic focus.

As at 30 June 2025 the Group employed 607 employees (31 December 2024: 605).

Royalty payments

Zhaikmunai LLP is required to make monthly royalty payments throughout the entire production period, at the rates specified in the Contract.

Royalty rates depend on hydrocarbons recovery levels and the phase of production and can vary from 3% to 7% of produced crude oil and from 4% to 9% of produced natural gas. Royalty is accounted for on a gross basis.

Government profit share

Zhaikmunai LLP makes profit share payments to the Government (the "RoK Share") as determined in the Contract. The RoK Share depends on hydrocarbon production levels and varies from 10% to 40% of production after deducting royalties and reimbursable expenditures. Reimbursable expenditures include operating expenses, costs of additional exploration and development costs. The RoK Share is expensed as incurred and paid in cash. The RoK Share is accounted for on a gross basis.

Notes to the interim condensed consolidated financial statements (continued)

2. Basis of preparation and consolidation

Basis of preparation

These H1 2025 financial have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting as adopted in the UK. These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024 prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with the UK adopted International Accounting Standards. Additional information about the financial results is contained in the Interim Management Report for H1 2025.

The interim condensed consolidated financial information for six months ended 30 June 2025 and 2024 is presented in US dollars and all values are rounded to the nearest thousand, except when otherwise indicated. The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment when applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3. The Group recognises that there may be potential financial implications in the future from changes in legislation and regulation implemented to address climate change risk. Over time these changes may have an impact across a number of areas of accounting including asset impairment, increased costs, provisions, onerous contracts and contingent liabilities. However, as at the reporting date, the Group believes there is no material impact on the balance sheet carrying values of assets or liabilities. This is not considered a significant estimate.

Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Parent and its subsidiaries as at 30 June 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements;
- the Group's voting rights and potential voting rights.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Going concern

The Group monitors on an ongoing basis its liquidity position, near-term forecasts, and key financial ratios to ensure that sufficient funds are available to meet its commitments as they arise and liabilities as they fall due. The Group reforecasts its cashflows every quarter on a rolling three-year basis and tests the robustness of its future liquidity position for changes in product prices, production volumes, costs and other relevant assumptions.

The Directors are focused on a range of potential opportunities and actions to improve the near-term liquidity outlook and to create future value from long-term growth catalysts. In the base case scenario, these actions include, amongst other things, initiatives to further optimize capital expenditures, operating costs and G&A cost, to improve product sales netbacks, and to increase the utilisation of the Group's gas processing infrastructure.

The Directors' going concern assessment is supported by cash flow forecasts for the twelve-month going concern period to 31 August 2026. The Group had unrestricted cash balances of US\$135.9 million as at 30 June 2025 (including liquid current investments of US\$122 million) and US\$17.0 million in the DSRA. The base case going concern assessment ("Base Case") reflects production forecasts consistent with the Board approved plans and assumes a flat Brent oil price of US\$70/bbl. Under the Base Case, the Group forecasts to have a closing cash balance of over US\$115 million and US\$18.3 million in the DSRA as of 31 August 2026.

The Base Case assumes minimum licence commitment expenditures for the Chinarevskoye and Steptoy Leopard Fields (per approved Field Development Plans). The Base Case has also been tested for sensitivity against the key assumptions, including a US\$15/boe reduction in Brent prices, a 10% reduction in forecast Chinarevskoye production and third-party UOG processing volumes, a 10% increase in operating and G&A costs, the addition of contingent capital expenditures and possible tax and other audit fines and penalties. As a result of such sensitivity analysis, the Directors concluded that the Group would be financially capable of withstanding downside volatility of these key assumptions individually or in aggregate.

The Directors have also considered key risks and uncertainties, which may cast significant doubt on the Group's ability to continue as a going concern for the assessment period ending 31 August 2026, and have made significant assumptions as described below:

- The outstanding Event of Default (as defined in the conditions of the Notes) relating to the unpaid interest on the Notes due by 30 June 2025 (the "Interest EOD"). The delay in the interest payments does not reflect any issue of the Group's solvency or liquidity and the Group is preparing to make payments to holders of the Notes as soon as possible in compliance with all applicable rules and regulations, including seeking applicable regulatory licenses. Nostrum is in the process of launching a noteholder consent solicitation and is reasonably confident that it will receive the necessary votes to waive the Interest EOD.
- The Notes mature on 30 June 2026 which falls within the going concern assessment period. Based on their discussions with the noteholders, the Directors are reasonably confident that the Notes can be restructured, recognising that the results of such discussions are uncertain and largely outside of the Group's control.

After careful consideration of these material uncertainties, and on the assumptions that the Interest EOD is waived and a restructuring of the Notes to an affordable level is completed, the Directors have a reasonable expectation that the Group will have sufficient financial resources to continue in operation for the going concern period to 31 August 2026.

In accordance with provision 30 of the UK Corporate Governance Code 2024, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the H1 2025 Financials. If the Group is unable to successfully restructure or extend the maturity of the Notes and continue to realise assets and discharge liabilities in the normal course of business, it would be necessary to adjust the amounts in the statement of financial position in the future to reflect these circumstances, which may materially change the measurement and classification of certain figures contained in the H1 2025 Financials.

Notes to the interim condensed consolidated financial statements (continued)

3. Changes in accounting policies and disclosures**Change in depreciation method**

In accordance with IAS 16 Property, plant and equipment par. 61, the depreciation method should be reviewed at least annually and, if the pattern of consumption of benefits has changed, the depreciation method should be changed prospectively as a change in estimate under IAS 8.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025, but does not have an impact on the interim condensed consolidated financial statements of the Group.

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information. The amendments did not have a material impact on the Group's financial statements.

4. Property, plant and equipment

During H1 2025 the Group had additions of property, plant and equipment of US\$ 8,052 thousand (H1 2024: US\$ 15,806 thousand). These additions are mostly associated with capital repairs of equipment and capitalised interest of US\$ 1,412 thousand (H1 2024: US\$ 816 thousand). See Note 24 for capital commitments.

5. Advances and other non-current assets

Advances and non-current assets comprised the following:

<i>In thousands of US Dollars</i>	30 June 2025 (unaudited)	31 December 2024 (audited)
Advances for construction materials	1,918	2,991
Advances for construction services	1,413	193
VAT receivable	1,402	1,115
Advances for other non-current assets	57	89
	4,790	4,388

As at 30 June 2025, advances for construction services and materials mainly comprise advance payments for engineering works and limited procurement to ensure compliance with the license commitments for the Stepnoy Leopard fields.

6. Inventories

Inventories comprised the following:

<i>In thousands of US Dollars</i>	30 June 2025 (unaudited)	31 December 2024 (audited)
Spare parts and other inventories	30,196	28,182
Gas condensate	1,231	1,381
Crude oil	392	960
LPG	115	86
Dry gas	59	16
Sulphur	77	12
	32,070	30,637

As at 30 June 2025 and 31 December 2024 inventories are carried at cost.

7. Prepayments and other current assets

Prepayments and other current assets comprised the following:

<i>In thousands of US Dollars</i>	30 June 2025 (unaudited)	31 December 2024 (audited)
VAT receivable	5,053	5,680
Other taxes receivable	2,333	974
Advances paid	2,820	2,131
Interest receivable	414	350
Other	1,453	380
	12,073	9,515

Advances paid consist primarily of prepayments made to service providers. As at 30 June 2025 the impaired VAT receivable amounted to US\$558 thousand (31 December 2024: US\$555 thousand).

There were no other movements in the provision for impairment of advances paid during H1 2025 and 2024. Interest receivable represents the accrued interest income on the money market funds placed (see Note 9 for more details).

8. Trade receivables

Trade receivables comprised the following:

<i>In thousands of US Dollars</i>	30 June 2025 (unaudited)	31 December 2024 (audited)
Trade receivables from sales of oil and gas condensate	11,533	1,358
Trade receivables from sales of gas and LPG	4,330	3,856
Trade receivables from third-party hydrocarbon tolling	2,916	3,990
	18,779	9,204

The increase in trade receivables is mainly due to the timing of oil sales and related receivables, which were collected in early July 2025.

As at 30 June 2025 and 31 December 2024 trade receivables were not interest-bearing and were mainly denominated in US dollars and Tenge. Their collection period ranges between 30 and 120 days.

As at 30 June 2025 and 31 December 2024 there were past due but not impaired trade receivables. Based on the assessments made, the Group concluded that no provision for expected credit losses should be recognised as at 30 June 2025 and 31 December 2024.

Notes to the interim condensed consolidated financial statements (continued)

9. Cash and cash equivalents

As at 30 June 2025 and 31 December 2024, cash, cash equivalents and current investments comprised the following:

<i>In thousands of US Dollars</i>	30 June 2025 (unaudited)	31 December 2024 (audited)
Investments in Money Market Funds in US Dollars	122,000	82,000
Current accounts in US Dollars	13,422	67,006
Current accounts in Tenge	334	1,215
Current accounts in Euro	89	125
Current accounts in other currencies	86	66
Petty cash	2	7
	135,933	150,419

Money Market Funds included investments in money market funds of JPMorgan Asset Management (Europe) S.à r.l, BlackRock Investment Management (UK) Limited, Goldman Sachs Funds, Plc and Morgan Stanley Investment Management, Inc. These investments in securities are classified as current investments as they are readily convertible into cash, have credit ratings of AAA and above, and their fair values are subject to minimal fluctuations.

In addition to the cash and cash equivalents in the table above, the Group has restricted cash accounts: the liquidation fund deposits of US\$9,125 thousand with Halyk bank and US\$16 thousand with Jusan bank (31 December 2024: US\$ 9,114 thousand with Halyk bank and US\$17 thousand with Jusan bank), is kept as required by the subsoil use rights for abandonment and site restoration liabilities of the Group; the debt service retention account (DSRA) is funded to meet the forthcoming two interest instalments on SUNs and SSNs. As at 30 June 2025, the DSRA contained US\$17,023 thousand, (31 December 2024: US\$16,793 thousand).

10. Share capital and reserves

As at 30 June 2025 the ordinary share capital of the Parent consists of 165,244,983 issued and fully paid ordinary shares, which are listed on the London Stock Exchange. The ordinary shares have a nominal value of GBP 0.01. There were no movements in the number of shares during H1 2025.

The movements in the number of shares was as follows:

<i>Number of shares</i>	In circulation	Treasury capital	Deferred shares	Total
As at 1 January 2024	169,086,713	294,848	15,244,344,036	15,413,725,597
Acquisition and cancellation of deferred shares	–	–	(15,244,344,036)	(15,244,344,036)
As at 31 December 2024	169,086,713	294,848	–	169,381,561
Cancellation of ordinary shares	(4,136,578)			(4,136,578)
As at 30 June 2025	164,950,135	294,848	–	165,244,983

Treasury shares were issued to support the Group's obligations to employees under the Employee Share Option Plan ("ESOP") and the Long-Term Incentive Plan ("LTIP") and are held by Intertrust Employee Benefit Trustee Limited as trustee for the Nostrum Oil & Gas Benefit Trust.

As part of the Restructuring, on 9 February 2023 the Company issued 1,505,633,046 new shares in connection with the repayment of the remaining face value of the Existing Notes following the issue of the New Notes (see Note 14 below), together with accrued but unpaid interest (the "Debt for Equity Swap"). Given the number of new shares issued, at the close of business on

9 February 2023 the Company also performed a share consolidation, so as to achieve an appropriate share price following closing of the Restructuring (Note 1). As a result, the number of ordinary shares in issue was reduced from 1,693,816,004 (following the issue of the new shares) to 169,381,561 ordinary shares, on the basis of a 10:1 consolidation (the "Share Consolidation"). In order to give effect to the Share Consolidation, the Company initially reduced the

nominal value of the ordinary shares (the "Sub-Division") after the issue of the new shares, through sub-division of each ordinary share at a ratio of 1:10 into one ordinary share of nominal value of £0.001 each together with nine deferred shares of nominal value £0.001 each (the "Deferred Shares"). The resulting 15,244,344,036 Deferred Shares carried no economic or voting rights in the capital of the Company and were subsequently acquired by the Company for nil consideration and cancelled on 2 December 2024.

The nominal value of the ordinary shares following the Share Consolidation was £0.01 each. Fractions of new ordinary shares were not issued in connection with the Share Consolidation and any fractional entitlements were rounded down to the nearest whole ordinary share.

In February 2023, as part of the restructuring of the Company's Notes, the Debt for Equity swap was recorded by the Company in accordance with the requirements of IFRS 9 Financial Instruments and IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments. As part of the restructuring of the Notes, the share premium of US\$792,744 thousand was recognised, which included:

- US\$23,133 thousand recognised as part of the shares issued with their estimated fair value of US\$42,356 thousand.
- US\$769,611 thousand recognised as a difference between Old Notes balance of US\$814,181 thousand and the fair value of the shares issued in the amount of US\$42,356 thousand as described above after deduction of the relevant proportion of lock-up fees of US\$2,213 thousand.

On 7 April 2025 the Company cancelled 4,136,578 ordinary shares in circulation, thereby reducing the number of issued ordinary shares from 169,381,561 to 165,244,983. The nominal value of each share remained unchanged at £0.01.

Other reserves

The movements in the Group's other reserves are presented as follows:

<i>In thousands of US Dollars</i>	Reorgani- sation and restructuring reserve	Foreign currency translation reserves	Share- option reserves	Total
As at 1 January 2024	255,688	2,674	3,761	262,123
Currency translation difference	–	(231)	–	(231)
Repurchase and cancellation of deferred shares	18,551	–	–	18,551
As at 31 December 2024	274,239	2,443	3,761	280,443
Currency translation difference	–	40	–	40
As at 30 June 2025	274,239	2,483	3,761	280,483

Reorganisation and restructuring reserve of US\$255,688 thousand arose during the reorganisation of the Group in 2014 and represents the difference between the partnership capital, treasury capital and additional paid-in capital of Nostrum Oil & Gas LP, the share capital of Nostrum Oil & Gas PLC.

The movements in reorganisation and restructuring reserve during the year ended 31 December 2024 result from cancellation of the deferred shares as described above.

There were no distributions made during H1 2025 and the year ended 31 December 2024.

Notes to the interim condensed consolidated financial statements (continued)

11. Earnings per ordinary share

As at 30 June 2025 the ordinary share capital of the Parent consists of 169,381,561 issued and fully paid ordinary shares, which are listed on the London Stock Exchange. The ordinary shares have a nominal value of GB£0.01. For the purpose of calculations of earnings per share for the H1 2025, the number of shares for has been adjusted as required under IAS 33.64 for the effect of the sub-division and consolidation of the ordinary share capital occurred after close of business on 9 February 2023.

	For the six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
Loss for the period attributable to the shareholders	(66,338)	(48,055)
Basic earnings per share (in US dollars)	(0.40)	(0.28)
Diluted earnings per share (in US dollars)	(0.36)	(0.26)
Weighted average number of shares	167,166,975	169,086,713
Effects of dilution from warrants	18,818,296	18,818,296
Weighted average number of ordinary shares adjusted for the effect of dilution	185,985,271	187,905,009

The weighted average number of ordinary shares is 167,166,975, based on all issued shares excluding treasury shares.

12. Notes payable and accumulated interest

Notes payable and accumulated interest are comprised of the following:

In thousands of US Dollars	30 June 2025 (unaudited)	31 December 2024 (audited)
Principal	456,279	438,061
Adjustments for fair value and arrangement fees	(64,713)	(89,604)
Accrued interest	2,284	142
Subtotal Senior Unsecured Notes	393,850	348,599
Principal	244,372	250,000
Adjustments for fair value and arrangement fees	(18,329)	(27,263)
Accrued interest	6,144	35
Subtotal Senior Secured Notes	232,187	222,772
Notes payable and accumulated interest	626,037	571,371
Less amounts due within 12 months	(626,037)	(177)
	–	571,194

2017 and 2018 Notes

The Group issued US\$725 million in 2017 (the “2017 Notes”) and US\$400 million Notes in 2018 (the “2018 Notes”), which were used primarily to refinance the Group’s earlier debt issued in 2012 and 2014.

As part of the Group’s restructuring, the 2017 and 2018 Notes were exchanged for new instruments – SSNs and SUNs – with significantly different terms. In accordance with IFRS 9, the exchange was treated as a substantial modification, resulting in derecognition of the existing Notes and recognition of the new Notes at fair value.

Senior Secured Notes (SSNs)

Following the Restructuring of the 2017 and 2018 Notes, Nostrum Oil & Gas Finance BV, issued US\$250,000,000 senior secured notes due 30 June 2026. The SSNs bear cash-pay interest at a rate of 5.0% per year, payable semi-annually. Pursuant to the Lock-up Agreement, the Group has agreed that the 5.0% cash

interest will accrue from 1 January 2022 and such accrued amount was paid in cash after the issue of the SSNs.

In the second quarter of 2025, approximately 2.25% of the principal amount of the SSNs (US\$5.6 million) was cancelled due to non-claim by former noteholders. As a result, the Group recognised US\$5.6 million of income within other income.

Senior Unsecured Notes (SUNs)

Following the Restructuring of the 2017 and 2018 Notes, Nostrum Oil & Gas Finance BV issued US\$300,000,000 senior notes due 30 June 2026. The SUNs bear interest at a rate of 1.0% cash-pay and 13.0% payment-in-kind (PIK) per year, payable semi-annually. Pursuant to the Lock-up Agreement, the Company agreed that the 1.0% cash interest and 13.0% PIK interest would accrue from 1 January 2022. Accordingly, Nostrum Oil & Gas Finance issued a principal amount of US\$45,078,172 additional SUNs representing the PIK interest which has been agreed to be payable with effect from 1 January 2022 until 9 February 2022 upon the issue of the SUNs.

In the second quarter of 2025, approximately 2.20% of the total principal amount of the SUNs, or US\$9.6 million, was cancelled due to non-claim by former noteholders. The cancelled amount was recognised as other income in the consolidated statement of profit or loss.

SSNs and SUNs covenants

The SSNs and SUNs contained consistent covenants that, among other things, sets the following requirements, subject to certain exceptions and qualifications, the Issuer, the Guarantors, and certain other members of the Group:

- Produce reports to holders, including quarterly and annual financial statements and certain other reports and documents upon request from bondholders;
- Limitations on Indebtedness;
- Limitations on restricted payments;
- Limitations on restrictions on distributions from Group entities;
- Limitations on sales of assets and equity interests in Group subsidiaries;
- Limitations on affiliate transactions;
- Limitation on line of business;
- Listing of the bonds on international stock exchange;
- Change of Control;
- Limitation on Liens;
- Limitation on issuances of guarantees of Indebtedness;
- Payments for Consents;
- Additional Amounts;
- Compliance Certificates; Default Notices;
- Registration with the National Bank of Kazakhstan;
- Merger and Consolidation;
- Cashflow Arrangements.

In addition, the indentures imposed certain requirements as to future subsidiary guarantors, and certain customary information covenants and events of default.

13. Trade payables

Trade payables comprise the following:

In thousands of US Dollars	30 June 2025 (unaudited)	31 December 2024 (audited)
Tenge denominated trade payables	7,961	6,771
US Dollar denominated trade payables	1,325	1,165
Euro denominated trade payables	375	211
Russian Rouble denominated trade payables	24	–
Trade payables denominated in other currencies	50	91
	9,735	8,238

Notes to the interim condensed consolidated financial statements (continued)

14. Other current liabilities

Other current liabilities comprise the following:

<i>In thousands of US Dollars</i>	30 June 2025 (unaudited)	31 December 2024 (audited)
Training obligations accrual	4,712	5,598
Taxes payable, including corporate income tax	2,491	2,403
Other accruals	3,928	3,751
Due to employees	3,244	3,820
Other current liabilities	979	1,041
	15,354	16,613

Other accruals include various amounts accrued according to management best estimates and assessment of probabilities of cash outflows, such as environmental provision and other similar items.

15. Revenue

<i>In thousands of US Dollars</i>	For the three months ended 30 June		For the six months ended 30 June	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Revenue from oil and gas condensate sales	21,567	24,990	37,936	49,009
Revenue from gas and LPG sales	8,433	6,267	17,159	12,353
Third-party hydrocarbon tolling fees	4,057	2,199	8,960	3,929
Revenue from sulphur sales	34	–	47	–
	34,091	33,456	64,102	65,291

The pricing for all of the Group's crude oil, condensate and LPG is, directly or indirectly, related to the price of Brent crude oil. The average Brent crude oil price for H1 2025 was US\$ 71.92/bbl (six months ended 30 June 2024: US\$83.7/bbl).

The decrease in oil and gas condensate revenues reflects timing of domestic and export sales and lower average product pricing.

During H1 2025 the revenue from sales to three major customers amounted to US\$25,018 thousand, US\$9,464 thousand and US\$8,960 thousand respectively (six months ended 30 June 2024: US\$26,926 thousand, US\$20,491 thousand and US\$5,923 thousand, respectively).

The Group's operations are located in only one geographic location, Republic of Kazakhstan.

16. Cost of sales

<i>In thousands of US Dollars</i>	For the three months ended 30 June		For the six months ended 30 June	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Depreciation, depletion and amortisation	8,046	6,439	16,279	12,835
Payroll and related taxes	3,722	4,646	8,163	9,433
Materials and supplies	2,957	2,125	5,556	3,900
Repair, maintenance and other services	2,215	2,092	4,089	3,885
Well repair and maintenance costs	1,428	1,161	2,961	2,158
Transportation services	811	814	1,536	1,714
Change in stock	983	122	581	220
Environmental levies	64	48	131	93
Other	225	384	394	608
	20,451	17,831	39,690	34,846

Details of changes in depreciation, payroll, materials, repairs and maintenance compared to the prior period are disclosed in the Finance Review section of the Interim Management Report.

17. General and administrative expenses

<i>In thousands of US Dollars</i>	For the three months ended 30 June		For the six months ended 30 June	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Payroll and related taxes	1,635	1,917	3,682	3,877
Professional services	1,293	1,022	2,301	2,120
Business travel	156	99	295	243
Insurance fees	117	117	230	236
Depreciation and amortisation	92	48	184	97
Communication	38	44	78	88
Materials and supplies	36	32	61	56
Short-term leases	29	38	58	71
Bank charges	7	8	14	15
Other	99	67	179	165
	3,502	3,392	7,082	6,968

18. Selling and transportation expenses

<i>In thousands of US Dollars</i>	For the three months ended 30 June		For the six months ended 30 June	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Transportation costs	1,711	1,329	2,661	2,615
Loading and storage costs	1,180	1,148	1,706	2,201
Payroll and related taxes	450	456	938	921
Other	406	390	800	890
	3,747	3,323	6,105	6,627

19. Taxes other than income tax

<i>In thousands of US Dollars</i>	For the three months ended 30 June		For the six months ended 30 June	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Export customs duty	1,997	2,284	2,941	4,267
Royalties	699	1,130	1,689	2,371
The RoK share	154	273	403	598
Other taxes	143	46	239	204
	2,993	3,733	5,272	7,440

Export customs duty is comprised of customs duties for export of crude oil. The decrease reflects lower crude oil export revenues.

20. Finance costs

<i>In thousands of US Dollars</i>	For the three months ended 30 June		For the six months ended 30 June	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Coupon on bonds	17,642	16,941	36,099	33,588
Amortization of adjustments for fair value and arrangement fees	14,672	9,250	29,807	20,671
Other finance costs	640	786	1,169	1,197
	32,954	26,977	67,075	55,456

Notes to the interim condensed consolidated financial statements (continued)

21. Other expenses and other income

Other expenses comprise the following:

In thousands of US Dollars	For the three months ended 30 June		For the six months ended 30 June	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Management incentive plan	15,037	–	15,537	–
Business development costs	1,376	1,115	2,140	1,956
Other taxes and penalties	176	328	407	419
Training accruals	(61)	149	262	308
Social contribution	27	–	50	–
Loss on disposal of property, plant and equipment	28	(39)	40	–
Currency conversion	(69)	45	(23)	95
Social program	96	78	192	156
Sponsorship	–	629	–	640
Other	1,087	150	1,503	656
	17,697	2,455	20,108	4,230

Other taxes and penalties mainly include additional taxes and penalties assessed in relation to prior periods considering new information, which was not available at the time of preparation of respective financial information, and relevant interpretations by the management.

Other income comprises the following:

In thousands of US Dollars	For the three months ended 30 June		For the six months ended 30 June	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Other finance income	13,716	–	13,716	–
Reversals of other accruals and other items	1,100	280	1,993	472
Reversals of training accruals	507	163	1,014	326
Other	32	62	69	102
	15,355	505	16,792	900

Other finance income includes cancellation of SSNs and SUNs and the refund of associated cash coupon (Note 12).

22. Income tax

In thousands of US Dollars	For the three months ended 30 June		For the six months ended 30 June	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Corporate income tax expense	854	(2,007)	2,092	993
Deferred income tax expense	8,656	1,130	2,195	1,172
Withholding tax	239	192	476	381
Adjustment in respect of the deferred income tax for the prior periods	–	–	445	–
Adjustment in respect of the current income tax for the prior periods	(237)	(54)	(621)	(54)
	9,512	(739)	4,587	2,492

Corporate income tax is recognised based on the estimated annual effective income tax rate applied to the income before tax for H1 2025. Differences between the recognition criteria in IFRS and under the statutory taxation regulations give rise to a temporary difference between the carrying value of certain assets and liabilities for financial reporting purposes and for income tax purposes. The tax effect of the change in temporary differences is recorded at the applicable statutory rates, including the prevailing Kazakhstani tax rate of 30% applicable to income derived from the Chinarevskoye subsoil use license.

A major part of the Group's tax bases of non-monetary assets and liabilities is determined in Tenge. Therefore, any change in the US dollar/ Tenge exchange rates results in a change in the temporary difference between the tax bases of non-current assets and their carrying amounts in the financial statements.

23. Related party transactions

Transactions with related parties mainly comprise transactions between subsidiaries of the Company and the key management.

Remuneration of the directors and key management personnel amounted to US\$13,987 thousand for the six months ended 30 June 2025 (H1 2024: US\$1,939 thousand), including payments under the Management Incentive Plan (the "MIP") of US\$12,102 thousand (H1 2024: nil).

In 2024, Nostrum adopted the MIP, details of which can be found on pages 118–121 of the Company's 2024 Annual Report.

24. Contingent liabilities and commitments**Taxation**

Kazakhstan's tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe and where the tax authorities disagree with the positions taken by the Group the financial outcomes could be material. Administrative fines are generally 80% of the taxes additionally assessed and interest penalty is assessed at the refinancing rate established by the National Bank of Kazakhstan multiplied by 1.25. As a result, penalties and interest can amount to multiples of any assessed taxes. Fiscal periods remain open to review by tax authorities for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods. Because of the uncertainties associated with Kazakhstan's tax system, the ultimate amount of taxes, penalties and interest, if any, may be in excess of the amount expensed to date and accrued at as 30 June 2025. As at 30 June 2025 management believes that its interpretation of the relevant legislation is appropriate and that it is probable that the Group's tax position will be sustained.

Pending tax disputes

In late 2023 the Kazakhstan tax authorities conducted a withholding tax audit of Zhaikmunai LLP for the financial year 2018, and in January 2024 issued a withholding tax assessment equivalent to US\$6.8 million and related fines and penalties equivalent to US\$5.1 million. According to Company's best estimates, the application of similar arguments to the periods 2019–23 could result in additional amounts of taxes and penalties in the amount of circa US\$3.0 million. This excludes other items included within the assessment which the Company believes to be a remote risk.

Whilst Zhaikmunai LLP successfully challenged the legality and enforceability of the 2018 withholding tax assessment in January 2024, the Kazakhstan tax authorities subsequently filed an appeal in April 2024, and the appellate court ruled in favour of Zhaikmunai. In June 2024 the tax authorities submitted a final appeal to the Supreme Court of Kazakhstan, which in May 2025 made a ruling in favour of the tax authorities. An appeal filed by Zhaikmunai LLP in relation to the 2018 withholding tax assessment remains subject to review by a specialised committee under the purview of the Ministry of Finance.

As Kazakhstan's tax legislation and regulations are subject to varying interpretations and instances of inconsistent opinions between local, regional, and national tax authorities and courts, management assesses the risk of an unfavourable outcome for Zhaikmunai in pending and future legal proceedings as possible.

Notes to the interim condensed consolidated financial statements (continued)

Abandonment and site restoration (decommissioning)

As Kazakh laws and regulations concerning site restoration and clean-up evolve, the Group may incur future costs, the amount of which is currently indeterminable. Such costs, when known, will be provided for as new information, legislation and estimates evolve.

Environmental obligations

The Group may also be subject to loss contingencies relating to regional environmental claims that may arise from the past operations of the related fields in which it operates. Kazakhstan's environmental legislation and regulations are subject to ongoing changes and varying interpretations. As Kazakh laws and regulations evolve concerning environmental assessments and site restoration, the Group may incur future costs, the amount of which is currently indeterminable due to such factors as the ultimate determination of responsible parties associated with these costs and the Government's assessment of respective parties' ability to pay for the costs related to environmental reclamation.

However, depending on any unfavourable court decisions with respect to any claims or penalties assessed by the Kazakh regulatory agencies, it is possible that the Group's future results of operations or cash flow could be materially affected in a particular period.

Capital commitments

As at 30 June 2025, the Group had contractual capital commitments in the amount of US\$9,929 thousand (31 December 2024: US\$11,288 thousand), mainly in respect to the Group's oil field development activities.

Social and education commitments

As required by the Contract (after its amendment on 2 September 2019), the Group is obliged to:

- spend US\$300 thousand per annum to finance social infrastructure;
- make an accrual of one percent per annum of the actual investments for the Chinarevskoye field for the purposes of educating Kazakh citizens.

Domestic oil sales

In accordance with Supplement # 7 to the Contract, Zhaikmunai LLP is required to deliver at least 15% of produced oil to the domestic market on a monthly basis for which prices are materially lower than export prices.

25. Financial risk management objectives and policies

Fair values of financial instruments

Management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts as at 30 June 2025 and 31 December 2024.

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts reasonably approximating their fair values:

	Carrying amount		Fair value	
	30 June 2025 (unaudited)	31 December 2024 (audited)	30 June 2025 (unaudited)	31 December 2024 (audited)
<i>In thousands of US Dollars</i>				
Interest bearing borrowings	626,037	571,371	191,899	270,834
Total	626,037	571,371	191,899	270,834

The fair value of the financial assets and liabilities represents the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of the quoted notes is based on price quotations at the reporting date and respectively categorised as Level 1 within the fair value hierarchy.

During the periods ended 30 June 2025 and 30 June 2024 there were no transfers between the levels of fair value hierarchy of the Group's financial instruments.

Capital management

For the purpose of the Group's capital management, capital includes issued capital, additional paid-in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

Since the engagement with the AHG in discussions on potential restructuring of the Notes and signing of the FBAs in 2020 (see Note 1), the Group's focus was on maintaining short-term liquidity and preserving cash. Successful cost optimisation programme, favourable hydrocarbon pricing and successful restructuring enabled the Group to grow its unrestricted cash balances to the level of US\$135,933 thousand as at 30 June 2025. After successful implementation of the restructuring, the Group is in the process of revising its capital management policy in line with new requirements of SSN and SUN trust deeds and shareholder expectations.

26. Events after the reporting period

Delayed bondholder interest payments

The Group was required by 30 June 2025 to have paid accrued interest in accordance with the terms and conditions of the Notes. The due interest has not been paid, and as of 30 July 2025 such default has become an "Event of Default" (as defined in the conditions of the Notes) relating to the unpaid interest on the Notes due by 30 June 2025 (the "Interest EOD").

The delay continues to be a result of a payment administration issue which currently does not permit the Group to make a payment on the Notes, including payment-in-kind interest, through the clearing systems without additional regulatory licenses related to sanctioned bondholders and/or custodians.

The delay in the interest payments does not reflect any issue of the Group's solvency or liquidity. All underlying funds for making the interest payments are available and secured.

The Group is preparing to make payments to holders of the Notes as soon as possible in compliance with all applicable rules and regulations, including seeking applicable regulatory licenses. In addition, the Group is in the process of launching a noteholder consent solicitation and is reasonably confident that it will receive the necessary votes to waive the Interest EOD.