



Interim Condensed Consolidated Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited)

Condor Energies Inc.

Interim Condensed Consolidated Statements of Financial Position (Unaudited)
Stated in thousands of Canadian dollars

As at		September 30, 2025	December 31, 2024
	Note		
Assets			
Cash and cash equivalents		22,671	27,841
Trade and other receivables	20	14,655	17,617
Other current assets	2	2,373	2,245
Total current assets		39,699	47,703
Exploration and evaluation assets	3	449	399
Property, plant and equipment	4	39,426	17,997
Other long-term assets	5	269	279
Deferred income tax asset	18	745	229
Total assets		80,588	66,607
Liabilities			
Accounts payable and accrued liabilities		14,112	9,844
Current portion of lease liabilities		254	205
Current portion of loan facility	6	5,750	2,182
Bridge loan	7	4,212	-
Convertible debentures	8	6,896	7,781
Current portion of provisions	9	1,506	1,242
Current portion of other long-term liabilities	10	514	472
Total current liabilities		33,244	21,726
Lease liabilities		340	422
Loan facility	6	-	4,777
Provisions	9	15,290	14,457
Other long-term liabilities	10	6,692	4,165
Total liabilities		55,566	45,547
Shareholders' Equity (Deficiency)			
Share capital	11	76,251	75,649
Contributed surplus		26,351	25,297
Accumulated other comprehensive loss		(84,130)	(83,724)
Deficit		(5,603)	(3,889)
Equity attributable to common shareholders		12,869	13,333
Non-controlling interests	12	12,153	7,727
Total shareholders' equity		25,022	21,060
Total liabilities and shareholders' equity		80,588	66,607

Commitments and contingent liabilities (Note 19); Subsequent events (Note 24)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Condor Energies Inc.

Interim Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) (Unaudited)

Stated in thousands of Canadian dollars

(except for per share amounts)

For the period ended September 30		Three months 2025	Three months 2024	Nine months 2025	Nine months 2024
	Note		Adjusted – Note 23		Adjusted – Note 23
Revenue					
Natural gas and condensate sales	20	18,748	19,208	60,310	45,644
Royalties	10	(2,590)	(2,666)	(8,338)	(6,314)
Total revenue		16,158	16,542	51,972	39,330
Expenses					
Production costs		8,619	7,707	26,260	17,923
Transportation and selling		641	685	1,977	1,684
General and administrative		2,159	1,809	6,653	5,296
Depletion and depreciation	4	2,961	666	9,409	1,403
Stock based compensation	14	248	158	1,280	502
Total expenses		(14,628)	(11,025)	(45,579)	(26,808)
Finance income		137	39	352	130
Finance expense	15	(1,032)	(833)	(2,974)	(2,045)
Foreign exchange gain (loss)	20	268	135	900	(26)
Gain on property, plant and equipment sales		1	-	8	-
Unrealized gain (loss) on embedded derivative	8	483	(291)	800	(859)
Other expense	16	-	(47)	(659)	(1,917)
Net monetary gain	17	22	9	9	13
Income before income taxes		1,409	4,529	4,829	7,818
Current income tax expense	18	(601)	(1,372)	(2,351)	(3,007)
Deferred income tax recovery	18	55	-	536	-
Net income		863	3,157	3,014	4,811
<i>Items that may be reclassified to profit or loss:</i>					
Foreign currency translation adjustment		409	(160)	(708)	(32)
Comprehensive income		1,272	2,997	2,306	4,779
Net income (loss) attributable to:					
Common shareholders		(480)	578	(1,714)	(769)
Non-controlling interests	12	1,343	2,579	4,728	5,580
		863	3,157	3,014	4,811
Comprehensive income (loss) attributable to:					
Common shareholders		(282)	489	(2,120)	(737)
Non-controlling interests	12	1,554	2,508	4,426	5,516
		1,272	2,997	2,306	4,779
Net income (loss) per share attributable to common shareholders:					
Basic and diluted net income (loss) per share	13	(0.01)	0.01	(0.03)	(0.01)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Condor Energies Inc.

Interim Condensed Consolidated Statements of Cash Flows (Unaudited)
Stated in thousands of Canadian dollars

For the period ended September 30		Three months 2025	Three months 2024	Nine months 2025	Nine months 2024
	Note		Adjusted – Note 23		Adjusted – Note 23
Operating activities:					
Net income		863	3,157	3,014	4,811
Items not affecting cash:					
Depletion and depreciation	4	2,961	666	9,409	1,403
Stock based compensation	14	248	158	1,280	502
Finance expense	15	708	504	2,031	1,194
Unrealized foreign exchange (gain) loss		519	(363)	(578)	(42)
Gain on property, plant and equipment sales		(1)	-	(8)	-
Unrealized (gain) loss on embedded derivative	8	(483)	291	(800)	859
Other expense	16	-	(1,870)	-	-
Net monetary loss	17	(9)	-	(3)	8
Deferred income tax recovery	18	(55)	-	(536)	-
Cash flows from operating activities before the following items		4,751	2,543	13,809	8,735
Other long-term assets	5	(2)	4	10	1
Decommissioning obligations settled	9	(25)	(298)	(55)	(344)
Increase in other long-term liabilities	10	715	2,658	2,306	3,653
Payments of other long-term liabilities	10	(173)	(112)	(525)	(112)
Changes in non-cash working capital		9,884	265	3,247	(7,106)
Cash flows from operating activities		15,150	5,060	18,792	4,827
Investing activities:					
Exploration and evaluation expenditures	3	(16)	(36)	(87)	(79)
Property, plant and equipment expenditures	4	(10,003)	(2,782)	(29,951)	(4,514)
Proceeds from property, plant and equipment sales	4	7	-	18	-
Changes in non-cash working capital		1,155	740	3,716	813
Cash flows used in investing activities		(8,857)	(2,078)	(26,304)	(3,780)
Financing activities:					
Repayment of loan facility	6	(506)	-	(1,489)	-
Proceeds from bridge loan	7	4,137	-	4,137	-
Proceeds from convertible debentures	8	-	-	-	6,463
Convertible debenture issue costs	8	-	-	-	(144)
Issue of common shares	11	366	33	376	218
Lease payments		(51)	(16)	(229)	(36)
Cash flows from financing activities		3,946	17	2,795	6,501
Net change in cash		10,239	2,999	(4,717)	7,548
Effect of foreign exchange on cash		189	(105)	(453)	(63)
Cash and cash equivalents, beginning		12,243	9,634	27,841	5,043
Cash and cash equivalents, ending		22,671	12,528	22,671	12,528

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Condor Energies Inc.

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficiency) (Unaudited)

Stated in thousands of Canadian dollars

(except for number of common shares)

	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Equity (Deficiency) Attributable to Common Shareholders	Non- Controlling Interests	Total Shareholders' Equity (Deficiency)
As at December 31, 2023	56,490,433	276,722	24,553	(84,414)	(219,394)	(2,533)	-	(2,533)
Exercise of stock options and warrants	698,768	375	(157)	-	-	218	-	218
Stock based compensation expense	-	-	502	-	-	502	-	502
Foreign currency translation adjustment	-	-	-	32	-	32	(64)	(32)
Reduction of share capital (Note 11)	-	(219,394)	-	-	219,394	-	-	-
Partial disposition of subsidiaries (Note 12)	-	-	-	3	183	186	(186)	-
Net income (loss)	-	-	-	-	(769)	(769)	5,580	4,811
As at September 30, 2024	57,189,201	57,703	24,898	(84,379)	(586)	(2,364)	5,330	2,966
As at December 31, 2024	67,457,117	75,649	25,297	(83,724)	(3,889)	13,333	7,727	21,060
Exercise of stock options	670,666	602	(226)	-	-	376	-	376
Stock based compensation expense	-	-	1,280	-	-	1,280	-	1,280
Foreign currency translation adjustment	-	-	-	(406)	-	(406)	(302)	(708)
Net income (loss)	-	-	-	-	(1,714)	(1,714)	4,728	3,014
As at September 30, 2025	68,127,783	76,251	26,351	(84,130)	(5,603)	12,869	12,153	25,022

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Condor Energies Inc.
Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the three and nine months ended September 30, 2025 and 2024

1. Corporate information:

Reporting entity:

Condor Energies Inc. ("Condor" or the "Company") is a publicly traded company listed on the Toronto Stock Exchange ("TSX") under the symbol "CDR" with activities in the Republic of Uzbekistan ("Uzbekistan"), the Republic of Türkiye ("Türkiye") and the Republic of Kazakhstan ("Kazakhstan"). The Company's registered office is 1810, 500 – 4th Avenue SW, Calgary, Alberta, Canada, T2P 2V6.

The interim condensed consolidated financial statements (the "financial statements") of the Company as at September 30, 2025 and for the three and nine months ended September 30, 2025 and 2024 comprise the Company and its subsidiaries. These financial statements were approved and authorized for issue by the Board of Directors on November 13, 2025.

Nature of operations:

The Company operates under a production enhancement services contract with JSC Uzbekneftegaz ("UNG") in Uzbekistan to increase the production, recovery and overall system efficiency from an integrated cluster of eight conventional natural gas-condensate fields (the "PEC Project"). The Company is responsible for all capital expenditures and operating costs associated with performing its services, and recognizes all production volumes and sales revenues realized from the PEC Project, less prescribed royalty expenses which are comprised of a ten percent production entitlement payable to UNG (the "UNG Entitlement") and a ten percent subsoil tax that is reimbursed to UNG. The Company has a 51% interest in the PEC Project after allocating 49% of the comprehensive income attributable to the non-controlling interest holder as described in Note 12(a). The term of the PEC Project will end in March 2044.

The Company has a 100% interest in and operates the Poyraz Ridge and Destan operating licenses and gas fields in Türkiye. The Poyraz Ridge license is valid until June 2035 and the Destan license is valid until June 2030.

The Company has a 100% interest in and operates the Sayakbay and Kolkuduk exploration licenses in Kazakhstan for mining solid minerals, including lithium. The six-year Sayakbay license is valid until July 2029 and the six-year Kolkuduk license, awarded in February 2025 (Note 3), is valid until February 2031.

Basis of presentation

These financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting', as issued by the International Accounting Standards Board. These financial statements do not include all of the information required in annual financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2024.

These financial statements are reported in Canadian dollars ("CAD") which is the functional currency of the Company. The Company's has a subsidiary in Uzbekistan with a United States dollar ("USD") functional currency and a subsidiary in the Netherlands which has a branch in Türkiye with a Turkish Lira ("TRY") functional currency.

The accounting policies used to prepare these financial statements are consistent with the material accounting policies for the year ended December 31, 2024.

Condor Energies Inc.
Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the three and nine months ended September 30, 2025 and 2024

Significant accounting estimates and judgments

The timely preparation of financial statements requires management to make use of judgments, estimates and assumptions when transactions affecting the current accounting period cannot be finalized until future periods. These estimates will affect assets, liabilities and the disclosure of assets and liabilities at the date of the financial statements, as well as revenues and expenses during the reporting periods. Such estimates are based on informed judgments made by management and actual results could differ from those estimates as future confirming events occur. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying material accounting policies that have the most significant effect on the amounts recognized in the financial statements are outlined in Note 2 of Condor's audited consolidated financial statements as at and for the year ended December 31, 2024.

2. Other current assets:

As at (\$000's)	September 30, 2025	December 31, 2024
Prepaid expenses	979	1,209
Inventory	1,023	624
Income taxes receivable	108	199
Value added tax receivables	263	213
	2,373	2,245

3. Exploration and evaluation ("E&E") assets:

As at (\$000's)	September 30, 2025	December 31, 2024
Opening balance	399	283
Capital expenditures	87	96
Transfer from property, plant and equipment	-	42
Foreign currency translation adjustment	(37)	(22)
Closing balance	449	399

On February 24, 2025, Condor was awarded a second critical minerals mining license in Kazakhstan for a 100% working interest in the exploration rights within a 6,800-hectare area for a six-year term (the "Kolkuduk" license). E&E assets are comprised of the Sayakbay and Kolkuduk exploration licenses in Kazakhstan for mining solid minerals, including lithium.

There were no indicators of impairment for E&E assets as at September 30, 2025.

Condor Energies Inc.
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4. Property, plant and equipment (“PPE”):

(\$000's)	Oil and gas properties	LNG facility	Other equipment	Total
Cost				
As at December 31, 2023	13,126	-	1,652	14,778
Capital expenditures	7,967	-	831	8,798
Change in decommissioning costs	11,304	-	-	11,304
Transfer to E&E assets	-	-	(63)	(63)
Foreign currency translation adjustment	756	-	(23)	733
As at December 31, 2024	33,153	-	2,397	35,550
Capital expenditures	25,286	4,582	229	30,097
Change in decommissioning costs	834	-	-	834
Property, plant and equipment sales	-	-	(14)	(14)
Foreign currency translation adjustment	(1,205)	(158)	(104)	(1,467)
As at September 30, 2025	58,068	4,424	2,508	65,000
Accumulated depletion, depreciation and impairment				
As at December 31, 2023	(13,126)	-	(1,014)	(14,140)
Depletion and depreciation	(3,412)	-	(194)	(3,606)
Transfer to E&E assets	-	-	21	21
Foreign currency translation adjustment	74	-	98	172
As at December 31, 2024	(16,464)	-	(1,089)	(17,553)
Depletion and depreciation	(8,397)	-	(291)	(8,688)
Property, plant and equipment sales	-	-	4	4
Foreign currency translation adjustment	615	-	48	663
As at September 30, 2025	(24,246)	-	(1,328)	(25,574)
Net book value				
As at December 31, 2024	16,689	-	1,308	17,997
As at September 30, 2025	33,822	4,424	1,180	39,426

Changes in decommissioning costs are from new oil and gas assets, updated cost estimates, changes to estimated lives of operations and revisions to discount rates and inflation rates related to oil and gas properties. Changes in decommissioning costs in Uzbekistan have been capitalized to (deducted from) oil and gas properties in the amount of \$0.8 million (December 31, 2024 – \$11.3 million). Changes in decommissioning costs in Turkey and Kazakhstan relating to oil and gas properties with a net book value of \$Nil are recognized immediately as depletion and depreciation expense. For the three and nine months ended September 30, 2025, the amount expensed was \$0.1 million and \$0.3 million, respectively, in Türkiye (September 30, 2024 – \$Nil and \$0.2 million, respectively) and \$Nil and \$0.4 million, respectively, in Kazakhstan (September 30, 2024 – \$0.4 million and \$0.7 million, respectively).

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In May 2025, the Company entered into contracts to acquire the main equipment for a modular liquefied natural gas (“LNG”) facility for its Kazakhstan plant site, along with reconditioning, certification and testing services for aggregate consideration of USD \$6.5 million (CAD \$9.0 million). Of the aggregate amount, the Company has incurred CAD \$4.6 million as at September 30, 2025 and the remaining payments are due in a combination of time and milestone-based instalments until the LNG facility is commissioned, which is expected to be completed in the third quarter of 2026. Depreciation of the LNG facility will commence when the asset is available for use.

Total depletion and depreciation expense for property, plant and equipment, including changes in decommissioning costs for properties with a net book value of \$Nil, for the three and nine months ended September 30, 2025 is \$3.0 million and \$9.4 million, respectively (September 30, 2024 – \$0.7 million and \$1.4 million, respectively).

As at September 30, 2025, other equipment includes field equipment and capital inventory of \$0.4 million (December 31, 2024 – \$0.4 million) which are not subject to depreciation, and right-of-use assets related to Canadian and Uzbekistan office space with a cost of \$0.8 million (December 31, 2024 – \$0.7 million), accumulated depreciation of \$0.3 million (December 31, 2024 – \$0.1 million) and a carrying amount of \$0.5 million (December 31, 2024 – \$0.6 million).

There were no indicators of impairment for property, plant and equipment as at September 30, 2025.

5. Other long-term assets:

Other long term assets are comprised of non-current bank deposits for decommissioning obligations in Kazakhstan, Türkiye and Canada in the aggregate amount of \$0.3 million as of September 30, 2025 (December 31, 2024 – \$0.3 million) and are substantially all denominated in USD and invested in special interest bearing accounts.

6. Loan facility:

The Company has a USD denominated term loan facility (“Loan Facility”) with a group of third-party lenders. The Loan Facility is unsecured, non-revolving and bears interest at 9.0% per annum to be paid quarterly in arrears.

Principal payments of USD \$0.355 million are due on each of December 31, 2025 and March 31, 2026, USD \$0.865 million is due on June 30, 2026 and USD \$2.905 million is due on July 14, 2026.

Financing costs for the Loan Facility were recorded as a reduction against the liability and are amortized over the term of the Loan Facility using the effective interest method. The effective interest expense on the Loan Facility for the three and nine months ended September 30, 2025 was \$0.3 million and \$1.0 million, respectively (September 30, 2024 – \$0.3 million and \$1.1 million, respectively) and the balance of unamortized financing costs as at September 30, 2025 was \$0.6 million (December 31, 2024 – \$1.1 million).

As of September 30, 2025, the current portion of the Loan Facility of \$5.8 million (December 31, 2024 – \$2.2 million) is comprised of \$0.1 million of accrued interest payable (December 31, 2024 – \$0.1 million) and \$6.3 million of principal (December 31, 2024 – \$2.1 million) less \$0.6 million of unamortized financing costs (December 31, 2024 – \$Nil), and the non-current portion of \$Nil (December 31, 2024 – \$4.8 million) is comprised of \$Nil of principal (December 31, 2024 – \$5.9 million) less \$Nil of unamortized financing costs (December 31, 2024 – \$1.1 million). As of September 30, 2025, the Company is in compliance with all non-financial covenants and the Loan Facility has no associated financial covenants.

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As at (\$000's)	September 30, 2025	December 31, 2024
Beginning balance	6,959	6,023
Accretion expense	1,022	1,478
Interest paid	(477)	(726)
Principal repayments	(1,489)	(488)
Foreign currency translation adjustment	(265)	672
Ending balance	5,750	6,959
Less: current portion	(5,750)	(2,182)
Ending non-current portion	-	4,777

7. Bridge loan:

On August 12, 2025, the Company, through a subsidiary, entered into a USD denominated \$5.0 million (CAD \$6.8 million) bridge loan which is unsecured, bears interest at 9.0% per annum, has no loan covenants, requires no repayment of principal or accrued interest until maturity, and permits early repayment with no penalties or limitations (the "Bridge Loan"). The Bridge Loan use of proceeds is for capital expenditures and general and administrative costs related to the construction and implementation of the LNG facility in Kazakhstan (Notes 4 and 19). The Bridge Loan was provided by an existing significant shareholder of the Company, and provides temporary funding for this project while third party project financing is being pursued. The Bridge Loan and all accrued interest thereon matures on the earlier of March 30, 2026 and ten business days following the receipt of third party project financing for the LNG facility.

As at September 30, 2025, the Company has drawn USD \$3.0 million (CAD \$4.2 million) from the Bridge Loan and the liability includes accrued interest payable of \$0.04 million (December 31, 2024 – \$Nil).

8. Convertible debentures:

On March 22, 2024, the Company issued convertible debentures (the "Debentures") convertible into 2,950,336 common shares for gross proceeds of USD \$4.8 million (CAD \$6.5 million) less debt issue costs of CAD \$0.2 million for net proceeds of CAD \$6.3 million. The Debentures are unsecured, bear interest at 9.0% per annum payable in cash semi-annually in arrears, mature on March 21, 2027, and the principal amount is convertible at any time at the option of the holder on or before the maturity date at a conversion price of USD \$1.61676 per common share. The Company can force conversion of all the Debentures if the 20-day volume weighted average trading price of the Company's common shares on the TSX exceeds CAD \$3.00. The proceeds are available for general corporate purposes. As of September 30, 2025, the Company is in compliance with all non-financial covenants and the Debentures have no associated financial covenants.

The fair value of the liability component of the Debentures of USD \$4.1 million (CAD \$5.5 million) was determined on March 22, 2024 by discounting the expected future cash flows of the interest and principal amounts at the Company's estimated incremental borrowing rate of 16%. Financing costs allocated to the liability component of \$0.14 million were recorded as a reduction against the liability and are amortized over the three-year term using the effective interest method. The liability component is accreted over the three-year term to the principal amount on the maturity date with a corresponding non-cash accretion charge recognized in finance expense.

As the Debentures are denominated in a currency other than the Company's functional currency, the conversion feature is accounted for as an embedded derivative liability and its fair value is reevaluated and estimated at each reporting period date with changes in fair value recognized in earnings.

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The effective interest expense on the liability component of the Debentures for the three and nine months ended September 30, 2025 was \$0.2 million and \$0.7 million, respectively (September 30, 2024 – \$0.3 million and \$0.5 million, respectively) and the balance of unamortized financing costs as at September 30, 2025 was \$0.07 million (December 31, 2024 – \$0.1 million). As at September 30, 2025, the liability component includes accrued interest payable of \$0.01 million (December 31, 2024 – \$0.2 million).

The estimated fair value of the embedded derivative liability on September 30, 2025 was \$0.9 million (December 31, 2024 – \$1.7 million) with the change in fair value for the three and nine months ended September 30, 2025 of \$0.5 million and \$0.8 million, respectively, recognized as unrealized gain on embedded derivative (September 30, 2024 – \$0.3 million and \$0.9 million unrealized loss, respectively). The fair value of the embedded derivative liability as at September 30, 2025 was estimated using the Black-Scholes option pricing model assuming: a 1.0 year expected life; a 2.4% risk free interest rate; a 65% expected volatility, which is based on historical share price volatility of the Company; no expected dividends; a September 30, 2025 share price of \$1.71; and an exercise price of \$2.25.

As at (\$000's)	September 30, 2025	December 31, 2024
Liability component		
Beginning balance	6,128	5,353
Accretion expense	718	714
Interest paid	(605)	(292)
Foreign currency translation adjustment	(198)	353
Ending liability component balance	6,043	6,128
Embedded derivative component		
Beginning balance	1,653	966
Unrealized (gain) loss on derivative revaluation	(800)	687
Ending embedded derivative component balance	853	1,653
Total Debentures	6,896	7,781

9. Provisions:

As at (\$000's)	September 30, 2025	December 31, 2024
Beginning non-current portion	14,457	1,834
Increase in liabilities	97	12,425
Changes in estimates	1,022	(793)
Accretion expense	462	464
Foreign currency translation adjustment	(748)	527
Ending non-current portion	15,290	14,457
Beginning current portion	1,242	635
Settlements	(55)	(1,171)
Changes in estimates	436	1,839
Foreign currency translation adjustment	(117)	(61)
Ending current portion	1,506	1,242

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Provisions are comprised of decommissioning obligations which are estimated based on the expected costs to abandon existing wells, gathering lines and facilities and for site restoration along with the estimated timing of future payments. As at September 30, 2025, the estimated total uninflated and undiscounted cash flows required to settle the current and non-current liabilities are \$20.0 million (December 31, 2024 – \$20.2 million), which are expected to be incurred between 2025 and 2043.

The net present value of the non-current decommissioning obligations is calculated with an inflation rate of 3.0% (December 31, 2024 – 2.8%) and using risk-free discount rates of 3.6% to 4.5% (December 31, 2024 – 4.3% to 4.7%).

10. Other long-term liabilities:

(\$000's)	PEC Project	CNG	Total
Balance as at December 31, 2024	2,821	1,816	4,637
Increase in liabilities	2,306	-	2,306
Accretion	480	187	667
Payments on other long-term liabilities	-	(525)	(525)
Foreign currency translation adjustment	178	(57)	121
Balance as at September 30, 2025	5,785	1,421	7,206
Less: current portion	-	(514)	(514)
Non-current portion	5,785	907	6,692

In accordance with the terms of the PEC Project, certain of the Company's payment obligations for royalty expenses are deferred. These liabilities are initially recognized at fair value by discounting the expected future payments at the Company's estimated incremental borrowing rate of 16% and are subsequently accreted over the deferral period to the principal amount on the due date with a corresponding non-cash accretion charge recognized in finance expense.

The total undiscounted cash outflows required to settle these obligations are \$11.3 million and are due between March 2029 and September 2030. The non-cash accretion expense for the three and nine months ended September 30, 2025 is \$0.2 million and \$0.5 million, respectively (September 30, 2024 – \$0.05 million and \$0.07 million, respectively).

Condor Natural Gas B.V. ("CNG"), a Company subsidiary, entered into a Termination and Settlement Agreement (the "Agreement") effective August 1, 2024 with third-party advisors (the "Advisors") who assisted Condor in pursuing investment opportunities in Uzbekistan.

The CNG termination payment is payable in monthly instalments of USD \$0.04 million until March 2028 and was initially recognized at fair value by discounting the expected future payments at the Company's estimated incremental borrowing rate of 16%. The liability is accreted over the payment period with a corresponding non-cash accretion charged to finance expense. The non-cash accretion expense on the Agreement liabilities for the three and nine months ended September 30, 2025 was \$0.1 million and \$0.2 million, respectively (September 30, 2024 – \$0.05 for both periods). As at September 30, 2025, the total undiscounted cash flows required to settle the liability are USD \$1.2 million (CAD \$1.7 million).

11. Share capital:

The Company has authorized an unlimited number of common shares without nominal or par value and an unlimited number of first and second preferred shares without nominal or par value and all issued shares are fully paid. As of September 30, 2025, the number of common shares issued is 68,127,783 (December 31, 2024 – 67,457,117).

During the nine months ended September 30, 2025, 670,666 stock options were exercised for proceeds of \$0.4 million. During the nine months ended September 30, 2024, 632,100 stock options were exercised for proceeds of \$0.19 million and 66,668 common share purchase warrants were exercised for proceeds of \$0.03 million.

As of September 30, 2025, there are 2,754,497 common share purchase warrants as follows:

- 2,533,334 warrants each at an exercise price of \$0.48 per common share and exercisable into one common share of Condor, of which 255,000 expire on June 30, 2026 and 2,278,334 expire on July 14, 2026; and
- 221,163 warrants each at an exercise price of \$2.20 per common share and exercisable into one common share of Condor which expire on December 9, 2026.

Reduction of share capital

On June 20, 2024, Condor's shareholders resolved by special resolution that the Company's share capital be reduced, without payment of or reduction to the Company's stated capital or paid-up capital, by the amount of the deficit on December 31, 2023 of \$219.4 million.

12. Non-controlling interests:

a. Condor Natural Gas B.V.

On January 9, 2024, the Company entered into a share purchase agreement ("SPA") with a third party to sell 49% of the shares of Condor Natural Gas B.V. ("CNG"). CNG is the sole shareholder of the Uzbekistan subsidiary which is conducting the production enhancement services under the PEC Project. On March 1, 2024, the SPA was completed, the consideration received, and the assets, liabilities and accumulated other comprehensive loss ("AOCL") transferred to the NCI is outlined in the table below:

(\$000's)	
Consideration received	-
Carrying amount of net assets and AOCL transferred to NCI	(160)
Increase in equity attributable to Common shareholders	160

The increase in equity attributable to Common shareholders of the Company was comprised of a reduction in deficit of \$0.16 million and a reduction in AOCL of less than \$0.01 million.

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The following table summarizes the financial information relating to CNG and its wholly-owned Uzbekistan subsidiary, before any intra-group eliminations. The NCI is allocated 49% of the comprehensive income of CNG commencing March 1, 2024.

As at (\$000's)	September 30, 2025	December 31, 2024
Current assets	29,230	33,333
Non-current assets	35,166	17,674
Current liabilities	(15,998)	(9,192)
Non-current liabilities	(23,130)	(25,892)
Net assets	25,268	15,923
Net assets attributable to NCI	12,381	7,802

Three months ended (\$000's)	September 30, 2025	September 30, 2024
		Adjusted – Note 23
Revenue	18,739	19,136
Expenses	(15,989)	(13,796)
Finance income	50	1
Other expense (Note 16)	-	(47)
Net income	2,800	5,294
Other comprehensive income (loss)	473	(144)
Total comprehensive income	3,273	5,150
Net income allocated to NCI	1,372	2,594
Other comprehensive income (loss) allocated to NCI	232	(71)
Cash flows from operating activities	17,891	5,171
Cash flows used in investing activities	(7,203)	(1,940)
Cash flows used in financing activities	(136)	(502)
Effect of foreign exchange on cash	152	(117)
Increase in cash	10,704	2,612

Nine months ended (\$000's)	September 30, 2025	September 30, 2024
		Adjusted – Note 23
Revenue	60,286	45,302
Expenses	(50,427)	(32,285)
Finance income	64	1
Other expense (Note 16)	-	(1,917)
Net income	9,923	11,101
Other comprehensive loss	(578)	(130)
Total comprehensive income	9,345	10,971
Net income allocated to NCI	4,862	5,604
Other comprehensive loss allocated to NCI	(283)	(64)
Cash flows from operating activities	26,788	8,858
Cash flows used in investing activities	(21,531)	(3,661)
Cash flows from (used in) financing activities	(5,988)	3,772
Effect of foreign exchange on cash	(498)	(104)
Increase (decrease) in cash	(1,229)	8,865

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b. Condor LNG Ltd.

On April 24, 2024, the Company completed a share purchase agreement with a third party to sell 10% of the shares of Condor LNG Ltd. ("CLNG"). CLNG is the sole shareholder of certain Kazakhstan subsidiaries which are developing liquefied natural gas facilities in Kazakhstan. The consideration received, and the assets, liabilities and accumulated other comprehensive loss ("AOCL") transferred to the NCI is outlined in the table below:

(\$000's)	
Consideration received	-
Carrying amount of net assets and AOCL transferred to NCI	(26)
Increase in equity attributable to Common shareholders	26

The increase in equity attributable to Common shareholders of the Company is comprised of a decrease in deficit of \$0.03 million and a decrease in AOCL of less than \$0.01 million.

The following table summarizes the financial information relating to CLNG and its wholly-owned Kazakhstan subsidiaries, before any intra-group eliminations. The NCI is allocated 10% of the comprehensive income of CLNG commencing April 24, 2024.

As at (\$000's)	September 30, 2025	December 31, 2024
Current assets	1,999	195
Non-current assets	4,431	3
Current liabilities	(4,340)	(81)
Non-current liabilities	(4,374)	(871)
Net asset deficiency	(2,284)	(754)
Net asset deficiency attributable to NCI	(228)	(75)

Three months ended (\$000's)	September 30, 2025	September 30, 2024
Revenue	-	-
Expenses	(285)	(147)
Net loss	(285)	(147)
Other comprehensive income (loss)	(218)	5
Total comprehensive loss	(503)	(142)
Net loss allocated to NCI	(29)	(15)
Other comprehensive income (loss) allocated to NCI	(21)	-
Cash flows used in operating activities	(179)	(165)
Cash flows used in investing activities	(2,353)	-
Cash flows from financing activities	4,349	136
Effect of foreign exchange on cash	22	1
Increase (decrease) in cash	1,839	(28)

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Nine months ended (\$000's)	September 30, 2025	September 30, 2024
Revenue	-	-
Expenses	(1,336)	(441)
Net loss	(1,336)	(441)
Other comprehensive loss	(194)	(3)
Total comprehensive loss	(1,530)	(444)
Net loss allocated to NCI	(134)	(24)
Other comprehensive loss allocated to NCI	(19)	-
Cash flows used in operating activities	(1,257)	(462)
Cash flows used in investing activities	(4,589)	(4)
Cash flows from financing activities	7,668	489
Effect of foreign exchange on cash	21	3
Increase in cash	1,843	26

13. Net income (loss) per share:

Per share amounts for the three and nine months ended September 30, 2025 are calculated using a weighted average number of common shares of 67,935,310 and 67,626,788, respectively (September 30, 2024 – 57,139,328 and 56,829,780 common shares, respectively). For periods with a net loss, outstanding convertible debentures (Note 8), common share purchase warrants (Note 11) and stock options (Note 14) have been excluded from the respective calculations of diluted weighted average common shares as to include them would have an antidilutive effect.

14. Stock based compensation:

The Company has a stock option plan under which the Board may grant options for the purchase of common shares to directors, officers and employees for up to 10% of the outstanding common shares. The Board establishes the exercise price of options at the date of grant, provided that such price shall not be less than the volume weighted average trading price of the shares on the TSX for the five trading days immediately preceding the date of grant. The options are granted for a term of five years and fully vest after either two or three years from the date of grant. Each outstanding option is exercisable to acquire one common share of the Company.

The number and weighted average exercise prices of share options are as follows:

	Number of options	Weighted average exercise price
Outstanding as at December 31, 2023	5,447,000	\$0.56
Granted	468,000	1.90
Expired	(701,434)	(0.31)
Outstanding as at December 31, 2024	5,213,566	0.71
Granted	1,355,000	1.85
Exercised	(670,666)	(0.56)
Forfeited	(64,000)	(1.82)
Outstanding as at September 30, 2025	5,833,900	\$0.98

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Details of the stock options outstanding as at September 30, 2025 are as follows:

Exercise price	Options outstanding		Options vested	
	Number	Average remaining life in years	Number	Average remaining life in years
\$0.31	916,000	2.5	916,000	2.5
\$0.39	1,109,900	2.2	1,109,900	2.2
\$0.42	120,000	1.5	120,000	1.5
\$0.48	750,000	1.4	750,000	1.4
\$0.51	175,000	0.1	175,000	0.1
\$1.23	1,024,000	3.0	682,337	3.0
\$1.53	90,000	4.6	30,001	4.6
\$1.80	165,000	3.6	110,001	3.6
\$1.86	1,191,000	4.4	397,002	4.4
\$1.99	243,000	3.9	81,000	3.9
\$2.15	50,000	4.8	16,667	4.8
	5,833,900	2.8	4,387,908	2.4

As of September 30, 2025, there are 5,833,900 stock options outstanding (December 31, 2024 – 5,213,566) with a weighted average exercise price of \$0.98 (December 31, 2024 - \$0.71), of which 4,387,908 stock options are exercisable (December 31, 2024 – 4,112,239) with a weighted average exercise price of \$0.74 (December 31, 2024 – \$0.59).

In July 2025, 50,000 stock options were granted and the fair value of \$1.32 per option was estimated using the Black-Scholes option pricing model assuming: a 3.5 year expected life; a 2.8% risk free interest rate; an 100% expected volatility, which is based on historical share price volatility of the Company; no expected dividends; a grant date share price of \$2.02; and an exercise price of \$2.15.

In April 2025, 90,000 stock options were granted and the fair value of \$1.02 per option was estimated using the Black-Scholes option pricing model assuming: a 3.0 year expected life; a 2.6% risk free interest rate; an 104% expected volatility, which is based on historical share price volatility of the Company; no expected dividends; a grant date share price of \$1.57; and an exercise price of \$1.53.

In February 2025, 1,215,000 stock options were granted and the fair value of \$1.23 per option was estimated using the Black-Scholes option pricing model assuming: a 3.0 year expected life; a 2.6% risk free interest rate; an 106% expected volatility, which is based on historical share price volatility of the Company; no expected dividends; a grant date share price of \$1.88; and an exercise price of \$1.86.

15. Finance expense

For the three months ended (\$000's)	September 30, 2025	September 30, 2024
Accretion on loans and Debentures (Notes 6, 7 and 8)	606	601
Accretion of provisions (Note 9)	151	130
Accretion of other long-term liabilities (Note 10)	256	99
Interest on lease liabilities	19	3
	1,032	833

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For the nine months ended (\$000's)	September 30, 2025	September 30, 2024
Accretion on loans and Debentures (Notes 6, 7 and 8)	1,778	1,587
Accretion of provisions (Note 9)	462	330
Accretion of other long-term liabilities (Note 10)	667	120
Interest on lease liabilities	67	8
	2,974	2,045

16. Other expense:

On April 15, 2025, the Company acquired the rights to a natural gas allocation in Kazakhstan for USD \$0.5 million (CAD \$0.7 million) to provide LNG feed gas for the LNG facility (Note 4). The natural gas allocation was expensed during the nine months ended September 30, 2025.

The other expense of \$0.05 million and \$1.9 million for the three and nine months ended September 30, 2024, respectively, relates to the Termination and Settlement Agreement described in Note 10.

17. Net monetary gain (loss):

To measure the impact of inflation in Türkiye on its consolidated financial position and operating results, the Company has elected to use the Turkish consumer price index ("Turkish CPI") as published by the Turkish Statistical Institute "TURKSTAT". The value of the Turkish CPI at September 30, 2025 was 3,367 (September 30, 2024 – 2,526) and the movement in the Turkish CPI for the nine months ended September 30, 2025 was 682 (September 30, 2024 – 667), an increase of approximately 25% (September 30, 2024 – 36%). For the three and nine months ended September 30, 2025, the Company recognized a net monetary loss of \$0.02 million and \$0.01 million, respectively, to restate transactions into a measuring unit current as of September 30, 2025 (September 30, 2024 – gain of \$0.01 million for both periods).

18. Income taxes

Deferred tax assets are reviewed at each reporting date and are recognized for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Income tax expense for the three and nine months ended September 30, 2025 is comprised of current income tax expense of \$0.6 million and \$2.4 million, respectively (September 30, 2024 – \$1.4 million and \$3.0 million, respectively) and deferred income tax recovery of \$0.06 million and \$0.5 million, respectively (September 30, 2024 – \$Nil for both periods) related to Uzbekistan.

19. Commitments and contingent liabilities:

Under the terms of the PEC Project, the Company is required to complete a five-year minimum development work plan (the “MDWP”) which began in 2024 and establishes how the Company intends to enhance and optimize production from the eight natural gas-condensate fields. The MDWP includes the following work program: perform seventy-five well workovers, install artificial lift in sixty wells, acquire 225 km² of 3-D seismic, install water separation equipment, drill twenty-five new wells, install three field compression units, and perform upgrades for two in-field processing facilities. The estimated capital expenditures associated with the work program are USD \$138.4 million (CAD \$192.7 million), and the Company is entitled to determine the schedule and timing of completing the work program within the five-year period. The MDWP also includes estimated operating expenses of USD \$170.5 million (CAD \$237.4 million). The performance and implementation of the MDWP is monitored regularly and may be amended by agreement between the Company and UNG. If the Company is unable to substantially complete the MDWP by December 31, 2028, except due to certain specified conditions, this could be a basis for UNG to terminate the PEC Project. Actual expenditures required to complete the specified work program and to operate the fields may be significantly different from the above estimates.

The Company has capital commitments for the LNG facility in Kazakhstan of USD \$3.3 million (CAD \$4.5 million), and the payments are due in a combination of time and milestone-based instalments until the LNG facility is commissioned, which is expected to be in Q2 2026 (see Note 7).

There are no work commitments related to the Poyraz Ridge or the Destan operating licenses in Türkiye.

The Sayakbay exploration license in Kazakhstan contains contractual work commitments of \$0.2 million per annum during the first three years and \$0.3 million per annum during the final three years of the six-year term. The Kolkuduk exploration license in Kazakhstan contains contractual work commitments of approximately \$0.05 million per annum during the first three years and \$0.1 million per annum during the final three years of the six-year term. The contractual work commitments may be amended from time to time in accordance with planned exploration activities proposed by the Company and approved by the Government of Kazakhstan and additional contractual work commitment amounts could be significant.

20. Financial risk management:

Credit risk

Credit risk arises from the possibility that a counterparty to which the Company provides goods or services is unable or unwilling to fulfil their contractual obligations. The maximum exposure to credit risk at period end is as follows:

Carrying amounts as at (\$000's)	September 30, 2025	December 31, 2024
Cash and cash equivalents	22,671	27,841
Trade and other receivables	14,655	17,617
Other long-term assets	269	279
	37,595	45,737

The Company limits its exposure to credit risk on cash and cash equivalents and bank deposits by depositing and investing in banks with investment grade credit ratings.

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Credit risk on trade receivables is related mainly to natural gas marketers, and the risk of financial loss if a customer, partner or counterparty to a financial instrument fails to meet its contractual obligations. During the nine months ended September 30, 2025 and 2024, sales of natural gas were sold to one customer in each of Uzbekistan and Türkiye, and sales of condensate were sold to UNG and therefore all sales transactions are subject to concentration risk. As at September 30, 2025, these three customers represented 99% of outstanding trade and other receivables (December 31, 2024 – 99%). Of the \$14.7 million trade and other receivables balance as of September 30, 2025, \$1.3 million was collected subsequent to September 30, 2025.

Credit risk is mitigated by management's policies and practices. Natural gas and condensate produced in Uzbekistan are supplied to the domestic market through sales agreements with national companies of Uzbekistan. For condensate sales receivables in Uzbekistan, if full payment is not received from UNG when due, the Company may withhold the outstanding amount receivable from the payment due to UNG for the UNG Entitlement. For natural gas sales in Türkiye, the Company holds a bank guarantee provided by the buyer of its natural gas amounting to two month's estimated gas sales as security on gas sales receivables.

Liquidity risk and capital management

Liquidity risk is the risk the Company will encounter difficulty in meeting financial obligations and commitments and repaying liabilities as they fall due. The Company's objective is to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations when due. The Company requires liquidity mainly to satisfy financial obligations and operating requirements related to activities in Uzbekistan (see Note 19), Kazakhstan and Türkiye. The Company looks to manage liquidity by adjusting its capital structure by issuing new equity or debt, disposing of assets and making adjustments to its capital expenditure program to the extent the capital expenditures are not committed.

Managing the Company's obligations will require using a combination of cash on hand, funds from operating activities, securing funding from debt or equity financing, disposing of assets or making other arrangements. While the Company believes it has sufficient resources to manage these obligations for the next year, there is no assurance over the longer term that the Company will be successful with these initiatives and the outcome of these matters is uncertain.

As at September 30, 2025, the Company had a deficit of \$5.6 million (December 31, 2024 – \$3.9 million). For the three and nine months ended September 30, 2025, the Company reported net income of \$0.9 million and \$3.0 million, respectively (September 30, 2024 – \$3.2 million and \$4.8 million, respectively) and cash from operating activities of \$15.2 million and \$18.8 million, respectively (September 30, 2024 – \$5.1 million and \$4.8 million, respectively). The Company's working capital balance has decreased from \$26.0 million as at December 31, 2024 to \$6.5 million as at September 30, 2025.

To manage capital expenditures and operating cashflows, annual budgets are prepared, monitored regularly and updated as required. The Company also utilizes authorizations for expenditures to manage capital spending.

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The cash flows presented in the tables below are the contractual undiscounted cash flows and accordingly certain amounts differ from the amounts included in the consolidated statements of financial position. The Company's undiscounted contractual obligations are as follows:

(\$000's)	Less than 1 year	Greater than 1 year	Total
<u>As at September 30, 2025</u>			
Accounts payable and accrued liabilities	14,112	-	14,112
Lease liabilities	320	363	683
Loan facility	6,343	-	6,343
Bridge loan	4,212	-	4,212
Convertible debentures	15	6,640	6,655
Other long-term liabilities	696	11,769	12,465
<u>As at December 31, 2024</u>			
Accounts payable and accrued liabilities	9,844	-	9,844
Lease liabilities	282	480	762
Loan facility	2,182	5,936	8,118
Convertible debentures	171	6,864	7,035
Other long-term liabilities	719	7,467	8,186

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and their impact on the future performance of the business. Market risk is comprised of three types of market price changes: foreign currency exchange rates, interest rates and commodity prices. Derivative instruments may be used to reduce exposure to these risks.

Foreign currency exchange risk

The Company is exposed to significant foreign currency risk as the Company's natural gas and condensate sales and a substantial portion of foreign activities are transacted in or referenced to foreign currencies, a portion of the Company's cash and cash equivalents are held in USD and the Company's Loan Facility and Debentures are denominated in USD. Natural gas and condensate sales in Uzbekistan are domestic sales at local market prices and natural gas sales in Türkiye are denominated in TRL. In general, an increase in the value of the Canadian dollar as compared to the USD or the TRL will reduce the prices received by the Company for its natural gas and condensate sales. The Company had no forward exchange rate contracts in place during the nine months ended September 30, 2025 or the year ended December 31, 2024.

During the nine months ended September 30, 2025, the CAD appreciated from 1.44 per 1.00 USD to 1.39, the KZT depreciated from 523.5 per 1.00 USD to 548.8, and the TRL depreciated from 35.2 per 1.00 USD to 41.5, which led to a foreign exchange gain of \$0.9 million (September 30, 2024 – loss of \$0.03 million) related mainly to the USD denominated Loan Facility, Bridge Loan and Debentures, partially offset by USD cash and cash equivalents held by the Company.

During the nine months ended September 30, 2025, the CAD appreciated from 1.44 per 1.00 USD to 1.39, the KZT depreciated from 363.9 per 1.00 CAD to 394.1, and the TRL depreciated from 24.4 per 1.00 CAD to 29.8, resulting in a \$0.7 million translation loss adjustment through equity (September 30, 2024 – \$0.03 million).

Interest rate risk

Interest rate risk is the risk that the value of the financial instrument or future cash flows associated with the financial instrument will fluctuate as a result of changes in market interest rates. The Company's Loan Facility, Bridge Loan and Convertible Debentures all bear fixed-rate interest at 9.0% per annum and their value is exposed to interest rate risk from changes in market interest rates. The Company had no risk management contracts that would be affected by interest rates in place during the nine months ended September 30, 2025 or the year ended December 31, 2024.

Commodity price risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. The Company is exposed to changes in commodity prices inherent in the oil and natural gas industry. Commodity prices for oil and natural gas are impacted by economic events and factors which are beyond the Company's control. Fluctuations in petroleum and natural gas prices may have a significant effect on the Company's results of operations and cash flows from operating activities, and may also affect the value of the oil and gas properties, the level of spending for exploration and development and the Company's ability to raise capital. The Company had no derivative commodity price contracts in place during the nine months ended September 30, 2025 or the year ended December 31, 2024.

Natural gas sales in Uzbekistan are domestic sales at local market prices. Condensate sales prices in Uzbekistan are based on Brent less a discount for processing, transportation and marketing.

Natural gas sales in Türkiye are domestic sales via pipeline at prices published monthly by the state owned pipeline transportation company BOTAS. The benchmark for Condor's gas sales in Türkiye is BOTAS Level 2 wholesale tariffs less a marketing differential.

Fair Value of Financial Assets and Liabilities

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods outlined below. The Company's fair value measurements are classified as one of the following levels of the fair value hierarchy. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability:

Level 1 – Inputs represent unadjusted quoted prices in active markets for identical assets and liabilities as of the reporting date. An active market is characterized by a high volume of transactions that provides pricing information on an ongoing basis.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These valuations are based on inputs that can be observed or corroborated in the marketplace, such as market interest rates or forward prices for commodities.

Level 3 – Inputs for the asset or liability are not based on observable market data.

The fair value of the Company's cash and cash equivalents, trade and other receivables, accounts payable and accrued liabilities, Loan Facility, and Bridge Loan balances approximate their carrying value at September 30, 2025 and December 31, 2024, due to their short term to maturity. The embedded derivative liability of the convertible debentures is classified as Level 2 within the fair value hierarchy, and its fair value is determined at each period end. The other long-term liabilities are classified as Level 2 within the fair value hierarchy, and their fair value approximates their carrying value.

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21. Supplementary cash flow information:

For the three and nine months ended September 30, 2025, the Company received interest income of \$0.1 million and \$0.4 million, respectively (September 30, 2024 – \$0.04 million and \$0.1 million, respectively), paid aggregate interest expense of \$0.5 million and \$1.1 million, respectively (September 30, 2024 – \$0.2 million and \$0.8 million, respectively) on the Loan Facility (Note 6) and Debentures (Note 8) and paid income tax of \$0.5 million and \$2.2 million, respectively (September 30, 2024 – \$1.2 million and 2.1 million, respectively).

22. Segmented information:

The Company has the following operating and reporting segments related to foreign subsidiaries, and presents the following segmented information:

((\$000's))	Corporate	Uzbekistan	Kazakhstan	Türkiye	Total
<u>As at September 30, 2025</u>					
Exploration and evaluation assets	-	-	449	-	449
Property, plant and equipment	269	34,358	4,795	4	39,426
Total assets	8,286	64,281	7,528	493	80,588
Total liabilities	13,625	33,973	6,034	1,934	55,566
<u>As at December 31, 2024</u>					
Exploration and evaluation assets	-	-	399	-	399
Property, plant and equipment	135	17,445	410	7	17,997
Total assets	13,872	50,961	1,341	433	66,607
Total liabilities	16,211	25,586	1,788	1,962	45,547

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(\$000's)	Corporate	Uzbekistan	Kazakhstan	Türkiye	Total
For the three months ended September 30, 2025					
E&E expenditures	-	-	16	-	16
PP&E expenditures	2	7,649	2,352	-	10,003
Revenue					
Natural gas sales	-	17,623	-	9	17,632
Condensate sales	-	1,116	-	-	1,116
Royalties	-	(2,588)	-	(2)	(2,590)
Total revenue	-	16,151	-	7	16,158
Expenses					
Production costs	-	8,448	-	171	8,619
Transportation and selling	-	641	-	-	641
General and administrative	903	728	412	116	2,159
Depletion and depreciation	35	2,822	25	79	2,961
Stock based compensation	248	-	-	-	248
Finance income	(62)	(50)	-	(25)	(137)
Finance expense	575	408	34	15	1,032
Foreign exchange (gain) loss	113	(351)	(28)	(2)	(268)
Gain on PPE sales	-	-	(1)	-	(1)
Gain on embedded derivative	(483)	-	-	-	(483)
Net monetary gain	-	-	-	(22)	(22)
Income (loss) before taxes	(1,329)	3,505	(442)	(325)	1,409
Income tax expense	-	546	-	-	546
Net income (loss)	(1,329)	2,959	(442)	(325)	863
For the three months ended September 30, 2024					
		Adjusted – Note 23			
E&E expenditures	-	-	36	-	36
PP&E expenditures	5	2,775	2	-	2,782
Revenue					
Natural gas sales	-	17,419	-	72	17,491
Condensate sales	-	1,717	-	-	1,717
Royalties	-	(2,655)	-	(11)	(2,666)
Total revenue	-	16,481	-	61	16,542
Expenses					
Production costs	-	7,540	-	167	7,707
Transportation and selling	-	634	-	51	685
General and administrative	652	766	307	84	1,809
Depletion and depreciation	17	252	391	6	666
Stock based compensation	158	-	-	-	158
Finance income	(15)	(1)	(17)	(6)	(39)
Finance expense	603	213	-	17	833
Foreign exchange (gain) loss	(152)	29	(8)	(4)	(135)
Loss on embedded derivative	291	-	-	-	291
Other expense	-	47	-	-	47
Net monetary gain	-	-	-	(9)	(9)
Income (loss) before taxes	(1,554)	7,001	(673)	(245)	4,529
Income tax expense	-	1,372	-	-	1,372
Net income (loss)	(1,554)	5,629	(673)	(245)	3,157

Condor Energies Inc.
Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the three and nine months ended September 30, 2025 and 2024

(\$000's)	Corporate	Uzbekistan	Kazakhstan	Türkiye	Total
For the nine months ended September 30, 2025					
E&E expenditures	-	-	87	-	87
PP&E expenditures	83	25,279	4,589	-	29,951
Revenue					
Natural gas sales	-	55,480	-	24	55,504
Condensate sales	-	4,806	-	-	4,806
Royalties	-	(8,334)	-	(4)	(8,338)
Total revenue	-	51,952	-	20	51,972
Expenses					
Production costs	-	25,815	-	445	26,260
Transportation and selling	-	1,976	-	1	1,977
General and administrative	2,405	2,671	1,259	318	6,653
Depletion and depreciation	96	8,585	441	287	9,409
Stock based compensation	1,280	-	-	-	1,280
Finance income	(245)	(64)	(4)	(39)	(352)
Finance expense	1,757	1,132	34	51	2,974
Foreign exchange gain	(304)	(564)	(18)	(14)	(900)
Gain on PPE sales	-	-	(8)	-	(8)
Gain on embedded derivative	(800)	-	-	-	(800)
Other expense	-	-	659	-	659
Net monetary gain	-	-	-	(9)	(9)
Income (loss) before taxes	(4,189)	12,401	(2,363)	(1,020)	4,829
Income tax expense	-	1,815	-	-	1,815
Net income (loss)	(4,189)	10,586	(2,363)	(1,020)	3,014
For the nine months ended September 30, 2024					
		Adjusted – Note 23			
E&E expenditures	-	-	79	-	79
PP&E expenditures	18	4,476	20	-	4,514
Revenue					
Natural gas sales	-	41,404	-	342	41,746
Condensate sales	-	3,898	-	-	3,898
Royalties	-	(6,268)	-	(46)	(6,314)
Total revenue	-	39,034	-	296	39,330
Expenses					
Production costs	-	17,400	-	523	17,923
Transportation and selling	-	1,491	-	193	1,684
General and administrative	2,030	2,068	954	244	5,296
Depletion and depreciation	51	512	659	181	1,403
Stock based compensation	502	-	-	-	502
Finance income	(97)	(1)	(19)	(13)	(130)
Finance expense	1,594	397	-	54	2,045
Foreign exchange (gain) loss	13	55	(28)	(14)	26
Loss on embedded derivative	859	-	-	-	859
Other expense	-	1,917	-	-	1,917
Net monetary gain	-	-	-	(13)	(13)
Income (loss) before taxes	(4,952)	15,195	(1,566)	(859)	7,818
Income tax expense	-	3,007	-	-	3,007
Net income (loss)	(4,952)	12,188	(1,566)	(859)	4,811

23. Comparative period adjustment:

An immaterial adjustment has been made to the royalty expenses described in Note 10, and non-cash finance income in the interim condensed consolidated statements of income (loss) and comprehensive income (loss) and cash flows for the three and nine months ended September 30, 2024. Previously, the difference between the fair value of the payment obligations and the undiscounted value of these royalty expenses was recorded as non-cash finance income upon recognition. The Company should have recorded these royalty expenses at the discounted amount and non-cash finance income should not be recognized. The impact of this immaterial adjustment to the three months ended March 31, 2025 is also described below.

The adjustment for the three months ended September 30, 2024 is \$0.9 million and the impact on the statement of income (loss) and comprehensive income (loss) is to reduce finance income from \$0.9 million to less than \$0.1 million and royalty expenses from \$3.6 million to \$2.7 million with a corresponding adjustment to total revenue from \$15.6 million to \$16.5 million. The impact on the operating activities section of the statement of cash flows is to reduce non-cash finance income from \$0.9 million to \$Nil and reduce the change in other long-term liabilities from \$3.6 million to \$2.7 million.

The adjustment for the nine months ended September 30, 2024 is \$2.1 million and the impact on the statement of income (loss) and comprehensive income (loss) is to reduce finance income from \$2.2 million to \$0.1 million and royalty expenses from \$8.4 million to \$6.3 million with a corresponding adjustment to total revenue from \$37.2 million to \$39.3 million. The impact on the operating activities section of the statement of cash flows is to reduce non-cash finance income from \$2.1 million to \$Nil and reduce the change in other long-term liabilities from \$5.8 million to \$3.7 million.

The adjustment for the three months ended March 31, 2025 is \$1.0 million and the impact on the statement of income (loss) and comprehensive income (loss) is to reduce finance income from \$1.1 million to \$0.1 million and royalty expenses from \$4.1 million to \$3.1 million with a corresponding adjustment to total revenue from \$18.2 million to \$19.2 million. The impact on the operating activities section of the statement of cash flows is to reduce non-cash finance income from \$1.0 million to \$Nil and reduce the change in other long-term liabilities from \$1.9 million to \$0.9 million.

There was no impact resulting from this adjustment in the amount of the Company's previously reported net income, cash flows from operating activities or to other long-term liabilities in the interim condensed consolidated statements of financial position.

24. Subsequent events:

- a) Subsequent to September 30, 2025, 239,000 stock options were exercised for proceeds of \$0.17 million.