

The Capricorn Energy PLC Group tax strategy

Background

In accordance with paragraph 16(2) of Schedule 19 of the Finance Act 2016, this tax strategy applies to Capricorn Energy PLC and its subsidiaries for the year ended 31 December 2023. There has been no substantive change to the tax strategy from the previous year.

Overall the board is ultimately accountable for tax risk within the Group; identification of tax risk is the responsibility of the Head of Finance. The Head of Finance is also responsible for ensuring that policies and procedures supporting the Group tax strategy are in place and are followed consistently in all areas of the business.

This tax strategy applies to all taxes paid or borne by the Group, including corporate income tax, VAT, employment taxes, withholding taxes and stamp and other transaction taxes.

Tax Strategy

The Capricorn Energy PLC Group is an Egypt-focused energy producer, with a portfolio of onshore exploration, development and production assets in the Western Desert. Outside Egypt, the Company has exited its remaining exploration interests .

In its approach to tax, the Group aims to be a good corporate citizen, managing its tax affairs in a transparent and responsible manner in all the jurisdictions in which it operates. Capricorn is committed to complying with tax laws and having open and constructive relationships with all tax authorities.

Capricorn is committed to transparency of tax contributions and other payments to governments and supports the Extractive Industries Transparency Initiative. We report payments to governments in our Annual Report and Accounts in compliance with The Reports on Payments to Governments Regulations 2014 No.3209 as well as additional voluntary disclosures of taxes paid by the Group.

In its approach to tax, the Group relies on the following key principles:

Risk Management and Governance

Corporate responsibility is key to Capricorn and its business principles are based on these core values:

- **Building respect:** Capricorn acts with respect for people, their communities, the environment, human rights and the law.
- **Acting responsibly :** Capricorn behaves fairly and ethically and is accountable for its actions. The Group believes in, and acts on, its responsibility to care for people, society, and the environment.
- **Nurturing relationships:** Capricorn acts honestly, transparently and with integrity to develop strong, lasting relationships with all our stakeholders.

As part of the Group's internal control framework, it follows the Capricorn Risk Management Process. Tax risks are included in that process. We identify, assess, and manage tax risk and report these to Board. The main Board undertakes a risk workshop annually which considers attitude to and management of risk across the Group.

The Group aims for certainty in relation to the tax treatments of all items but acknowledges that this will not always be possible for instance where transactions are complex or the jurisdiction in which the Group operates has a tax regime which is new or untested.

Tax law can be open to interpretation and where uncertainty exists the Group will form an internal view and take written advice from external advisors on any ambiguous areas. We may also seek to work directly with tax authorities to resolve uncertainties where tax laws are unclear or complex.

Capricorn conducts transactions between group entities on an arm's length basis in accordance with Organisation for Economic Co-operation and Development principles.

The Group does not tolerate the facilitation of tax evasion by anyone acting for or on behalf of Capricorn and we have robust procedures in place to identify and mitigate any risk of tax evasion facilitation.

Tax Planning

Capricorn undertakes tax planning that supports our business and reflects commercial and economic activity. The Group's policy is not to enter into any artificial tax avoidance schemes.

Capricorn will base its views on the relevant tax laws in force at the time and seeks to minimise disputes.

Where governments in the jurisdictions in which Capricorn operates offer incentives or exemptions to encourage investment, Capricorn seeks to apply these in the manner intended as part of the overall investment arrangements.

Relationships with Tax Authorities

The Group seeks to build and maintain strong collaborative working relationships with all relevant tax authorities.

Capricorn engages with governments and tax authorities in the development of tax law and guidance both directly and through industry bodies.

Capricorn will not consider any arrangement which relies on less than full disclosure to HMRC or other tax authorities.

Further information

[Group Code of Ethics](#)

This policy will be reviewed and updated annually or as appropriate. It was last approved on 29 November 2023.