



Annual Report and Accounts 2025

Capricorn Energy PLC

At a glance

Capricorn is a cash flow-focused energy producer, with a portfolio of onshore development and production assets in the Egyptian Western Desert. Our objective is to create value for our shareholders through the development and production of oil and gas.

Our strategy

Capricorn's strategy is focused on developing the scale and longevity of the business to maintain strong cash flows and deliver shareholder value.

2025 Highlights

Net working interest (WI) oil and gas production averaged

20,024
boepd

(2024: 23,763 boepd)

Egypt oil and gas sales revenue

\$134m

(2024: \$147m)

Year-end net Group cash

\$103m

Cash and cash equivalents of \$133m less debt drawn of \$30m

(2024: \$23m)

Cash and cash equivalents of \$123m less debt drawn of \$100m

Operating cash in flow

\$170m

(2024: \$106m)

📄 Read more on Environmental, social and governance on page 10

📄 See our performance metrics on page 9

Chair's statement page 2

Strategy and business model page 5

Market overview page 6

Environmental, social and governance page 10

Contents

Strategic report

Chair's statement	2
CEO's review	3
Strategy and business model	5
Market overview	6
Stakeholders and s172 statement	7
Measuring our performance	9
Environmental, social and governance	10
Risk management	16
Viability statement	17
Principal risks	18
TCFD reporting	24
Financial & operational review	32

Corporate governance

Board of Directors	37
Corporate governance statement	39
Audit committee report	46
Sustainability committee report	51
Nomination and governance committee report	52
Directors' remuneration report	55
Directors' report	77

Financial statements

Independent auditors' report to the members of Capricorn Energy PLC	81
Group income statement	87
Group balance sheet	89
Group statement of cash flows	90
Group statement of changes in equity	91
Section 1 – Basis of preparation	92
Section 2 – Oil and gas assets, operations and other non-current assets	94
Section 3 – Working capital, financial instruments and long-term liabilities	101
Section 4 – Income statement analysis	110
Section 5 – Taxation	117
Section 6 – Discontinued operations	122
Section 7 – Capital structure and other disclosures	124
Company balance sheet	127
Company statement of cash flows	128
Company statement of changes in equity	129
Section 8 – Notes to the Company financial statements	130

Additional information

Licence list	136
Group reserves and resources	137
Glossary	138
Company information	139



CHAIR'S STATEMENT

It is my privilege to address Capricorn's shareholders during this significant year for the Company. The team's dedication and focus on strategic execution have enabled Capricorn to unlock value within its Egypt portfolio and achieve several key milestones, advancing investment in country. The management team's commitment to cash flow and production growth has been critical to Capricorn's successful transformation into the stable, long-term business that it is today.

Strategy delivering a platform for growth

In 2025, the Company cemented its position as a cash flow-focused energy producer, with a clear emphasis on capital discipline. Our strategy, centred on developing strong cash flows to deliver consistent shareholder value, has resulted in an 80% reduction in continuing general and administrative costs since 2022, with minimal spend outside Egypt.

In May, Capricorn reached a major milestone with the approval of a merged concession agreement in Egypt. The agreement, in which eight production and development concessions are being consolidated into a single, longer-term contract with improved fiscal terms, is expected to improve cash flows and arrest production decline, setting the stage for renewed growth in 2026 and in the years ahead.

Operational performance and financial discipline

The Company's prudent approach to capital investment was reflected in both its production and capital expenditure guidance as we returned to development drilling and fulfilment of the commitment of three exploration wells on our Egyptian assets.

Operationally, Capricorn delivered solid results in 2025, producing more than 20,000 barrels of oil equivalent per day which was above the mid-point of our annual production guidance.

Capricorn's receivables position improved significantly through 2025 with the Company collecting more than \$217m in receivables in the year.

Portfolio management and growth initiatives

Our portfolio strategy is focused on self-funding investment in Egypt and leveraging our technical alignment with joint venture partners and the Egyptian Government. The modernised concession agreement will deliver higher gas prices for incremental sales, improved cost recovery and enhanced profit share to support production growth.

Beyond Egypt, we continue to evaluate M&A prospects in the UK North Sea and the broader MENA region for strategic investment and partnership opportunities, while our disciplined approach ensures that any expansion aligns with our commitment to shareholder returns and financial stability.

Working responsibly

Shareholder interests are of critical importance to the Board and we are committed to ensuring that responsible and sustainable business practices are embedded into the Company's culture. We will continue to drive robust and transparent corporate governance best practices as we build on the progress made in 2025 and ensuring that the Company's disclosures align with evolving stakeholder expectations and regulatory requirements.

Sustainable future

We would like to thank our Board, management, employees, and stakeholders for their support and dedication throughout a year in which Capricorn has transformed as a business, strengthening its financial position and laying the groundwork for sustainable growth. With a clear strategy, disciplined fiscal approach and strong partnerships, Capricorn is well positioned for continued success in 2026 and beyond.

Maria Gordon

Chair

25 March 2026

“The management team's commitment to cash flow and production growth has been critical to Capricorn's successful transformation into the stable, long-term business that it is today.”

CEO'S REVIEW

Focused and built for sustainable cash flows

2025 has been a year of significant operational, strategic and financial progress for Capricorn. I am immensely proud of what the team has achieved and grateful for the continued support of our shareholders and stakeholders. Capricorn is well-positioned for value creation in 2026, with a strong balance sheet, high-quality assets and multiple near-term catalysts to deliver growth and shareholder returns.

Delivering strong operational performance

Our operations in Egypt have delivered improved performance across the board – full year WI Egypt oil and gas production was 20,024 boepd, comprising 40% liquids, generating revenues of \$134m at an average realised oil price of \$68.4 per boe and a fixed gas price of \$3.1 per mscf. Total production costs were \$39m (\$5.4 per boe) and net cash generated from Egypt oil and gas production was \$170m. Our operating cash flow reached \$150m, reflecting our commitment to financial discipline and efficient capital allocation.

Eighteen development wells were successfully drilled in 2025, contributing to a stable and predictable production profile. Production performance was particularly strong in the second half of the year, driven by a focused programme of liquids-rich development drilling and a successful waterflood programme in the Badr El Din (BED) field area. Notably, gas performance in Q4 2025 was enhanced by the drilling of BED15-31 which produced strongly from the Lower Bahariya formation and provided the potential for prioritisation of follow-up wells in early 2026.

Work programme costs across the existing development concessions in the first half of 2025 were below budget due to schedule changes and cost savings. We correspondingly reduced our total net capital expenditure forecast, and development and production capex at year end was \$77m, within our \$75-85m guidance range.

By Q4 2025, all exploration commitments on Capricorn's legacy acreage were met. Exploration drilling in 2025 produced encouraging results in the North Um Baraka (NUMB) and South East Horus (SEH) licences where Capricorn is working with the Operator to evaluate future activity. In NUMB, together with our joint venture partner Cheiron, we are progressing a development lease application following the drilling of NUMB-6. This well is scheduled to be brought online in 2026, with follow-up drilling anticipated from 2027. In SEH, the SEH-6X well established the extension of an active petroleum system which justified progressing to the next exploration phase. On West El Fayoum the joint venture is relinquishing the concession following 2025 drilling results.

Transformational consolidation of Egypt concession agreements

In May, we received EGPC Board approval to consolidate eight of our existing Egyptian concession agreements into a single, merged concession agreement, simplifying our operating framework and unlocking significant fiscal and operational benefits. In return for a modernisation payment paid in instalments, improved commercial terms in the new concession agreement will support material investment which should unlock significant contingent resources, as well as increase future production and substantially increase reserves through economic extensions and investment.

The new agreement, anticipated to receive parliamentary ratification in H1 2026, positions us to extract greater value from our assets while aligning with Egypt's wider energy goals. We have secured access to four additional blocks in the BED 17 development area and two open exploration areas adjacent to our existing acreage. These additions may contribute approximately 20 mmboe of WI 2P reserves in 2026 alone, significantly enhancing our resource base and future development potential. The new fiscal terms drive free cash flow across all reasonable commodity prices – at \$80 per bbl netback improves from \$18 to \$23 per boe – which could generate improved returns.

Furthermore, the agreement includes a 60% increase in gas pricing for incremental volumes from both existing fields and new discoveries. This pricing uplift materially improves our gas economics.

Strengthened balance sheet and financial discipline

Our financial strategy remains grounded in discipline and efficient capital allocation. Despite a volatile macroeconomic environment and fluctuating commodity prices, we have maintained a robust balance sheet even at lower oil prices. In 2025, the Company received \$217m from Egypt, reducing the Company's accounts receivable to \$86m – the lowest position since 2022. These material payments against arrears support liquidity and enabled our continued investment in the Egyptian asset base without reliance on external capital.

Overall year end Group net cash was \$103m, comprising \$133m cash and \$103m debt. The Company elected to settle its entire outstanding Senior Debt Facility with a voluntary payment of \$18m in December 2025. Additionally, the Junior Debt Facility amortised by \$10m in Q1 2026, with Capricorn making the scheduled repayment in late December 2025. This leaves an outstanding debt balance of \$30m at 31 December 2025, comprising the Balance Sheet financial liability, less this early settlement. The remaining balance is currently scheduled to amortise over the next three years, subject to potential events of default, however, forecast collections in 2026 could provide an opportunity for early repayment.

EGPC's commitment to reduce outstanding receivables for companies investing in the country's oil and gas sector by 30 June 2026 is a positive signal for the industry, and we are encouraged by the proactive steps being taken to improve the investment climate in Egypt. We will continue to engage constructively with EGPC; these payments are critical to maintaining liquidity and enabling reinvestment in the asset base.

CEO'S REVIEW CONTINUED

2026 Outlook and beyond

A key priority for 2026 will be incorporating the merged concession agreement into a work programme, unlocking additional investment flexibility that allows us to accelerate development activities across our asset base. With a streamlined concession structure and improved fiscal terms, we will be able to deploy resources to pursue value-accretive projects with greater agility.

We continue to assess geopolitical developments and their potential impact on energy markets as part of our risk management. Recent international events are being monitored carefully, and the Company is prepared to adjust operations if deemed necessary.

Capex guidance for the year has been set at \$85-95m and the Company will continue to actively manage investment in Egypt against collections, exclusive of any outstanding exploration commitments. Our capital allocation framework for 2026 will continue to balance reinvestment in high-return opportunities against shareholder returns, and the anticipated receipt of regular EGPC payments will further underpin our ability to pursue strategic growth.

The Company's progress in 2025, most notably with the merged concession agreement in Egypt, has provided the Capricorn with a robust platform to deliver on its ambitions for scalable growth and building a cash-generative long-term business.

Our strategic priorities remain clear – maximising value from our Egyptian assets through disciplined investment, maintaining a strong balance sheet while prioritising shareholder value and exploring value-accretive opportunities, primarily in Egypt, with a secondary focus on the UK North Sea and the broader MENA region.

Randy Neely

CEO

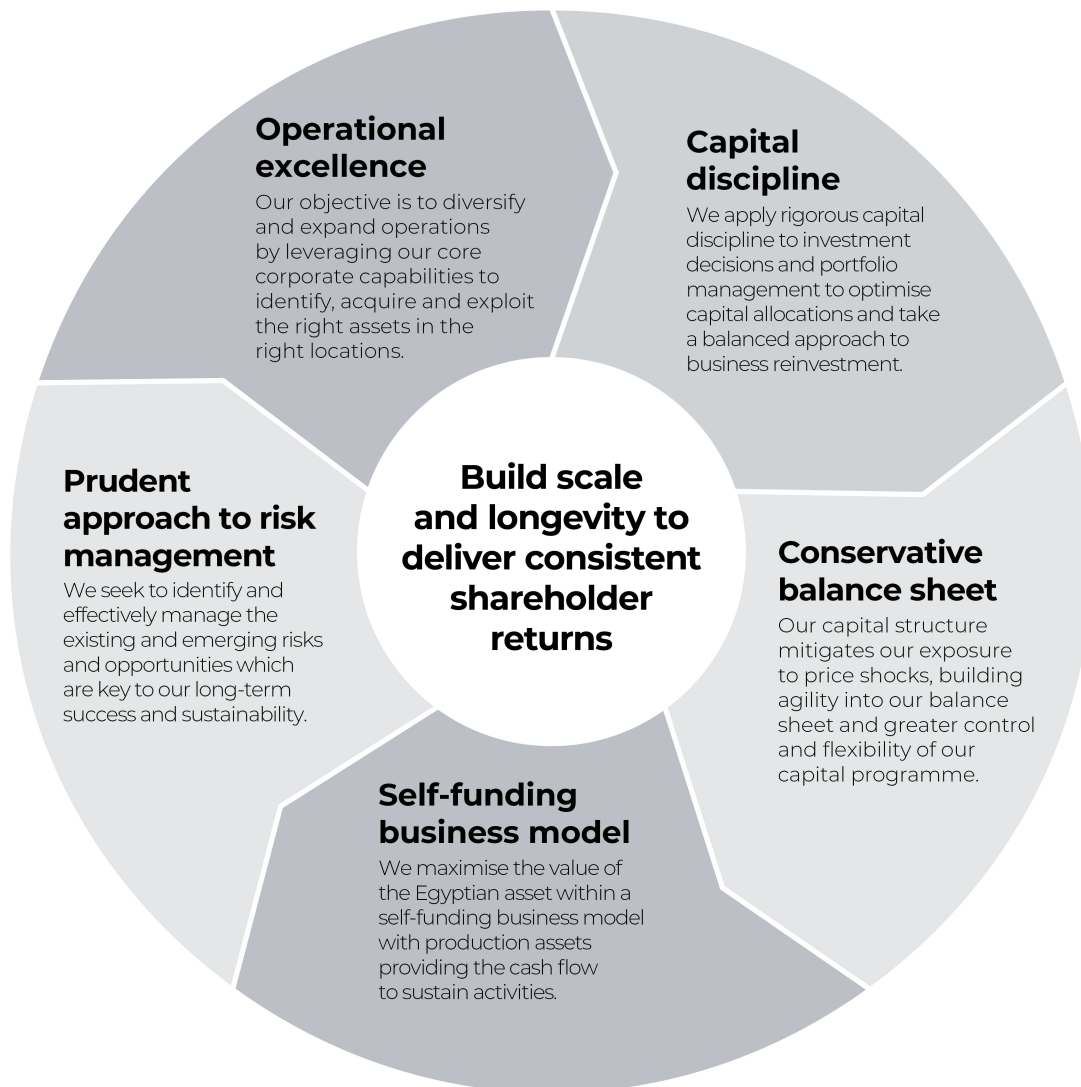
25 March 2026

“Capricorn is well-positioned for value creation in 2026, with a strong balance sheet, high-quality assets and multiple near-term catalysts to deliver growth and shareholder returns.”

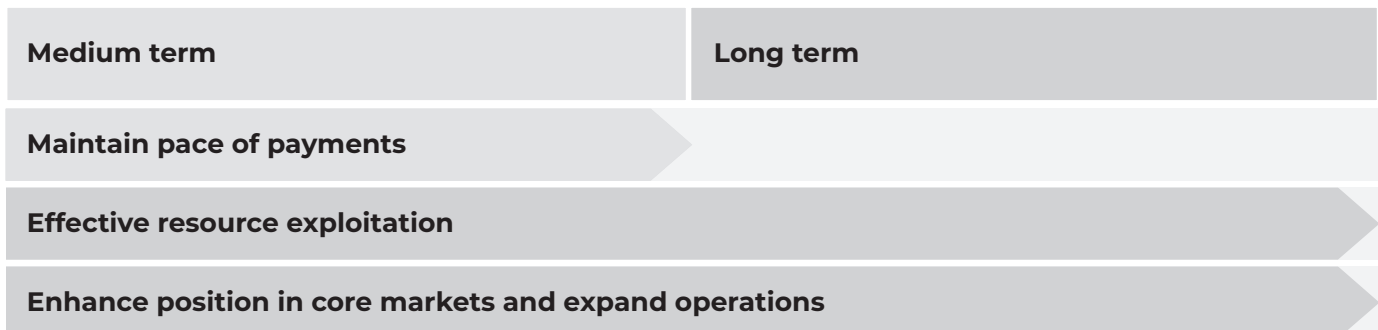
STRATEGY AND BUSINESS MODEL

Capricorn is a cash flow-focused energy producer with a portfolio of onshore development and production assets in the Egyptian Western Desert. Our objective is to create value for our shareholders through the development and production of oil and gas.

Capricorn’s strategy is focused on developing the scale and longevity of the business to maintain strong cash flows that deliver consistent shareholder value.



Ongoing strategic priorities



MARKET OVERVIEW

Capricorn continues to focus on upstream oil and gas activities to maximise shareholder value and returns. This is concentrated on our existing operations in Egypt with developments in country and the wider oil price environment key to business performance.

Egypt outlook – GDP growth rebounded in 2025

Through 2025, the Egyptian economy continued its recovery following the challenging economic period it faced over 2022-2024 which was driven largely by a foreign exchange crisis linked to reduced tourism and Suez canal revenues as well as lower remittances.

GDP growth strengthened over the 2025 fiscal year (July 2024-June 2025) rising to 4.4% compared to 2.4% in the previous year. The improved performance was supported by fiscal and monetary reforms introduced in 2024, including the removal of exchange rate controls which helped attract foreign direct investment and restore investor confidence.

A major boost came from Qatar's commitment in the second half of 2025 to invest \$30bn in the Alam Al-Roum real estate development along the Mediterranean coast and adds to the \$50bn in foreign currency support from the UAE, IMF, EU and World Bank in the previous year. As a result, Egypt's foreign exchange reserves reached a 20-year high of \$50bn according to figures from the Central Bank of Egypt.

Inflation also trended in the right direction. Headline inflation halved to 12% over 2025 when compared to same period in 2024 according to recent figures released by Egypt's Central Bank.

This constructive picture was, however, set against ongoing geopolitical challenges in the region, notably the conflict in Gaza and wider tensions in the Middle East with Suez Canal revenues continuing to be impacted.

What does this mean for our industry?

Payments to international oil companies in Egypt's upstream sector improved markedly in 2025 compared with recent years. Capricorn received \$217m during the year, up from \$135m and \$109m in 2024 and 2023 respectively, reflecting a more supportive and predictable payment environment.

The improving economic outlook, underpinned by a population of 110 million, drives a strong demand for energy supplies. Gas consumption exceeds domestic supplies, and Egypt has positioned itself as the Eastern Mediterranean's gas hub drawing upon regional gas supplies to supplement the shortfall in domestic production.

The combination of an improved fiscal environment and more reliable payments has provided the confidence needed amongst international oil companies operating in Egypt to continue investment in domestic production and help meet the country's growing energy needs.

How are we responding?

The improved payment environment enabled our 50:50 JV with Cheiron to increase the rig count to four as we began executing the work programme in earnest for the new Merged Concession. This step-up in activity has contributed to 2025 production reaching above the mid-point of guidance.

Oil prices return to normal levels

Benchmark Brent crude oil prices averaged \$69/bbl, a 15% decline from the 2024 average of \$81/bbl, driven by softer demand growth and increasing oil supply from OPEC+. After a relatively calm first quarter, oil markets became turbulent for much of the following six months amid escalating trade tension between the United States and its key trading partners, rising economic protectionism and heightened geopolitical risk in the Middle East. Brent traded in a \$60/bbl-\$75/bbl range for much of this period with the range narrowing towards \$60/bbl-\$65/bbl as the above ground risks in the Middle East eased.

While expectations for 2025 oil demand growth were revised down, demand remained robust, rising to around 105 million b/d – an annual increase of 700 kb/d. On the supply side, OPEC+ returned roughly 2.2 million b/d to the market, supplemented by continued growth from Brazil, Canada and Guyana.

An emerging surplus of oil in the market became a strongly debated issue in the second half of the year with estimates ranging from 500 kb/d to nearly 4 million b/d by the end of 2025 – a seasonally weak period for the market. Against this backdrop, oil prices softened at the end of the year relative to the 10-year average.

Despite the recent softening of oil demand, the long-term outlook remains positive. International energy bodies and our industry peers continue to project towards sustained demand growth for the remainder of the decade, supporting the case for continued investment in our low cost, Egyptian asset base.

What does this mean for our industry?

As oil prices remain in line with the 10-year average, this provides a positive backdrop for continued investment in the sector with Capricorn maintaining a focus on drilling oil development wells. We anticipate continuing this strategic position particularly set against Egyptian gas prices at ~\$16/boe.

How are we responding?

Capricorn continued to produce relatively equal amounts of oil and gas, however, given the significantly better economic rate of return relative to gas, we focused development drilling on oil through 2025.

STAKEHOLDERS AND S172 STATEMENT

The Directors of Capricorn Energy PLC, and those of all UK companies, are bound by their duties under the Companies Act 2006 to promote the success of the Company for the benefit of its members and in doing so, having regard to the interests and views of all relevant stakeholders. Continuous engagement is integral to our day-to-day operations and working together towards shared goals is a key factor in facilitating the long-term success of the business.

The Board fully recognises the need to balance the contrasting and, at times, conflicting interests of various stakeholder groups, whilst focusing on the Company's purpose, values and strategic priorities. Such engagement underpins the governance framework embedded throughout our business and helps to ensure we maintain the highest standards of business conduct.

Throughout the past year, there has been substantial engagement regarding a number of significant matters which has helped shape the Company's actions. These include the return of cash to shareholders, ongoing operational arrangements and the energy transition. All key business decisions considered included an analysis of stakeholder considerations, anticipated impact and any mitigating factors.

Supporting Section 172

Section 172 of the Companies Act 2006 sets out that a Director should have regard to stakeholder interests when discharging their duty to promote the success of the Company. The Directors of Capricorn Energy PLC consider, both individually and together, that they have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in Section 172(1) of the Companies Act 2006.

Details of how the Board and senior management engage and foster strong relationships with some of our key stakeholders, and examples of the impact of this engagement, are set out below.

Further information can also be found throughout the Strategic Report and in our exploration of key strategic decisions made in the Corporate Governance Report.

	Why is it important to engage?	How the Board and/or management engaged	Key topics of engagement	Examples of the impact of such engagement and actions taken
Investors	<ul style="list-style-type: none"> – The views of our investors influence our strategic and operational decision-making – We are dependent on shareholders for access to funding – We are accountable to our shareholders 	<ul style="list-style-type: none"> – Holding approximately 50 investor meetings, including one-to-ones and attending conferences – Conducting regular financial reporting – Responding in a timely manner to investor and analyst enquiries – Offering shareholders the opportunity to submit questions by email in advance of general meetings (as well as being able to raise questions at the meetings themselves) – Post-general meeting correspondence to discuss vote outcomes 	<ul style="list-style-type: none"> – Strategy and performance – Return of cash to shareholders – Corporate governance – Maximising value in the Egypt business – Understanding opportunities in the North Sea 	<ul style="list-style-type: none"> – Regular reviews of corporate objectives – Consolidation of eight of the Company's existing Egyptian concession agreements – Undertaking an active assessment of the North Sea deal flow – Focus on efforts to expand the investor base

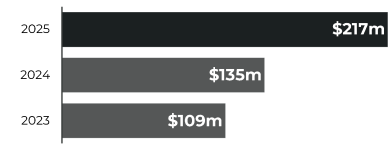
STAKEHOLDERS AND S172 STATEMENT CONTINUED

	Why is it important to engage?	How the Board and/or management engaged	Key topics of engagement	Examples of the impact of such engagement and actions taken
Governments	<ul style="list-style-type: none"> We are responsible to them for compliance with local and/or international laws Their permissions are required for us to access acreage and obtain payments 	<ul style="list-style-type: none"> Meetings with senior state, UK and Egypt ambassadors, ministers and civil servants 	<ul style="list-style-type: none"> Legal compliance Major accident prevention Investment and economic growth ESG matters New fiscal terms in Egypt 	<ul style="list-style-type: none"> Continued monitoring of responsible performance at Board meetings and annual review of key Group policies and objective key performance indicator (KPI) setting Focus on new terms for certain Egypt concessions Reviewing feedback and commentary from government and regulatory bodies regarding performance expectation KPIs include performance against leading and lagging indicators for HSSE protection
Business partners, peers and contractors	<ul style="list-style-type: none"> We are reliant on our partner in joint ventures (JVs) We are commercially responsible to contractors, suppliers and partners Their performance directly impacts our financial, operational and responsible performance 	<ul style="list-style-type: none"> Meetings with partners, peers and contractors in addition to regular joint venture and operations planning meetings Maintaining membership of industry bodies Active management of key projects and assets (including alignment of project deliverables) 	<ul style="list-style-type: none"> Policies and standards Industry reputation Investment opportunities for growth Long-term relationships ESG matters 	<ul style="list-style-type: none"> Careful selection of contractors Continued membership of BRINDEX and AIEN Actively engage with our JV partner and governments to ensure good working relationships
Local communities and interest groups	<ul style="list-style-type: none"> We have an ethical responsibility to maximise social and economic benefit and to minimise impact on livelihoods and the environments in which we operate They provide an alternative perspective, strengthening our knowledge of local situations and/or specific demands 	<ul style="list-style-type: none"> Community meetings Reviews of social investment strategies aligned with United Nations Sustainable Development Goals (UN SDGs) Senior management visits Media monitoring 	<ul style="list-style-type: none"> Transparency of payments to governments Protection of resources and livelihoods Community development and social investment Access to employment and business opportunities Education assistance 	<ul style="list-style-type: none"> Community investment focused on maintaining strong stakeholder relationships in areas where we have assets or an office base Continued membership of the UN Global Compact and the Global Reporting Initiative
Employees	<ul style="list-style-type: none"> We are dependent on employees' performance and that of the wider workforce We have a legal and ethical responsibility for their well-being They bring a diverse perspective to the identification of opportunities and ways of working 	<ul style="list-style-type: none"> Regular staff meetings Employee Voice Forum (EVF) meetings Employee surveys Exit interviews 	<ul style="list-style-type: none"> Employee well-being and work-life balance Training, professional development and career progression opportunities Technology, systems and tools to support productivity Hybrid and flexible working arrangements Cost-of-living increases and inflationary pressures 	<ul style="list-style-type: none"> Continued investment in employee well-being initiatives and support programmes Ongoing provision of training and professional development opportunities Improvements to technology, systems and tools to support efficient and effective working Maintained flexible and hybrid working arrangements to support work-life balance

MEASURING OUR PERFORMANCE

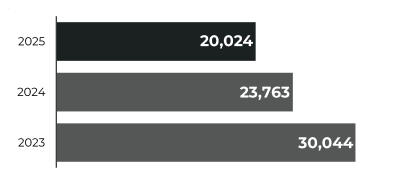
We use both financial and non-financial metrics to manage long-term performance and monitor progress against pre-defined strategic objectives.

A: Cash receipts from operations (\$m)



Cash collections in Egypt have continued to grow year-on-year as Capricorn worked closely with our partner and EGPC to address the receivables position.

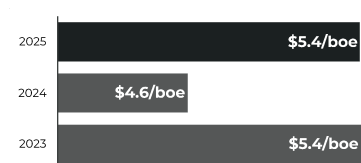
B: Net production (boepd)



Net production was 16% lower in comparison to 2024.

WI production in 2025 across the four main concession areas was above the mid-point of the guidance range for WI production of 17,000 – 21,000 boepd.

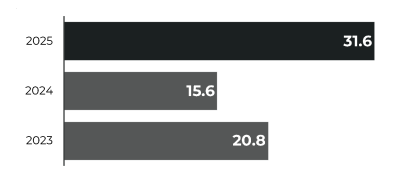
C: Opex costs (\$/boe)



Opex costs were 17% higher in comparison to 2024.

The fixed costs over the lower production volumes increased the opex per barrel in 2025.

D: Net 2P entitlement reserves (mmboe)



The Group 2P net entitlement reserves increased by 103% in comparison to year-end 2024.

The Group 2P net entitlement reserves increased by 16 mmboe during the year from 15.6 mmboe at year end 2024 to 31.6 mmboe at year end 2025. This was principally due to Egyptian net production of 3.5 mmboe and upward revisions of 19.5 mmboe mainly due to the Merged Concessions modernisation.

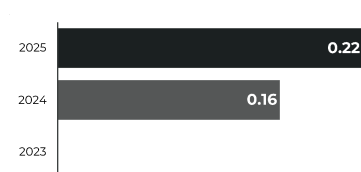
E: Receivables position (\$ million)



The receivables balance decreased by 53% in comparison to 2024.

Capricorn's receivables position greatly improved through 2025 with the Company collecting more than \$217m in receivables in the year to 31 December 2025 – reaching the lowest receivables balance since 2022 of \$86m.

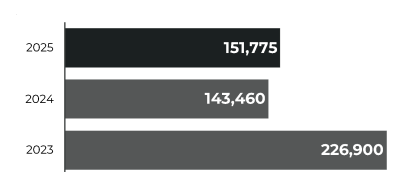
F: Health and safety (LTIF rate)



2025 non-operated performance decreased versus 2024 with respect to long-term injury frequency (LTIF).

Our operating partner in Egypt performed strongly in health and safety and achieved health and safety benchmarks better than IOGP.

G: Scope 1 and 2 equity emissions (tCO₂e)



Scope 1 and 2 emissions increased by 6% in comparison to 2024.

The JV's Scope 1 emissions actually reduced in 2025 by approximately 9% due to factors including the implementation of decarbonisation initiatives in the assets. Capricorn calculates its non-operated emissions on a net-equity basis - this resulted in the reported 6% increase due to a rise in the Company's net-equity interest across the four main concession areas.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Capricorn made the transition from a larger exploration company managing multiple assets to a more streamlined organisation with a non-operated stake in onshore Egyptian assets. As a result of this reduction in operations and size, the Company chose to undertake a double materiality assessment (DMA) to reassess our material topics in light of these changes, allowing us to refocus our ESG and sustainability efforts to be more representative of Capricorn today.

This DMA process was facilitated by sustain:able in Q4 2024, a specialist ESG consultancy, and conducted in consultation with key internal staff, using topics from the Global Reporting Initiative (GRI) oil and gas sector 11 guidance. The impact materiality (Capricorn's outward impact on stakeholders and the environment) and financial materiality (impact on Capricorn) were assessed for 22 topics.

This resulted in the designation of each topic as either non-material, impact material, financially material or double material. It is important to note that within these designations the topics are not ranked against each other.

The matrix shows the topics material to the business at the time it was completed, and the identified topics remain material for the business today. We are committed to reviewing this as the Company evolves or if external factors change, to ensure it remains an accurate reflection of Capricorn's operations.

Double material topics

GHG emissions (GRI 11.1)

As an oil and gas company Capricorn contributes to global greenhouse gas (GHG) emissions through its operations. We are working to reduce our emissions and mitigate our impacts through various projects. This topic also brings financial risk, as future carbon taxes, carbon border adjustment mechanisms and methane regulations could lead to increased costs associated with Capricorn's business.

Climate adaptation, resilience and transition (GRI 11.2)

There are negative climatic impacts from the burning of oil and gas. However, if Capricorn's domestic supply to the Egyptian market is replacing more emission-intensive imports or the use of more emission-intensive fuels such as coal, then this could have a net positive impact on the country's emissions. It is likely that there will be financial risks associated with climate change, through more frequent extreme weather events (e.g. droughts, heat stress, windstorms, etc.) that could lead to both increased operating and capital expenditures.

Occupational health and safety (GRI 11.9)

Occupational health and safety is a key topic for Capricorn as the negative impact of an accident involving our workers or the local environment could be significant, hence we place large amounts of resource into ensuring this does not occur.

Impact material topics

Water and effluents (GRI 11.6)

Capricorn's assets in the Egyptian Western Desert are located in an area of high water-stress as per the Aqueduct Water Risk Atlas. As a result, we are working together with our JV partners to reduce any potential negative impacts.

Employment practices (GRI 11.10)

Capricorn has a direct impact on the people that we employ in our offices as well as those employed in our operations.

Non-discrimination and equal opportunity (GRI 11.11)

Capricorn has a direct impact on the people that we directly employ in our offices but a more limited influence on those who are employed at our assets. A breach of this topic would be a breach of human rights and so it is considered material to Capricorn.

Financial material topics

Conflict and security (GRI 11.18)

Geopolitical volatility in the MENA region escalated significantly in Q1 2026. While Capricorn's direct operations are unlikely to be affected, there could be knock-on financial risks from supply issues in the region due to the ongoing conflict and any spill over tension.

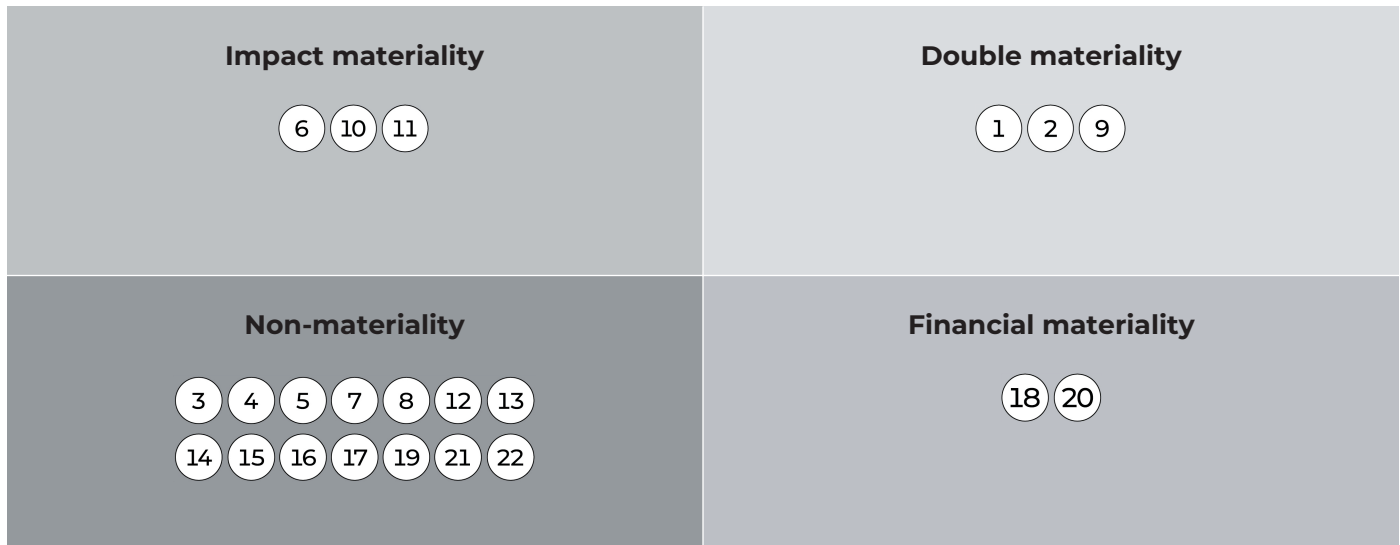
Anti-corruption (GRI 11.20)

Capricorn has assets in a country deemed high risk for bribery and corruption. Egypt is ranked as 'high risk' for bribery in Transparency International's Corruption Perceptions Index. The Company ensures that it complies fully with the UK Bribery Act in all jurisdictions in which we operate to mitigate against this risk.

It was decided that the remaining 14 GRI 11 topics were non-material, based on Capricorn's non-operator status and the regulatory environment in which we operate and that our operators are required to be compliant with. While these topics do not meet the threshold of materiality with regards to ESG, they remain important to us. We are committed to the ongoing review of these topics and to updating their materiality as required.

Materiality matrix

The outcome of Capricorn’s DMA is represented in the materiality matrix below:



Capricorn’s DMA results displayed in a matrix highlighting the materiality of the GRI 11 topics.

Materiality topics

1 GHG emissions	9 Occupational health and safety	17 Rights of indigenous peoples
2 Climate adaptation, resilience and transition	10 Employment practices	18 Conflict and security
3 Air emissions	11 Non-discrimination and equal opportunity	19 Anti-competitive behaviour
4 Biodiversity	12 Forced labour and modern slavery	20 Anti-corruption
5 Waste	13 Freedom of association and collective bargaining	21 Payments to governments
6 Water and effluents	14 Economic impacts	22 Public policy
7 Closure and rehabilitation	15 Local communities	
8 Asset integrity and critical incident management	16 Land and resource rights	












Working responsibly

We are committed to working responsibly as part of our strategy to deliver value in a safe, secure and environmentally responsible manner for our stakeholders. Our responsible business principles are integrated into our systems and processes and determine how we work, helping us to behave responsibly for our people, the environment and society.

The UN SDGs provide a framework from which to assess the impact and increase the value of Capricorn’s activities, and we look to contribute positively towards them.

Our reporting covers those assets and activities of which we have operational control and our non-operated joint venture activities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

Governance	Environment	People	Society
Material topics			
For more on our business principles visit: www.capricornenergy.com/working-responsibly/			
<ul style="list-style-type: none"> Anti-corruption 	<ul style="list-style-type: none"> GHG emissions Climate adaptation, resilience and transition Water and effluents 	<ul style="list-style-type: none"> Occupational health and safety Employment practices Non-discrimination and equal opportunity 	<ul style="list-style-type: none"> N/A
Highlights			
<ul style="list-style-type: none"> Sustainability Committee met twice in 2025 to discuss ESG issues. Anti-bribery and corruption, tax evasion compliance and cyber security training programme completed across the Group. The Capricorn Board received regulatory training on UK Listing rules, as well as training on Egypt macro risks and legal frameworks. Implemented controls to meet the 'reasonable procedures' defence under the new Economic Crime and Corporate Transparency Act 2023 Failure to Prevent Fraud offence. This included the completion of a risk assessment, the development of policy documentation and the introduction of periodic fraud audit checks. Risk review meetings completed with all departments to review and discuss ESG risks and opportunities. 	<ul style="list-style-type: none"> Our Joint Venture company successfully executed decarbonisation projects in Egypt which, compared to 2024, resulted in a: <ul style="list-style-type: none"> 9% reduction in GHG emissions; 29% reduction in routine flaring; 19% reduction in methane emissions; and 13% reduction in diesel consumption. The Group achieved its 2025 short-term emissions target and remains on target to meet our medium- and long-term emission reduction targets. Implementation of a new ESG software platform which will enhance the way we measure and track our environmental, people, governance and HSE data. 	<ul style="list-style-type: none"> Joint Venture company performed strongly in health and safety, with LTIF rates lower than IOGP benchmarks. Employee engagement driven by survey feedback and focused action. Reviewed and implemented a new well-being strategy, reinforcing our commitment to employee health, balance and long-term sustainability. 100% completion rate for all mandatory training. This included Display Screen Equipment training, mental health and neurodiversity awareness, and bullying and harassment training. The Group's COO and Managing Director Egypt completed a safety visit to the Obaiyed and BED-3 fields in the Western Desert to understand current operational opportunities and challenges, and identify potential areas for safety improvements. 	<ul style="list-style-type: none"> Delivered a community investment partnership project improving housing and drinking water access infrastructure, income generation initiatives and veterinary clinics for livestock. The project supported over 9,000 people. Supported new graduates through continued sponsorship of the Al Amal Programme and two, six-month internships at Capricorn Egypt.
Priorities			
<ul style="list-style-type: none"> Continued commitment to ethical operations and ESG governance. 	<ul style="list-style-type: none"> Continued delivery of decarbonisation and environmental initiatives in the assets to support short-, medium- and long-term emission reduction targets. 	<ul style="list-style-type: none"> Enhance performance management and development practices to support clarity, accountability, and growth. Reinforce diversity, equity, and inclusion principles through policies, awareness, and leadership accountability. 	<ul style="list-style-type: none"> Commitment to maintain and build trust with local communities via social investment partnership supporting development projects, job creation and educational initiatives.
UN SDG alignment			
 	   	 	 
Overarching goal, applicable to all material topics			
			

Governance

Capricorn is committed to delivering value in a safe, secure, environmentally and socially responsible manner for our stakeholders. Delivering our strategy, achieving our objectives and creating long-term value for our shareholders requires robust, transparent corporate governance. Good governance, combined with our responsible culture, helps to ensure that the Company continually works to benefit our stakeholders.

Anti-corruption

Capricorn has a zero-tolerance position on bribery, fraud and corruption. We have developed mitigation measures and undertake anti-bribery and corruption assessments whenever we enter a new territory or seek new business partners. We also maintain due diligence in all of our operating locations even when our presence is established. Our business partners, service providers and staff are expected to act with honesty and integrity, and all employees are trained in anti-bribery and corruption policies and procedures. We track and act on any incidents of corruption, provide training on anti-corruption policies and track employee compliance and adherence rates annually. A confidential whistleblowing mechanism is also in place to allow employees to raise any concerns about corruption.

In 2025, anti-corruption training was provided to all employees across the Group. We refreshed the Group and country anti-corruption risk assessments and continued to perform due diligence on prospective contractors and business partners using a risk-based approach.

Environment

We are committed to being a responsible energy producer and strive to prevent and minimise our overall impact on the environment.

In 2025, our Joint Venture Company delivered strong environmental performance, maintaining compliance with local regulations and international standards, including ISO 14001 recertification and securing nine approved Environmental Impact Assessments.

GHG emissions

Our operations have an impact on the environment through the emissions generated by our activities. The short-term target to reduce emissions by 15%

by 2025 has been achieved and the Group remains on track to meet the 2030 and 2040 targets, as set out in our emissions reduction pathway (page 29).

The majority of our GHG emissions relate to our non-operated activities, so we use an equity approach. Emissions include Scope 1, 2 and 3 emissions, including business travel and commuting. We explore ways to reduce these emissions by collaborating with the Operator in Egypt and implementing an active GHG reduction programme. In 2025, the gross GHG emissions reduced by 9% relative to 2024 as the joint venture successfully reduced routine flaring by 29%, methane releases by 19% and diesel consumption by 13%. However, due to the increase in entitlement volumes, our total Scope 1 and 2 emissions increased from 143,460 tCO₂e to 151,775 tCO₂e.

JV initiatives executed include diesel generator clustering to increase power use efficiency and migrating from diesel to gas generators. Routine flare gas emissions also dropped for the third year running through enhancements to passing valves and through the use of flare gas to power gas generators and the Vapour Recovery Unit in the BED concession. Additionally, facilities are screened for methane leaks using a FLIR camera and remediation is completed.

Climate adaptation, resilience and transition

Part of our efforts to manage the energy transition is recognising our role in supporting Egypt as a developing economy. Egypt is a net importer of oil and gas, and with 100% of Capricorn's product used within the domestic market, the Company will continue to provide a high-quality product to Egypt while implementing increasingly efficient production initiatives. We are aware that future risks, including the energy transition, may impact our employees with regard to job security. While we support the decarbonisation of our asset base in Egypt, the oil and gas industry underpins the country's economy and is one of its priority industries, meaning there is no short- to medium-term risk, and we expect our employees to be able to enjoy a full career.

As part of Capricorn's energy transition planning, our emissions reduction targets and ESG risks are included in the Company's risk register. We plan to mitigate or manage climate-related risks through avoidance, reduction, substitution, sequestration and carbon offsets and we do not expect any of our assets to be closed early due to climate-related risks.

Where possible, we make positive contributions to climate change adaptation, such as through our social investment programme in Egypt. Activities include the construction of rain harvesting wells to improve drought and famine resilience in communities neighbouring our assets.

We exercise transparency with our lenders by demonstrating how we will reduce our emissions, and our current debt agreement is subject to an Environmental and Social Action Plan with requirements related to a GHG emissions reduction plan and the elimination of routine flaring by 2030. Our Group Contracting Procurement Procedure also requires emissions data to be provided from potential suppliers where appropriate.

Water and effluents

Access to clean, safe water for local communities is a fundamental human right that is enshrined in the UN SDGs, and we take our responsibility for protecting and maintaining these resources seriously. Our Corporate Environmental and Climate Change Policy (CECP) outlines our commitment to efficient operations regarding water usage. It aims to protect water sources and water quality where we operate, promotes the efficient usage of water, and includes the need to engage with local communities to ensure environmental resources are conserved. Our social investment programme in 2025 included the construction of 80 rain harvesting wells in communities to improve drought and famine resilience.

People

Our people are the key to our success and their well-being, safety and security are core values underpinning how we do business. We are proud of our safety record and we are committed to maintaining it by prioritising health and safety, fairness, inclusion and opportunity to help create a professional, talented, diverse and engaged workforce.

Occupational health and safety

We have health, safety, security and environmental (HSSE) policies and procedures in place extending to our contractors, subcontractors, suppliers and visitors to mitigate workplace hazards and risks. As a non-operator, all Capricorn employees are office-based and unlikely to be exposed to potential hazards associated with field operations, however appropriate risk assessment procedures such as journey management plans and safety inductions for visitors to our offices are in place to ensure suitable protections.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

We have a dedicated budget for developmental and work-related training, providing employees with access to external training in addition to in-house workshops to ensure compliance with legislative updates, industry standards and objective-related requirements. Roles and responsibilities are reviewed regularly to aid succession planning and the developmental and personal ambitions of our employees.

In 2025, our Joint Venture Company significantly strengthened its safety culture through improved HSE transparency, standardised process safety reporting, and targeted company-wide safety campaigns, alongside a major road safety transformation programme featuring digital journey management and enhanced fleet oversight. Process safety and asset integrity were reinforced through a comprehensive asset register and a successfully expedited major shutdown at Obaiyed. The Company also achieved ISO recertifications (45001, 50001, 9001, and 22000), upgraded accommodation standards at key sites, and introduced a Greenhand management programme to support workforce development.

The reporting of any HSSE-related issues is encouraged and we actively raise awareness among the wider workforce and provide support. We also have a confidential whistleblowing mechanism in place to ensure that anyone who raises a concern or highlights potential or actual breaches receives support and respect.

Employment practices

Our employees are central to the success of the business, and we are committed to supporting their well-being, engagement, and professional development. We promote a healthy work-life balance through flexible working arrangements, enhanced leave benefits, and opportunities for remote working, alongside a range of well-being programmes designed to support physical, mental, social, and financial health.

Employees have access to comprehensive health and well-being support, including an Employee Assistance Programme (EAP), private medical and dental insurance, and a healthcare allowance to encourage an active lifestyle. We foster an open and inclusive workplace culture through regular employee engagement initiatives, including our Employee Voice Forum (EVF) and ongoing one-to-one management meetings, ensuring employees can provide feedback and contribute to continuous improvement.

Non-discrimination and equal opportunity

The Company is committed to fostering a diverse, inclusive, and welcoming workplace where all employees are treated fairly, respectfully, and without discrimination. We recognise that certain groups may be at greater risk of discrimination and proactively seek to identify and mitigate these risks through robust policies, inclusive practices, and a supportive workplace culture. Mandatory annual training is provided to all employees to reinforce these principles, alongside clear procedures for monitoring, recording, and reporting grievances.

The Company upholds the principle of equal pay for equal work and is committed to ensuring fair and non-discriminatory compensation practices. Our salary framework is based on objective criteria, including role responsibilities, skills, experience, performance, and external market benchmarks. Annual reviews are undertaken to promote pay equity across roles and to identify and address any potential disparities. Salary decisions, including remuneration reviews and promotions, follow a transparent and consistent process, reinforcing our commitment to fairness and inclusion.

Recruitment and equality, diversity, and inclusion policies are reviewed regularly to ensure consistent and equitable treatment across the organisation. We work closely with recruitment partners to ensure candidates are assessed solely on the skills and experience required for each role. When advertising roles directly, we use platforms that provide broad visibility and attract a diverse pool of candidates, supporting equal opportunity throughout the recruitment process.

Society

We seek to make a positive difference by investing in efforts to support economic and community development. We consider it a privilege to work in any host country and recognise that we must manage and mitigate any potential risks and impacts associated with our activities to support communities that may be affected by our operations.

In 2025, Capricorn advanced its community investment initiatives to improve housing, water access, education, livelihoods, and veterinary services across its areas of operation. Key activities included the construction of 80 water-harvesting wells, support for 50 income-generation projects, the deployment of eight veterinary convoys,

and roofing improvements for 25 houses, collectively benefiting 9,000 people.

Conflict and security

Our JV company implements high HSSE standards to protect the safety of the local community and the environment. The Crisis Emergency Management Procedure is designed to mitigate and minimise the occurrence of any potential incidents, consisting of training in how to respond in the event of an emergency, the provision of equipment and resources, and robust protocols to ensure clear communication between Capricorn and our JV partner with neighbouring operators.

Capricorn indirectly employs field workers from the local community through our JV partner and we have formal agreements in place to ensure the implementation of consistent, safe and fair working practices. We also perform periodical checks of working conditions and provide feedback to our JV partner to ensure that contractors are treated fairly and consistently.

As part of our commitment to health and safety, the Group's COO and our Managing Director Egypt completed two safety leadership visits to the Egypt assets in October 2025 (the Obaiyed and BED-3 fields in the Western Desert). The objective was to meet with the local leadership teams to get an overview of the operations and to reinforce Capricorn's commitment to high standards of health and safety.

Geopolitical volatility in the MENA region escalated significantly in Q1 2026. A prolonged crisis could lead to fiscal challenges in Egypt which could impact Capricorn.

GHG emissions from operated activities (SECR)

	Unit	2025	2024
Scope 1 (direct) emissions from fuel combustion, flaring and waste incineration	tCO ₂ e		
UK		17.60	16.14
Capricorn Total		46.57	59.05
Scope 2 (indirect) emissions (location-based) from electricity consumption	tCO ₂ e		
UK		21.99	44.71
Capricorn Total		36.25	74.73
Total gross Scope 1 and Scope 2 emissions	tCO ₂ e		
UK		39.59	60.85
Capricorn Total		82.82	133.78
Total energy consumption¹	kWh		
UK		220,428	235,637
Capricorn Total		388,406	509,894
GHG intensity ratio of Scope 1 and Scope 2 emissions to 1,000 hours worked	CO ₂ e/1,000wh		
UK		1.7	1.06
Capricorn Total		1.09	1.41
Scope 3	tCO ₂ e		
Business travel – UK		210.35	386.45
Business travel – Capricorn Total		210.35	386.45
Commuting emissions – UK		63.10	22.8
Commuting emissions – Capricorn Total		123.90	107.24

Notes:

(1) The 2024 'UK Total energy consumption kWh' figures have been restated, replacing those noted in the 2024 Annual Report and Accounts.

RISK MANAGEMENT

Successful and sustainable implementation of our strategy requires strong corporate governance and effective risk management. We deliver this through a comprehensive framework of business policies, systems and procedures that enable us to assess and manage risk effectively.

Managing business risks

Managing existing and emerging risks and opportunities is essential to Capricorn's long-term success and sustainability. All investment opportunities expose the Group to political, commercial and technical risk and Capricorn maintains exposure to these risks at an acceptable level in accordance with its appetite for risk.

As in previous years, Capricorn's risk management process is based on a holistic approach and provides a systematic process for the identification and management of the key risks and opportunities which may impact the delivery of the Group's strategic objectives. KPIs are set annually and determining the level of risk the Group is willing to accept in the pursuit of these objectives is a fundamental component of Capricorn's risk management framework. As outlined below, this integrated approach to the

management of risk and opportunity plays a key role in the successful delivery of the Group's strategy. Capricorn's system for identifying and managing risks is embedded from the top down in its organisational structure, operations and management systems, and accords with the risk management guidelines and principles set out in ISO 31000. The Group's risk management structure is set out below. This framework for risk assessment applies to all risk types including financial, operational, health and safety, environmental, compliance and reporting.

In 2025, the Board completed a robust assessment of the Company's emerging and principal risks.

Risk governance

Overall responsibility for the system of risk management and internal control rests with the Board. Principal risks and

opportunities are presented at each Board meeting.

The Group's framework for risk management promotes a bottom-up approach to risk management with top-down support and challenge. The risks associated with the delivery of the strategy and work programmes, and the associated mitigation measures and action plans are maintained in a series of risk registers at Group, country, department and project level. Reporting of these risks within the organisation is structured so that risks are escalated through various internal management and Board committees, and to the Board itself.

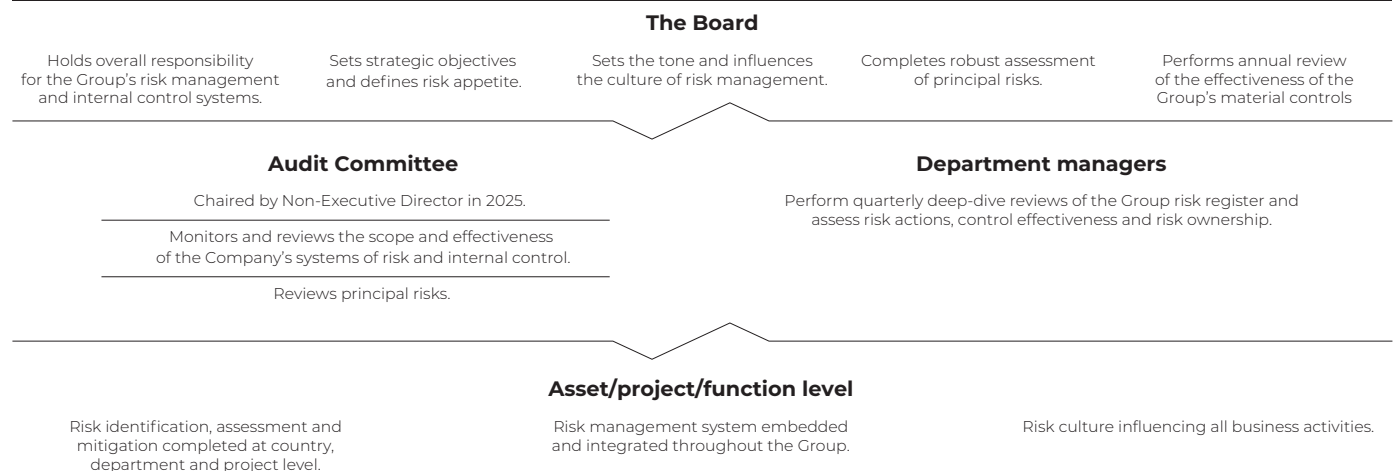
The third line of defence is the co-sourced internal audit function which provides assurance on the effectiveness of our risk management process and other key controls to the Board and its committees.

Group's risk management framework



Risk governance framework

Top-down: Oversight, accountability, monitoring and assurance



Bottom-up: Identification of risks and mitigating actions for assets, projects and functions

VIABILITY STATEMENT

In accordance with the provisions of the UK Corporate Governance Code, the Board has assessed the viability of the Group over a longer period than the 12 months required for its going concern assessment.

Period of assessment

The Directors have assessed the viability of the Group over a three-year period to March 2029. In selecting the length of period over which to assess viability, the Board has considered the following:

- The Group's financial outlook is assessed primarily through its business planning process. At least annually the Board considers the Group's business plan and cash flow projections over a minimum three-year period.
- Key assumptions which underpin the Group's internal forecasts include forecast oil prices, production profiles, forecast cost levels for drilling and operations and the level of future capital investment. The Board considers that most significant risks to the business are shorter term in nature, in particular those associated with asset performance and volatility of commodity prices.
- The Group's longer-term work programme in Egypt is dependent upon collection of the Group's receivables, and, while the Operator routinely produces a five-year business plan, the Directors will only commit to expenditures on a far shorter timeframe to match against payments received in-country.

Consequently, the Board has determined that three years is the appropriate period over which to assess the Group's viability.

Principal risks

The Directors have considered the impact of the principal risks of the business on the Group's financial viability over the assessment period as well as the mitigation strategy in respect of those risks. While all of the risks could potentially impact performance, the principal risks and uncertainties that are considered to affect the Board's assessment of the Group's financial viability in this period are:

- operational performance of its producing assets;
- the effect of volatile oil and gas prices on the business, on our partners, and other stakeholders' financial positions;
- volatility of cash revenue receipts in Egypt due to irregular settlements of trade receivables due from EGPC and the impact on future capital investment;

- the inability to secure new opportunities to grow the business outside of Egypt;
- a cash outflow on resolution of the Senegal tax assessment; and
- the inability to make further cash returns to shareholders.

Financial forecasts

The Group's base case financial forecasts are based on the following key assumptions that reflect the principal risks as follows and are consistent with those assumptions used in the going concern assessment performed by the Board:

- production profiles and expenditure forecasts on an asset-by-asset basis based on the Group's business plan incorporating revised terms of the merged concession agreement;
- forecast oil prices in line with the two-year forward curve and \$65/bbl thereafter;
- Egypt trade receivables settlement forecasts based on monthly invoices; and
- Forecast repayments of remaining debt on the Junior Facility allowing surplus cash to be remitted to Group.

Downside sensitivity analysis was undertaken on the base case scenario, reflecting a more severe impact of the principal risks, both individually and in aggregate as follows:

- A reduction to crude oil price to \$58/bbl over the short-term period;
- A 10% reduction in forecast production volumes;
- No reduction in planned capital expenditure, despite Capricorn having the ability to control approval of authorisations for expenditure (AFEs);
- Increased administration costs of 10%; and
- An additional cash outflow in respect of Senegal contingent tax liability.

In addition, the Group has considered a more severe oil price crash scenario assumed to occur in the current year, with prices dropping to \$35/bbl and recovering by the end of 2027.

Taking this into account, in both downside scenarios the Group is forecasting sufficient financial headroom throughout the assessment period.

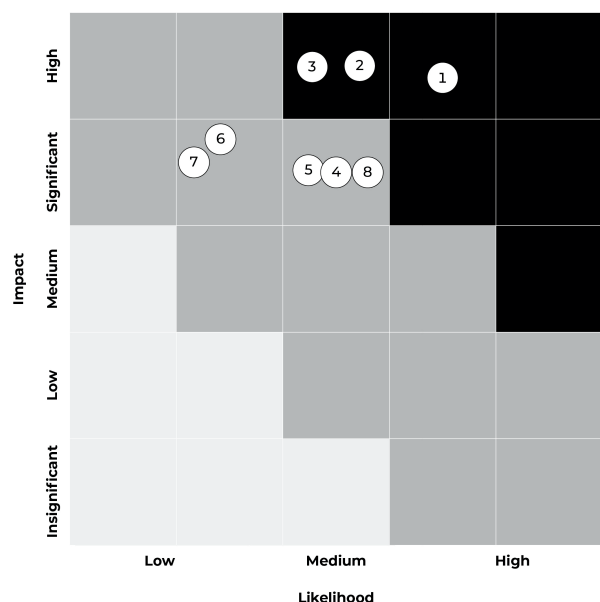
Conclusion

The Directors' assessment of viability is based on the Group's current position, prospects, and the principal risks and uncertainties affecting the business. As part of this analysis the Directors have also considered mitigations that could be deployed to increase headroom although not required in either of the main downside scenarios tested.

Based on this analysis, the Directors have a reasonable expectation that the Group can continue in operation and meet its liabilities as they fall due over the three-year period to March 2029.

PRINCIPAL RISKS TO THE GROUP IN 2025-2026

The following pages provide a summary overview of the principal risks to the Group at the end of 2025, the potential impacts, the mitigation measures, the risk appetite and the KPIs or strategic objectives the risks may impact.



Risk	Viability
① Volatile oil and gas prices	Y
② Increasing EGPC receivables balance	Y
③ Adverse outcome of Senegal legacy tax arbitration	Y
④ Underperformance of Egypt assets	Y
⑤ Failure to replace long-term reserves and resources	Y
⑥ Future challenges and costs as markets transition to net zero	
⑦ Lack of adherence to HSE policies	
⑧ Failure to expand and diversify production base	Y

Emerging risks

Within the Group's risk assessment framework, emerging risks are considered as part of the identification phase. These are risks that cannot yet be fully assessed, risks that are known but are not likely to have an impact for several years, or risks which are unknown but could have implications for the business moving forward.

Capricorn's concessions in Egypt are the Group's primary revenue generating assets and any material political or fiscal country destabilisation could potentially disrupt, or in the extreme, immobilise the Group's Egyptian operations. Geopolitical volatility in the MENA region escalated significantly in Q1 2026. A prolonged crisis could lead to fiscal challenges in Egypt which could impact Capricorn.

Principal risk: Increasing EGPC receivables balance

Strategic objective
Self-funding business model

Owner:
Chief Financial Officer

Risk appetite
Low – The Group faces an uncertain economic and regulatory environment in some countries of operation. The Group is willing to invest in countries where political and/or fiscal risks may occur, provided such risks can be adequately managed to minimise the impact where possible.

Impact

- Reduced capital availability leading to less drilling with impact on reserves and production
- Requirement for cash injections from existing funds
- Uncertain financial outcomes

Mitigation

- Maintain positive relationships with governments.
- Active and regular discussions with EGPC to agree payment schedules.
- Payment in Egyptian Pounds where amounts can be immediately reinvested in the JV.
- Other settlement mechanisms available.

2025 movement

This risk decreased in 2025.

As at 31 December 2025, the Company had \$86m in outstanding accounts receivable due from EGPC.

There was a material improvement of collections against Capricorn's Egypt accounts receivable since YE2025 with cash receipts of \$217m in 2025 compared to \$135m in 2024. Collections in the first half of the year were regular, but there was a significant improvement in the second half of the year. The Egyptian business environment did improve in 2025 and we will continue to monitor future capital expenditure commitments against collection of receivables.

Egypt has never defaulted on oil and gas, and has always honoured payment obligations.

Related KPIs

- A: Cash receipts from operations
- B: Net production
- E: Receivables position

Principal risk: **Volatile oil and gas prices**

Strategic objective Self-funding business model	Owner: Chief Financial Officer	Risk appetite Medium – Exposure to commodity prices is fundamental to the Group's activities; however, the Group manages its investment programme to ensure that a threshold economic return is delivered and the business model is funded even in sustained downside price scenarios.	
Impact	Mitigation	2025 movement	Related KPIs
<ul style="list-style-type: none"> – Reduction in future cash flow – JV partner capital constraints 	<p>Sensitivity analysis conducted to assess robustness of Group financial forecasts for funding plan.</p> <hr/> <p>Operators' cost initiatives delivering material cost reductions on development projects.</p> <hr/> <p>Plan expenditure within cash flow receipt forecast.</p>	<p>This risk remained static in 2025.</p> <p>Benchmark Brent crude oil prices averaged \$69/bbl, a 15% drop from the 2024 average of \$81/bbl, amid a decline in the pace of demand growth and increasing oil supply from OPEC+. Following relative calm in the oil markets in the first quarter of 2025, oil markets were turbulent for much of the six-month period after owing to trade tension between the United States and its largest trading partners, economic protectionism and conflict in the Middle East.</p> <hr/> <p>The global oil demand growth outlook is positive with our industry peers and international energy bodies all pointing towards continued demand growth for the rest of this decade in their revised long-term outlooks which bodes well for continued investment in our low cost, Egyptian asset base. However, oil price fluctuations are expected to continue in 2026 and this could materially impact the cash flow from Egypt production.</p>	<p>A: Cash receipts from operations</p> <p>B: Net production</p> <p>C: Opex Costs</p> <p>E: Receivables position</p>

Principal risk: **Adverse outcome of Senegal legacy tax arbitration**

Strategic objective Conservative balance sheet	Owner: Chief Financial Officer	Risk appetite Medium – The Group faces an uncertain economic and regulatory environment in some countries of current and historical operation. The Group is willing to invest in countries where political and/or fiscal risks may occur, provided such risks can be adequately managed to minimise the impact where possible.	
Impact	Mitigation	2025 movement	Related KPIs
<ul style="list-style-type: none"> – Loss of value – Significant cash outflow 	<p>Operate to the highest industry standards with regulators and monitor compliance with the Group's licence, production sharing contract (PSC) and taxation requirements.</p> <hr/> <p>External specialist advice sought on legal and tax issues as required.</p> <hr/> <p>Maintain positive relationships with governments and key stakeholders.</p>	<p>This risk increased in 2025.</p> <p>Capricorn disposed of its interests in Senegal in 2020. Under the sale agreement, Capricorn was due further consideration of \$50m which was received in January 2025. In November 2023, Capricorn received notice under the sales agreement from the purchaser, that it had received an assessment from the Senegal tax authorities relating to operations in Senegal, with two assessments raised that could impact Capricorn relating to capital gains tax and registration duties.</p> <hr/> <p>Woodside, as recipient of the tax assessment, commenced an action in the High Court of Dakar disputing this assessment in Q3 2024. However, given the lack of resolution on certain matters, the company filed a request for international arbitration with the World Bank's International Centre for Settlement of Investment Disputes.</p> <hr/> <p>The potential exposure to Capricorn in the event of an adverse outcome is \$40.1m. Woodside have provided a timeline for the arbitration process which indicates a late 2027 start date for the hearing at the earliest.</p>	<p>A: Cash receipts from operations</p>

PRINCIPAL RISKS TO THE GROUP IN 2025-2026 CONTINUED

Principal risk: Failure to replace long-term reserves and resources			
Strategic objective Operational excellence	Owner: Chief Operating Officer	Risk appetite Medium – Reserves and resources replacement is an element of the sustainability of the Group and its ability to grow. Exposure to development, exploration and appraisal failure is inherent in accessing the upside potential of exploration and development projects.	
Impact	Mitigation	2025 movement	Related KPIs
<ul style="list-style-type: none"> – Inability to deliver Group strategy – Reduction in share price – Reputational damage 	<p>Highly competent team applying a thorough review process to prospects and development opportunities, and a team of geoscientists with a track record of delivering success.</p> <hr/> <p>Maturation of opportunities within existing fields.</p> <hr/> <p>Positive and regular engagement with operators and partners to share knowledge, offer support and exert influence.</p> <hr/> <p>Ongoing work to technically mature the unconventional potential.</p>	<p>This risk decreased in 2025.</p> <p>In May, Capricorn reached a major milestone with the approval of a merged concession agreement in Egypt. The agreement, in which eight production and development concessions are being consolidated into a single, longer-term contract with improved fiscal terms, is expected to improve cash flows and arrest production decline, setting the stage for renewed growth in 2026 and beyond.</p> <hr/> <p>By Q4 2025, all exploration commitments on Capricorn’s legacy acreage were met. Exploration drilling in 2025 produced encouraging results in the North Um Baraka (NUMB) and South East Horus (SEH) licences where Capricorn is working with the Operator to evaluate future activity. In NUMB, together with our joint venture partner Cheiron, we are progressing a development lease application following the drilling of NUMB-6. This well is scheduled to be brought online in 2026, with follow-up drilling anticipated from 2027. In SEH, the SEH-6X well established the extension of an active petroleum system which justified progressing to the next exploration phase. On West El Fayoum the joint venture is relinquishing the concession following 2025 drilling results.</p>	<p>B: Net production D: Net 2P entitlement reserves</p>

Principal risk: **Underperformance of Egypt assets**

Strategic objective Operational excellence	Owner: Chief Operating Officer	Risk appetite Low – Delivering operational excellence in all the Group's activities is a strategic objective for the Group. The Group works closely with all JV partners to mitigate the risk and impact of any operational delay or underperformance. Therefore, the Group has a low appetite for risks, which may impact on operating cash flow.	
Impact	Mitigation	2025 movement	Related KPIs
<ul style="list-style-type: none"> – Delay or reduction in cash flow – Reserves downgrade or impairment – Cost/schedule overruns – Negative impact on asset value – HSE incidents – Reputational damage 	<p>Actively engage with all partners early to establish good working relationships.</p> <hr/> <p>Actively participate in operational and technical meetings to challenge, apply influence and/or support partners to establish a cohesive joint venture view.</p> <hr/> <p>Conduct independent economic analysis on all investment opportunities. Only vote in favour of those that meet Capricorn's requirements.</p> <hr/> <p>Actively monitor and look for wells and project delivery improvement opportunities, in liaison with our joint venture partners.</p>	<p>This risk decreased in 2025.</p> <p>Capricorn's working interest production averaged 20,024 boepd (40% liquids) in 2025, above the production guidance midpoint of 19,000 boepd. The 2025 exit rate was 21,003 boepd.</p> <hr/> <p>Eighteen development wells were successfully drilled in 2025, contributing to a stable and predictable production profile. Production performance was particularly strong in the second half of the year, driven by a focused programme of liquids-rich development drilling and a successful waterflood programme in the Badr El Din (BED) field area. Notably, gas performance in Q4 2025 was enhanced by the drilling of BED15-31 which produced strongly from the Lower Bahariya formation and provided the potential for prioritisation of follow-up wells in early 2026.</p>	<p>A: Cash receipts from operations</p> <p>B: Net production</p> <p>C: Opex costs</p> <p>D: Net 2P entitlement reserves</p>

PRINCIPAL RISKS TO THE GROUP IN 2025-2026 CONTINUED

Principal risk: Lack of adherence to HSSE policies			
Strategic objective Operational excellence	Owner: Chief Executive Officer	Risk appetite Low – The Group continuously strives to reduce risks that could lead to an HSSE incident to as low as reasonably practicable.	
Impact	Mitigation	2025 movement	Related KPIs
<ul style="list-style-type: none"> – Serious injury or death – Environmental impacts – Reputational damage – Regulatory penalties and clean-up costs – Physical impacts of climate change 	<p>Effectively managing HSSE risk exposure is a priority for the Board and management team.</p> <hr/> <p>HSSE training is included as part of all staff and contractor inductions.</p> <hr/> <p>Process in place for assessing an operator's overall operating and HSSE capabilities, including undertaking audits to determine the level of oversight required.</p> <hr/> <p>Business resilience and emergency response procedures and equipment are maintained and regularly tested to ensure the Group can respond to an emergency quickly, safely and effectively.</p> <hr/> <p>Third-party specialists in place to assist with security arrangements and travel risk assessments.</p> <hr/> <p>Leading and lagging indicators and targets developed in line with industry guidelines and benchmarks.</p>	<p>This risk remained static in 2025. The Group had no operated activities in 2025 and the key Capricorn controlled HSSE risks were office and travel based.</p> <hr/> <p>Capricorn continued to monitor the HSSE performance of our operating partner in Egypt. The partner delivered a strong performance in relation to HSSE, achieving scores for total recordable injury rate (TRIR) and LTIF which were better than IOGP statistics. There were no recordable spills above the IOGP level to the environment.</p> <hr/> <p>On 10 December 2025, a road traffic incident occurred which tragically resulted in the death of one employee of one of Bapetco's contractor companies. Capricorn offers its deepest sympathy to the family, friends and colleagues of the individual. An investigation into the cause of the incident was completed and recommendations to improve controls identified.</p> <hr/> <p>With ongoing non-operated activities in Egypt, the Group will continue to work with partners to responsibly deliver value for all stakeholders.</p>	F: Health and safety

Principal risk: **Future challenges and costs as markets transition to net zero**

Strategic objective Prudent approach to risk management	Owner: Chief Executive Officer	Risk appetite Medium – The Group recognises global commitments to achieve a transition to lower carbon sources of energy. Capricorn's strategy is to play a responsible and competitive role in the production of oil and gas within this transition. Capricorn acknowledges the contribution its activities have on carbon emissions, and the Group continues to develop short-, medium- and long-term actions to minimise and mitigate this contribution.	
Impact <ul style="list-style-type: none"> – Providers of capital limit exposure to fossil fuel projects – Increasing costs – Climate-related policy changes – Reduced demand for oil – Reputational damage – Retaining and attracting talent 	Mitigation <p>Measuring and reporting our GHG emissions in line with the Task Force on Climate-related Financial Disclosures (TCFD) and Streamlined Energy and Carbon Reporting (SECR).</p> <p>Promotion of efficient energy use in activities with business partners and service providers.</p> <p>Consideration of climate change in investment decisions.</p> <p>Portfolio resilience modelling based on the International Energy Agency's (IEA) Sustainable Development Scenarios.</p> <p>Endorsement of Global Gas Flare Reduction Partnership.</p> <p>Alignment with UN SDGs.</p> <p>Active participation in industry initiatives.</p>	2025 movement This risk remained static in 2025. <p>Capricorn remains committed to its emissions reduction pathway with accelerated short- and medium-term GHG equity emission reduction targets. The short-term target to reduce emissions by 15% by 2025 has been achieved and the Group remains on track to meet the 2030 and 2040 targets. Capricorn continues to support decarbonisation initiatives relating to projects to reduce flaring, venting and fugitive emissions.</p> <p>The majority of our GHG emissions relate to our non-operated activities, so we use an equity approach. Emissions include Scope 1,2 and 3 emissions, including business travel and commuting. We explore ways to reduce these emissions by collaborating with the operator in Egypt and implementing an active GHG reduction programme. In 2025, the gross GHG emissions reduced by 9% relative to 2024 as the joint venture successfully reduced routine flaring by 29%, methane releases by 19% and diesel consumption by 13%. However, due to the increase in entitlement volumes, our total Scope 1 and 2 emissions increased from 143,460 tCO₂e to 151,775 tCO₂e.</p>	Related KPIs G: Scope 1 and 2 equity emissions

Principal risk: **Failure to expand and diversify production base**

Strategic objective Capital Discipline	Owner: Chief Financial Officer	Risk appetite Medium – Maintaining a balanced portfolio of current and future development and production assets is a key part of the Group's strategy. New opportunities must first meet the Group's strict investment criteria and successfully securing them will be dependent on the prevailing competitive environment.	
Impact <ul style="list-style-type: none"> – Inability to deliver Group strategy – Inability to replace reserves and sustain production levels 	Mitigation <p>Highly competent team applying a thorough review process to review and identify new portfolio opportunities.</p> <p>Risk assessments and due diligence process undertaken on all potential opportunities.</p>	2025 movement This risk increased in 2025. <p>In 2025, extensive due diligence was completed on several opportunities in the UK and MENA region. The Group were not successful in adding to the production base.</p> <p>Beyond Egypt, M&A prospects in the UK North Sea and broader MENA region will continue to be evaluated for strategic investment and partnership opportunities. Capricorn's disciplined approach ensures that any expansion aligns with our commitment to shareholder returns and financial stability.</p>	Related KPIs B: Net production D: Net 2P entitlement reserves

TCFD REPORTING

Capricorn's climate-related financial disclosures made in the 2025 Annual Report are aligned with the TCFD's recommendations and recommended disclosures, consistent with the Financial Conduct Authority's LR9.8.6 requirement. We have analysed the impact of transition risks of climate change on our portfolio using the IEA's scenario analysis and have also assessed the potential impact of the physical and transition risks and opportunities of climate change on our assets.

We are continuing to develop good practices and standards for transparency consistent with TCFD recommendations. Our latest reporting includes 11 TCFD-recommended disclosures across four areas. Capricorn has completed the TCFD recommended disclosures consistent with the all-sector guidance, as well as the supplemental guidance for non-financial groups, including the energy sector. Capricorn continues to monitor changes and updates within the UK ESG reporting landscape.

Governance

Disclose the organisation's governance around climate-related risks and opportunities.

Capricorn attaches high importance to climate change considerations at Board level and throughout the organisation, together with our broader environmental, societal and governance responsibilities. In 2022, the Board established the Sustainability Committee, highlighting the importance of ESG matters within the Board and wider organisation. The committee was established to ensure dedicated time was allocated to discuss important matters in respect of Capricorn's role in the energy transition, including the identification of climate-related risks and opportunities. Emissions targets is also an important KPI in the determination of management and staff variable remuneration. Relevant principal climate-related risks and opportunities are reviewed and challenged with management four times a year, before they are presented at the Audit Committee.

During 2025, the Board:

- Received an update on Capricorn's decarbonisation initiatives in the Egyptian assets.
- Considered relevant principal climate-related risks and opportunities which were presented to the Board, at least four times during the year.

a) Describe the Board's oversight of climate-related risks and opportunities

Relevant principal climate-related risks and opportunities are recognised as a major concern for the planet, as well as the future of the oil and gas industry. The Board, supported by the Sustainability Committee, takes full responsibility for the governance of climate-related risks and opportunities

The Sustainability Committee

Overall, responsibility for the system of risk management, internal control and reviewing the effectiveness of such systems rests with the Board. Relevant principal climate-related risks and opportunities are presented to the Board, at least four times per year.

Capricorn uses risk registers, described in the risk management section on page 16, to identify and report climate-related risks and opportunities and the associated mitigation measures. Reporting of these risks and opportunities within the organisation is structured so that risks are escalated through various internal management channels to relevant Board committees and to the Board itself. Relevant principal climate-related risks and opportunities are discussed, as noted, during risk discussions but also when considering annual work programmes and budgets, acquisitions and divestments, and when considering annual performance objectives.

b) Describe management's role in assessing and managing climate-related risks and opportunities

Capricorn's CEO takes ultimate responsibility and accountability for the Company's ESG policy, including climate-related strategy and targets. The Chair of Capricorn's Board is the Director responsible at the Board level.

The Sustainability Committee reviews climate and energy transition issues, concerning both Capricorn's own position and risk management, and international policy and stakeholder

drivers. The Board and Audit Committee also perform a regular review of the Group principal risk register and associated controls and actions. This offers management and the Directors an opportunity to agree on and challenge the relevant principal climate-related risks and opportunities.

The risk and compliance team are responsible for monitoring the fast-changing external environment, including the regulatory and technological spheres, with relevant principal climate-related risks and opportunities discussed on a regular basis with the Company's senior leadership.

With ESG embedded within Capricorn's KPIs, all departments benefit by ensuring the Company remains on track to fulfil its emissions targets. This includes overseeing Capricorn's carbon emissions from existing assets and ensuring that new opportunities are in line with the Company's net zero commitments.

The risk and compliance team are responsible for TCFD reporting, including scenario modelling to assess the impact of transition risks of climate change on Capricorn's portfolio. In conjunction with HSSE, risk and compliance also support the development and implementation of decarbonisation initiatives for the Group's non-operated assets. The decarbonisation initiatives implemented within 2025 have been described within the Environmental, Governance, People and Society section on page 10.

Climate-related risk mitigation is embedded into Capricorn's culture, as climate impact becomes a key strategic consideration across different business functions. For example, screening of new opportunities is underpinned by resilience testing against transition risks of climate change. Capricorn also uses a commuting emissions app with the dual benefit of expanding Capricorn's reporting disclosure capability, in addition to helping inform staff of their direct emissions.

Risk management

Disclose how the organisation identifies, assesses and manages climate-related risks.

a) Describe the organisation's processes for identifying and assessing climate-related risks

The Group's framework for risk management promotes a bottom-up approach to risk management with top-down support and challenge. Climate-related risks and opportunities and the associated mitigation measures and action plans are maintained in a series of risk registers at Group, asset, function and project level. The Group uses a number of tools to identify climate-related risks including, but not limited to, hazard identification, social impact assessments and environmental hazard identification.

Climate-related risks are classified in alignment with TCFD's description of physical and transition risks:

Transition risks – risks related to the transition to a lower carbon economy including policy and legal, technology, markets, and reputational risks.

Physical risks – risks related to the physical impacts of climate change including event-driven risks such as changes in the severity and/or frequency of extreme weather events.

The Group has established impact criteria, which assigns a score of one to five for impact and probability of occurrence. This drives the overall assessment of the risk and will determine if the risk is within the appetite limits. Material risks for Capricorn are risks with a score of 15 (out of 25) and above. The Group has identified one principal risk in relation to climate change – future challenges and costs as markets transition to net zero. The transition and physical risks identified on the next page are child risks to the principal risk and their impact and likelihood are aggregated to calculate the principal risk score.

Further information is included in the risk disclosure page on page 18.

b) Describe the organisation's processes for managing climate-related risks

Climate-related risks and opportunities, and the associated mitigation measures and action plans, are maintained in a series of risk registers at Group, asset, function and project level. Risk registers are maintained using Microsoft Excel. The Group applies one of the 4Ts to each risk: Tolerate, Treat, Transfer or Terminate.

All risks categorised as Treat are required to have actions assigned to them to reduce the impact or likelihood of the risk occurring. Reporting of these risks within the organisation is structured so that risks are escalated through various internal management, Board committees and to the Board itself for challenge and oversight. Further information on the risk, appetite levels, impacts and mitigations can be found on page 18.

c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

Climate-related risks are captured at various levels within the Group and in line with the Group process for risk management. All projects, be it a drilling project, an acquisition opportunity or a new country entry, are required to maintain a risk register. Project teams are multi-disciplined, which ensures that all categories of risk, including climate-related risks, are identified, assessed and managed.

There is also a dedicated ESG risk register, which identifies the strategic climate-related risks. This risk register is maintained by the Risk and Compliance Manager and is reviewed twice a year. This ensures all climate-related risks are integrated into the Group's overall risk management processes and will be presented and challenged at various forums within the Group.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning, where such information is material.

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term

In developing our strategy, Capricorn's Board and leadership team consider a wide range of opportunities and risks across three discrete time horizons.

Short term (to 2025): The initial short-term target to 2025 was to achieve significant reductions in our emissions output. The short-term target has been achieved.

Medium term (to 2030): Looking out to the end of the decade enables us to consider our progress towards the long-term targets and adjust course of action if required.

Long term (post-2030): We use a scenario planning approach – IEA's Stated Policies Scenario (STEPS), Current Policies Scenario (CPS) and Net Zero Emissions (NZE) scenarios – to account for a wide range of uncertainties in the post-2030 period. Our aim is to ensure we have a resilient portfolio, which will deliver value to key stakeholders in the most ambitious climate scenario.

TCFD REPORTING CONTINUED

Capricorn considers the following risks to be key climate related risks in the short, medium and long term.

Type	Climate-related risks	Metric	Capricorn's response
Transition risks	Policy and legal (medium to long term)		
	Implementation of carbon pricing mechanisms in both compliance and non-compliance markets.	EU/UK compliance markets – carbon prices aligned with IEA.	Our carbon prices are in line with IEA and other energy companies in the EU and UK compliance markets. For other regions, where carbon price is not currently applicable, we use our internal carbon pricing assumptions.
	Changes in legislation and country policy.	Within the voluntary market, carbon prices aligned with IEA and other forecasting metrics.	Use of long-term oil price assumptions that consider the demand effects of global carbon taxation. Continued efforts to decarbonise operations.
	Exposure to litigation.	Tracking of oil and gas policy decisions for countries of operation.	Ongoing monitoring of policy and legislation development in countries of interest.
	Technology (medium to long term)		
	Increasing costs of transitioning to lower emissions technology.	Internal and joint venture budget tracking and monitoring.	Implementation of decarbonisation technologies at the field level in Egypt. Increase in production within the portfolio, with decarbonisation options, including carbon capture, utilisation, and storage (CCUS).
	Substitution of existing products and services with lower emissions options.		Application of inherently lower emission equipment and contractor services.
	Market (medium to long term)		
	Decline in oil demand and oil price.	Monitoring of energy demand indices (e.g. IEA).	Low-cost portfolio generates value in a 1.5 degree scenario. Embed low oil and gas prices, as well as carbon prices when screening for new investments.
	Faster than expected shift away from gas, leading to lower gas prices.		Ensure strong balance sheet, low leverage and strong free cash flow generation.
	Changing market sentiment as consumers switch away from fossil fuels.		
	Access to capital.		
Increased cost of raw materials.			
Reputation (short term)			
Public perception of how the oil and gas industry is changing.		Maintain transparency relating to all ESG issues. Comply with the highest reporting standards.	
Lack of trust in the oil and gas industry's net zero ambitions.		Ensure continued engagement with external stakeholders.	

Capricorn considers the following risks to be key climate-related risks in the short, medium and long term.

Materiality	Chronic (long term)	Risk exposure	Risk impact	Capricorn's response	
Climate scenarios					
<p>These identified physical risks apply to Capricorn's current portfolio of 12 physical assets, all of which are in Egypt. Currently, our Egyptian assets represent 100% of our production portfolio and therefore are considered our core assets and highest priority within the portfolio.</p> <p>Capricorn's portfolio was modelled based on exposure to climate risk, from current scenarios of 1.5°C warming through to 2050, reviewing both 2-3°C and 4°C warming scenarios.</p> <p>It was identified that portfolio risk exposure was consistently scored as very high for drought and heat stress from current day through to 2050.</p> <p>A key outcome of physical risk modelling of Capricorn's portfolio is that operations already take place in very high drought exposed and heat stress environments, with little impact on production.</p>	Drought	>2030 +1.5°C	>6 months drought duration for all scenarios from now to 2050.	<p>Likelihood: probable (all climate scenarios).</p> <p>Drought may cause increases to the cost of freshwater supply as well as impact to raw materials from suppliers, who may be impacted by freshwater scarcity.</p> <p>However, it is reasonable to assume that Capricorn will adapt to these conditions, in view that the business already operates in highly drought-exposed regions.</p> <p>Drought stress (prolonged periods of rain and water shortage) has been identified as the most material risk in the 2040-50 time frame.</p>	<p>Water conservation practices including efficient water use through public awareness campaigns, installing water-saving devices, and promoting practices like rainwater harvesting.</p> <p>Diversification of water sources including reducing the reliance on a single water source by developing alternative sources such as desalination plants, recycled wastewater, and groundwater recharge.</p> <p>Helping our communities adapt to physical risks, for example our corporate social responsibility (CSR) project in Egypt, which delivered 80 50m³ water tanks, basic livestock veterinarian training, health checks and livestock to communities close to our producing assets.</p>
		2050 2-3°C	2050 4°C		
	Heat stress	>2030 +1.5°C	80-180 days in a heatwave.	<p>Likelihood: probable (all climate scenarios).</p> <p>Heatwaves can affect labour productivity/work performance as well as talent attraction.</p> <p>Operationally, high temperatures could cause gas and fluid leaks in pipelines, storage tanks and welded joints, resulting in environmental damage.</p> <p>Heat stress can also lead to higher operational costs associated with the additional energy required to cool buildings and equipment.</p>	<p>Short-term response – propose action</p> <p>Ensure there is proper ventilation and cooling, including installing fans, air conditioning, or evaporative coolers to maintain a comfortable temperature for workers.</p> <p>Ensure easy access to cool drinking water and encourage regular hydration and provide electrolyte-replenishing drinks to maintain proper hydration levels.</p> <p>Capricorn will maintain a good practice fire loss control maintenance and mitigation regime.</p>
		2050 2-3°C			
		2050 4°C			

TCFD REPORTING CONTINUED

Capricorn has recognised and is currently working on scoping and implementing a number of climate-related opportunities.

Type	Climate-related opportunities	Capricorn's response
Energy source/resilience (short to medium term)	Use of lower-emission sources of energy shift toward decentralised energy generation.	In Egypt, we are replacing diesel generators with cleaner-burning gas generators, electrifying well sites and downhole pumps using centralised power generation and solarisation initiatives.
	Use of supportive policy incentives.	We have completed a CCUS feasibility study in Egypt.
	Use of new technologies.	We are actively engaged in voluntary carbon markets. We have acquired a portfolio of high-quality carbon offsets, including nature-based, landfill gas and refrigerant gases sequestration.
	Participation in carbon market.	
Resilience (long term)	Resource substitutes/diversification.	We are evaluating clean energy diversification opportunities, including diesel substitution.
Products and services (short to medium term)	Development and/or expansion of low emission goods and services (short term).	When operating assets, to minimise energy use in drilling operations and associated activities without compromising safety or cost, we assess the fuel consumption of rigs, vessels and helicopters as part of the tender process. Lower energy consumption – and therefore emissions – could provide a point of differentiation if other technical and commercial considerations are comparable. We previously trialled this approach when tendering vessels for geophysical and geotechnical survey work in the UK and Mauritania (both exited). We will strive to align our supply chain products and services with our own emission reduction target of net zero by 2040.
Resource efficiency (short to medium term)	Use of more efficient production and distribution processes (short to medium term).	We seek to continuously improve the performance of our operating assets, reducing their carbon intensity, including elimination of flaring from our operations in Egypt.
	Use of recycling (short term).	We work internally to reduce our carbon footprint within our office environment, for example paper consumption and recycling.
	Move to more efficient buildings and transport (short term).	

Our emissions reduction pathway in action

Focus on equity Scope 1 and Scope 2 net zero by 2040 with emission reduction targets of 30% by 2030. Capricorn's target of reducing Scope 1 and Scope 2 equity emissions of 15% by 2025 has been achieved.

Capricorn's equity Scope 1 and Scope 2 net-zero commitment is monitored against our 2022 emission baseline, which is 269,635 tCO₂e. This baseline includes both our Scope 1 and Scope 2 operated data and Scope 1 non-operated data, which is provided to us by Bapetco. 2025 Scope 1 and Scope 2 emissions were 151,775 tCO₂e which is 43% lower than our baseline emissions.

Zero routine flaring

First UK independent to commit to World Bank Zero Routine Flaring by 2030.

Clear principles underpin target

Avoid, reduce and substitute

- Power generator rationalisation and fuel substitution of diesel for clean-burning gas progressing.
- Work was completed in 2025 to electrify the BED area and this project will continue through 2026.
- Exploring feasibility for installation of waste heat recovery units at Obaiyed Central Processing Platform.
- Flare gas recovery and optimisation activities at BED-3, AESW and NEAG.
- Methane leak monitoring solutions. Satellite data is being utilised and a programme has been established using a FLIR camera which is used for leak detection and maintenance/repair.
- Small scale solarisation projects at both field and office level to reduce GHG emissions.

Portfolio resilience

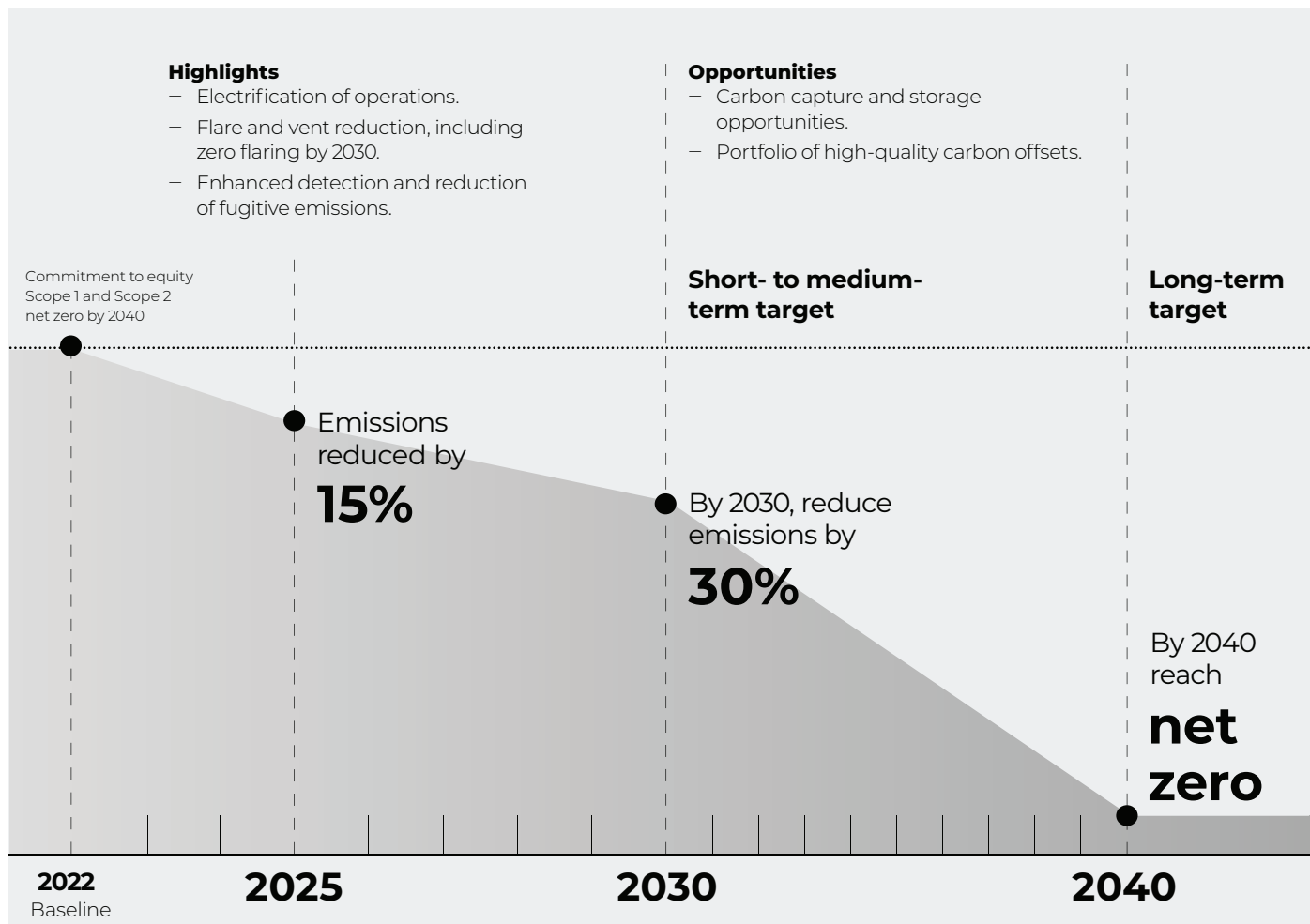
Current portfolio creates value in stringent transition scenario testing.

Sequester

The joint venture previously completed a technical feasibility study to identify candidate subsurface storage sites at our BED and Obaiyed concessions.

Offset

Capricorn has a portfolio of high-quality carbon offsets.



TCFD REPORTING CONTINUED

Strategy continued

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

Capricorn is fully incorporating climate change-related risks and opportunities into its investment decision-making. Our capital allocation decisions are made using rigorous planning assumptions, informed by climate change and energy transition scenario analysis. We carefully consider the environmental performance of assets and opportunities as part of our screening process, underpinned by our net zero commitment. This commitment also drives our decarbonisation strategy.

All new oil and gas opportunities are screened at gas price (adjusted for certain regional markets). We also consider a range of other scenarios as part of our opportunity screening process.

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

The TCFD recommends the use of scenario analysis in disclosure of climate-related risks and opportunities. Scenario analyses aligned with the TCFD framework help companies explore different futures and the implications of climate-related circumstances on business strategy.

The findings of the recently conducted scenario analysis exercise, which tested the resilience of Capricorn's Egypt portfolio against IEA's STEPS, CPS and NZE scenarios, showed that our assets will generate value in the most ambitious climate scenario, aligned with a 1.5 degree warming. This gives us confidence that our valuation and planning assumptions are robust and that we will continue to create value for all key stakeholders – even in the most aggressive carbon reduction scenario.

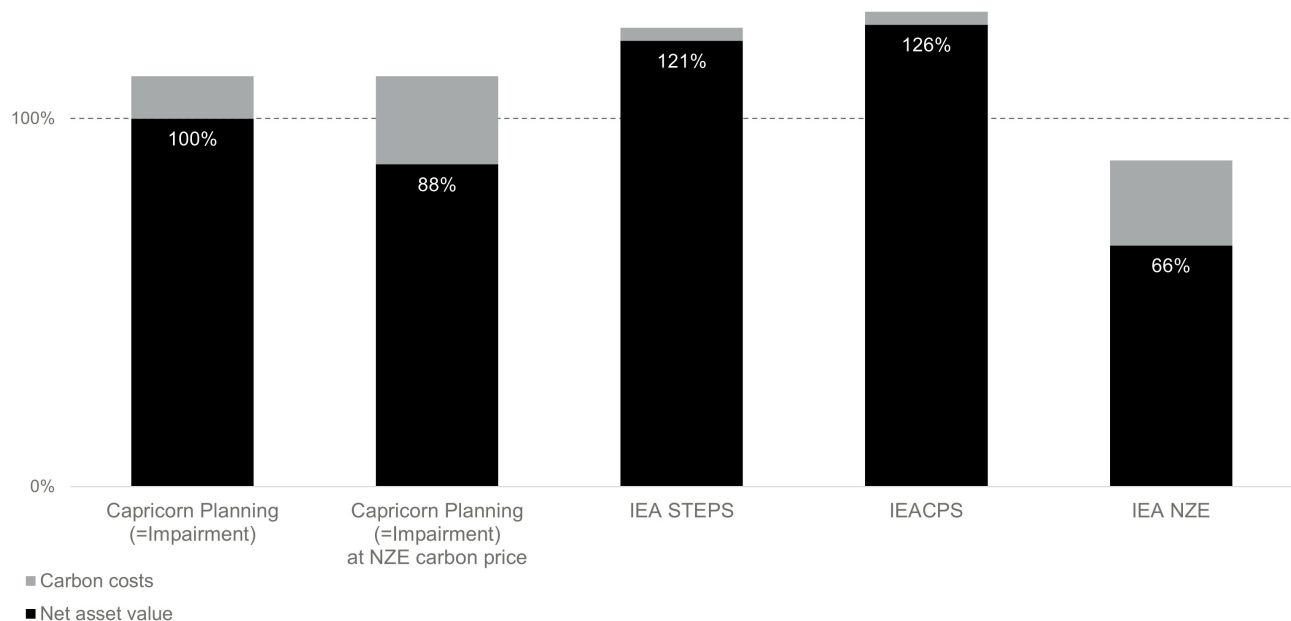
Capricorn's assumptions used for our financial planning and balance sheet impairment testing include a two-year forward curve followed by a \$65/bbl

long-term oil price assumption from 2028 (2% inflation). Carbon prices aligned with the IEAs NZE scenarios. Carbon prices were applied to Scope 1 and 2 emissions from Capricorn's Egypt operations.

The scenario analysis shows that our Egyptian production portfolio, when modelled using IEA's NZE carbon prices, delivers 88% of the value we drive from our financial planning purposes. Capricorn's portfolio outperforms our planning scenario by 21% in the Stated Policies Scenario (STEPS) and 26% in the Current Policies Scenario (CPS).

IEA scenarios are modelled using IEA's assumptions associated with each of the scenarios. IEA scenarios: STEPS assumes policies and targets announced by governments are enacted and estimates an average temperature rise of 2.7°C (up to 3.3°C). CPS sees an accelerated transition to a low-carbon world and projects a 66% chance to limit temperature rise to 1.8°C and a 50% chance to limit it to 1.65°C. NZE scenario is aligned with the Science-Based Targets initiative, limiting the global warming to 1.5°C by 2100 compared to pre-industrial levels.

Egypt: Asset value sensitivities relative to Capricorn planning case net asset value including carbon costs



Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Capricorn's principal metrics and targets used to assess and manage climate-related risks and opportunities are presented in the table below.

TCFD recommended disclosures	Risk and opportunity	Targets/metrics
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Transition and physical risks, including policy, market and long-term chronic effect of global warming. Opportunity to invest in clean projects, with carbon pricing risk-adjusted returns fully recognised. Participation in carbon market. Improved resilience of the existing portfolio.	<p>For carbon prices within the voluntary market, we align our assumptions with the IEA pricing projections. .</p> <p>For emissions, we measure progress against our 2022 baseline.</p> <ul style="list-style-type: none"> – Monitoring of energy demand indices (e.g. IEA). – Remuneration policy with embedded climate-related targets; see page 69. – Pro-active engagement with our employees on commuting to increase awareness and help deliver net zero. – Key assumptions: commodity prices for opportunity screening and financial planning. – Internal and joint venture budget tracking and monitoring for products and services.
	Rising water stress, including conflicting uses and availability.	<p>Aqueduct water-risk atlas – Egypt identified as a high-water stress area.</p> <p>Capricorn's environmental impact; see pages 10-13.</p>
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	Measurement and disclosure of GHG emissions from Scope 1, 2 and 3 help emissions management and creation of a clear pathway to net zero. Risks include exposure to carbon price due to changes in policy, as well as significant reputation risks if emissions are not managed.	<p>Equity Scope 1 and 2 net zero by 2040 with interim targets of 15% by 2025 (achieved) and 30% by 2030; see page 30 and our Data Tracker on our website.</p> <p>Scope 1 and Scope 2 emissions for 2025 and trends on an operational and equity basis are outlined within our Data Tracker.</p> <p>We have undertaken reporting of our Scope 3 emissions to include emissions from categories 1, 3, 4, 5, 6 and 7 (operated) and 11 (equity), for further details please see our Data Tracker.</p> <p>TCFD climate-related risk and management; see page 25.</p>
		<p>Climate-related KPIs, which are assessed as being strategically important to the Group, are annually set by the Board. Targets are typically linked to emissions reductions and environmental reporting risks and opportunities.</p> <p>Equity Scope 1 and 2 net zero by 2040 with interim targets of 15% by 2025 (achieved) and 30% by 2030; see page 30.</p> <p>Flaring and planned progress; see our Data Tracker on our website.</p>
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Summary of targets aimed at helping achieve our net zero strategic goal. Given the dynamic nature of Capricorn's portfolio, we will use 2022 as a baseline year on our journey to carbon neutrality.	

FINANCIAL & OPERATIONAL REVIEW

2025 Financial and operational highlights

- Merged concession agreement approved by EGPC in May 2025, with final-stage approval granted by the Egyptian Cabinet in December 2025 and formal ratification expected in H1 2026.
- Revenues of \$134m*; with an average oil price of \$68.4/bbl and gas price of \$3.1/mscf.
- Production costs of \$39m, equivalent to \$5.4/boe on a WI basis.
- 20.2 mmmboe of WI 2P reserves added at year end, contributing to a 277% reserves replacement.
- \$77m capex on Egypt producing assets.
- Group net cash of \$103m; comprising \$133m cash and \$30m debt.
- WI Egypt oil and gas production of 20,024 boepd at the upper end of guidance of 17,000 - 21,000 boepd, comprising 40% liquids; net entitlement sales rate of 9,701 boepd.
- Net cash inflows of \$81m from Egypt operations post-capex, including \$217m cash receipts.
- Egyptian receivables position of \$86m with \$1.3m expected credit loss adjustments.
- Gross G&A of \$24m**.
- Profit of \$19m; profit from continuing operations of \$16m, profit from discontinued operations of \$3m.

*Includes \$15m of accrued revenue on merged concession uplift

**Before depreciation and share-based payment charges, and including \$2m of legacy and project costs

2026 Outlook

- Production is guided in the range of 18,000-22,000 boepd, of which 43% is forecast to be liquids.
- Capex guidance of \$85-95m.
- Operating costs are forecast to be \$5-7/boe.
- Formal ratification of the merged concession agreement expected in H1 2026.
- Two planned maintenance shutdowns at the BED facility
- A four-rig drilling programme will be maintained through 2026, prioritising the liquids-rich BED area and incorporating the gas prone Bahariya target successfully encountered in 2025.
- Exploration drilling will focus on cost-recoverable, near field opportunities around the producing BED area and within the merged concession. All exploration will be funded from Egyptian cash flow.
- Payment from Waldorf of around \$4m expected in Q2 2026 dependent on restructuring plan sanction.
- Woodside continues to contest Senegal tax claims in Senegal and through international tribunal
- M&A opportunities in Egypt, the UK North Sea and general MENA region to expand and diversify our operations continue to be evaluated.

Reserves

Capricorn engaged GLJ Ltd. (GLJ) to undertake an independent oil and gas reserves evaluation on the Company's Egypt assets. GLJ undertook a full review of the producing assets and the inventory of new well opportunities to assess total proved developed producing (PDP), total proved (1P), total proved plus probable (2P), and total proved plus probable plus possible (3P) reserves. The reserves were prepared in accordance with the latest SPE Petroleum Resources Management System (PRMS), approved definitions of Reserves and Resources. GLJ based their evaluation on information and data provided by Capricorn and the process incorporates the benefit of the merged concession. The highlights of the year end 2025 reserves report are summarised below:

- Relative to year end 2024, 2025 production reduced net entitlement interest reserves by 3.5 mmmboe.
- 2P working interest reserves additions in 2025 replaced 277% of production. The major source of revisions being attributable to the merged concession agreement.
- 42% of the 2P reserves are categorised as undeveloped with 75 total 2P undeveloped locations
- The net present value (NPV) of future net entitlement revenues, discounted at 15% (NPV15) for the 2P basis is \$365m.

The competent persons report includes the new terms associated with the consolidation of the eight development concessions held equally with Cheiron. A similar process of concession agreement renegotiation has begun on the nearby AESW block where the Company has 20% working interest. Note this has not been reflected in the year end 2025 reserves position.

2P Oil & Condensate reserves (mmbo)		2P Natural Gas (bcf) Reserves		Total 2P Reserves Boe (mmboe)	
Net WI	Net Entitlement	Net WI	Net Entitlement	Net WI	Net Entitlement
24.5	13.0	160.6	104.1	53.2	31.6

GLJ oil and condensate price assumptions*

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Realised liquids (USD/bbl)	61.87	68.43	72.46	74.64	76.01	77.58	79.26	80.79	82.41	84.06	85.74

*Based on GLJ's published 2026-01 Brent Crude forecast, net of differential

Production

WI production in 2025 across the three main Egypt concession areas averaged 20,024 boepd (2024: 23,763 boepd) 40% liquids (2024: 44% liquids) for the year, above the production guidance midpoint of 19,000 boepd, with a 2025 exit rate of 21,003 boepd. Strong production performance was driven by new development wells drilled since July 2025, supplemented by the benefit seen from the waterflood programme in the BED field area. Net cash generated from Egypt oil and gas production was \$81m, with overall Group net cash of \$103m; comprising \$133m cash and \$30m debt.

Capricorn continues to proactively work with the Operator to high grade development opportunities and promote opportunities for production enhancement. The new terms and extension arising from the merged concession agreement allow development activity to return to fields that have seen limited activity in recent years. The joint venture is working to mature well candidates in gas assets such as Obaiyed and Teen whilst seeking development opportunities at the Sitra field, previously impacted by concession expiry.

Exploration

Exploration drilling in 2025 produced encouraging results in the North Um Baraka (NUMB) and South East Horus (SEH) licences where Capricorn is working with the Operator to define future activity. In NUMB, the joint venture is progressing a development lease application following the drilling of NUMB-6. This well is scheduled to be brought online in 2026, with follow-up drilling anticipated from 2027. In SEH, the SEH-6X well results justified progressing to the next exploration phase. On West El Fayoum, the joint venture relinquished the concession.

FINANCIAL REVIEW

Key production statistics

	Year ended 31 December 2025	Year ended 31 December 2024
Production – net WI share (boepd)	20,024	23,763
Sales volumes – net EI oil (boepd)	3,879	3,847
Sales volume – net EI gas (mscfd)	32,604	32,980
Average price per bbl (\$)	68.4	79.3
Revenue from production (\$m)	134	147
Average production costs per boe (\$)	5.4	4.8

Profit for the Year

	Year ended 31 December 2025 \$m	Year ended 31 December 2024 \$m
Profit from the Egypt business operating segment	43	1
Loss from other Group continuing operations	(27)	(13)
Profit from discontinued operations	3	23
Profit after taxation	19	11

During 2025, liquidity in Capricorn's Egypt business improved significantly with collections in the year of \$217m, leading to a reduction in year end trade receivables to \$86m, and allowing for early repayment of the Senior Debt Facility.

Improved profitability in the Egypt business reflects the revised commercial terms and reserves upgrades associated with the merged concessions, adding to revenue and reducing depletion, and was sufficient to offset costs incurred elsewhere in the Group on overhead and legacy assets.

Results for the year

Egypt business operating segment results

In Egypt, total revenue was \$134m (2024: \$147m). \$97m (2024: \$112m) was generated on sale of liquids with an average price of \$68.4 per bbl (2024: \$79.3 per bbl) on net entitlement sales volumes of 1,544,200 bbls (2024: 1,408,300 bbls). Gas revenue was \$37m (2024: \$35m) from volumes of 11,900,500 mscf (2024: 12,071,000 mscf) at a contracted rate of \$3.1/mscf (2024: \$2.9/mscf). The revised merged concession agreement will be effective 1 July 2025 and Capricorn has accrued revenue receivable of \$15m in relation to improved for the six months to 31 December 2025, which will be invoiced on formal ratification. Sales volumes and average price disclosed above reflect the revised terms.

With the significant improvement in collections leading to a reduced closing receivables position, a reduction in expected credit loss provisions against revenue receivable led to a credit of \$7m (2024: charge of \$4m) to the Income Statement.

Cost of sales in the year was \$39m (2024: \$42m), including inventory movements. Production costs increased slightly to \$5.4 per boe (2024: \$4.8 per boe), on working interest production over the year, but remained at the lower end of guidance, while depletion charges were \$51m (2024: \$85m), at a weighted average rate of \$16.7 per boe (2024: \$25.2 per boe) across the concessions, reflecting the additional reserve volumes recorded as a consequence of the revised concession agreement and field life extensions.

Capricorn records other income on additional production that is notionally allocated to the Group to cover tax due on profits from the concessions. This is offset by an equal and opposite tax charge. In the current year, the value of this income and notional tax gross-up is \$1m (2024: \$30m).

Impairment reviews conducted at the year end identified impairment on the AESW concession. This loss of future forecast production reduces the recoverable value of the asset and leads to the impairment charge of \$11m. Immediate drilling activity is focused on the newly merged concessions, with the recoverable value of AESW reducing as a result of deferred development activity and the shorter remaining concession term. Negotiations to improve the concession terms on AESW were initiated in 2025.

Net finance costs in Egypt of \$8m (2024: \$18m), includes loan interest and charges and the total tax credit to Egypt operations for the year is \$21m (2024: charge of \$32m), being the tax gross-up charge of \$1m and a deferred tax credit of \$22m. The tax credit in the current year reflects the increased benefit of costs pools and tax losses available under the merged concession.

FINANCIAL & OPERATIONAL REVIEW CONTINUED

Results from other continuing operations

The loss on other continuing operations of \$27m (2024: \$13m) includes unsuccessful exploration costs of \$3m (2024: \$6m) relating to legacy assets in the UK and Mexico. \$2m (2024: \$1m) of administration costs related to business development activities within the UK as Capricorn continued to monitor opportunities to add to the portfolio.

Net finance costs of \$3m (2024: income of \$7m) includes interest earned on cash and cash equivalents of offset by finance charges and foreign exchange losses.

Net administration costs, excluding business development costs, were \$19m (2024: \$23m) after including the non-cash items above and after deducting time writing recharges to assets.

Overall, the Group gross overhead was \$24m for the year, excluding non-cash charges, such as depreciation, amortisation and share based payments, and inclusive of \$2m of legacy and non-recurring project costs.

Discontinued operations

The Group made a profit from discontinued operations of \$3m (2024: \$23m) during the year following an increase in amounts expected to be recovered in respect of the settlement agreement with Waldorf Petroleum. In 2024, a \$27m loss on the settlement agreement was offset by the recognition of \$50m Senegal contingent consideration. The \$50m was received in January 2025.

As in prior years, no provision for any possible Senegal tax liability has been recorded. International arbitration has commenced to resolve the disputed tax assessment and this is unlikely to be concluded for a number of years.

Cash flow

Cash and cash equivalent balances at 31 December 2025 of \$133m (2024: \$123m) were offset by borrowings in Egypt of \$30m (2024: \$100m), excluding prepaid facility fees and accrued interest and including a \$10m advance payment of the first scheduled amortisation on the Junior facility.

Cash held outside of Egypt was \$79m (2024: \$78m), while the net cash of the Egypt business was \$24m (2024: net debt of \$54m). Restricted cash balances of \$1m (2024: \$3m) and \$54m (2024: \$46m) exist in the UK and Egypt respectively. Egypt restricted cash may be used to fund operating and development/producing activities across the concessions in Egypt and make principal and interest payments on the remaining loan facility.

2025 saw significant improvement in cash receipts from receivables due to the Egypt business, with \$217m of total receipts

being recorded. After operating expenses and investments in exploration and development wells, net proceeds were \$79m. This improved liquidity position allowed Capricorn to fully repay the Senior Loan Facility in the year, ahead of the amortisation schedule. Total loan repayments in the year were \$70m (2024: \$14m), including the \$10m Junior Facility repayment.

The final deferred payment due for the acquisition of the Egypt business of \$25m was settled early in 2025.

Net cash inflow for the Year

	\$m
Opening net cash as at 1 January 2025	23
Net cash inflow from Egypt operations	170
Exploration expenditure – Egypt	(13)
Development expenditure – Egypt	(76)
Deferred consideration – Egypt	(25)
Senegal contingent consideration receipt	50
Net administration expenses, corporate assets, and office lease costs	(21)
Net finance costs, equity and other movements	(9)
Tax refund	4
Closing net cash as at 31 December 2025	103

Balance Sheet

Exploration and Development assets and goodwill

With significant milestones achieved on the merged concessions, Capricorn recommenced drilling activities in 2025 with four rigs active throughout the second half of 2025, taking advantage of the improved fiscal terms.

Additions in Egypt totalled \$76m, \$13m on exploration wells across three concessions and \$63m on development/producing activities with 20 wells spudded in the year, the majority in the BED fields. Two of the exploration wells were unsuccessful while costs of \$3m associated with the third, the successful NUMB-6 exploration well, will be transferred into development/producing assets in 2026.

Capricorn will continue to ensure that future drilling commitments are aligned to ongoing cash collections. Regular collections based on monthly invoices during 2025, supplemented by additional bullet payments to clear legacy positions, have provided stability to allow the Group to invest and fulfil its obligations under the revised concession agreement.

After reduced depletion charges and the impairment on AESW, closing oil and gas assets were \$215m, including \$3m of exploration costs (2024: \$211m, no exploration costs).

Goodwill remains unchanged from the prior year end at \$11m and the annual impairment test did not identify any impairment.

Balance Sheet

The Group's net asset position at 31 December 2025 is summarised as follows:

	\$m
Exploration and development assets and goodwill – Egypt	226
Other long-term assets	12
Working capital – non-Egypt	64
Cash and cash equivalents	79
Trade and other receivables and payables, and provisions	(15)
Working capital – Egypt	58
Trade and other receivables and payables, and inventory	44
Net cash, including total loan liabilities and unamortised facility fees	14
Lease liabilities due after one year	(5)
Deferred tax assets	18
	373

Other long-term assets

Non-oil and gas property, plant and equipment and intangible assets at the year end totalled \$12m (2024: \$13m) which includes \$7m (2024: \$7m) relating to unamortised carbon credits and \$4m (2024: \$5m) of leasehold offices held as right-of-use assets. Carbon credits are tested for impairment within the Egypt cash generating unit.

agreements, the liability remains with the contractor until the point of settlement, hence the recording of assets and liabilities on the Balance Sheet.

The merged concession agreement consolidates previous individual tax cost pools into one and has greater access to tax losses, resulting in the full derecognition of deferred tax liabilities in the year.

Working capital

Working capital outside of Egypt consists of cash in hand, accounts payable and accruals at head office and accruals and provisions for remaining legacy costs in the UK and Mexico.

The non-Egypt current tax receivable of \$4m recorded in 2024 was fully received in 2025 and related to the India tax refunds.

Egypt trade receivables at the year end were \$84m (2024: \$175m), a decrease of \$91m (2024: increase of \$6m) across the year, net of expected credit loss adjustments. Net working capital liabilities across the Egypt concessions were \$72m (2024: \$100m). During 2025, Capricorn paid \$10m in additional cash calls towards clearing accounts payable backlogs within the Egypt operating company. A further \$13m was paid in early 2026 to further reduce this backlog.

Equity movements

Across the year, Capricorn acquired \$2m (2024: \$11m) of its own shares to meet anticipated share awards to current and past employees. \$1m (2024: \$10m) of shares vested in the year.

Net cash in Egypt is retained to meet future operational requirements and debt repayments. Capricorn continues to closely monitor cash flow projections with a view to early settlement of the remaining Junior facility should collections be received as forecast. Clearing the remaining debt will allow distribution of surplus cash back to the Parent.

Tax assets and liabilities

Deferred tax assets of \$18m (2024: \$18m) are recorded across the concessions in Egypt. No deferred tax liabilities are now recorded (2024: \$22m).

Assets and liabilities are calculated on a concession-by-concession basis having regard to availability of future profits when considering the recognition of deferred tax assets. Although tax is paid on the contractors' behalf by EGPC under the Egypt concession

This Strategic report has been approved by the Board and is signed on their behalf by



Randy Neely
Chief Executive

25 March 2026

Corporate Governance

UK Corporate Governance Code

The Board continues to assess its approach to corporate governance through application of the Financial Reporting Council's (FRC's) UK Corporate Governance Code (the "Code") and reports against the 2024 Code for the year ended 31 December 2025 within the following reports. A copy of the Code can be found at www.frc.org.uk.

Contents

Board of Directors	37
Corporate governance statement	39
Audit committee report	46
Sustainability committee report	51
Nomination and governance committee report	52
Directors' remuneration report	55
Directors' report	77

BOARD OF DIRECTORS

Maria GordonNon-Executive Chair
(52)**Randy Neely**Chief Executive
(59)**Richard Herbert**Senior Independent Director
(67)**Committee membership****N** **R****S****A** **N** **R****Term of office**

Maria was appointed as a Non-Executive Director in February 2023 and Chair in May 2024

Randy was appointed as an Executive Director in June 2023.

Richard was appointed as a Non-Executive Director and Senior Independent Director in February 2023.

Independent

On appointment

No

Yes

Skills and experience

- Master's degree, Fletcher School of Law and Diplomacy, Tufts University
- Bachelor's degree in Political Science, University of Wisconsin
- Chartered Financial Analyst (CFA)
- Corporate Director Certificate, Harvard Business School

Maria has strong governance experience, having served as Chair, senior director and committee member of various public companies. She currently serves as Non-Executive Chair of Constellation Oil Services, a deep-water drilling oil services company based in Brazil. She has two decades of direct investment experience in senior roles, including as Head of Emerging Markets Equity Strategy at Goldman Sachs and PIMCO. With that she brings considerable expertise in portfolio management and equity and debt capital markets.

- Bachelor of Commerce, Accounting, University of Calgary

Randy has more than 25 years of industry experience in executive and financial roles, including CFO of Zodiac Exploration, CFO of Pearl Exploration & Production and CFO of Trident Exploration.

Most recently, he was President and CEO of TransGlobe Energy, an Egypt-focused production and development business with operations in the Eastern and Western Deserts. At TransGlobe Energy, Randy led negotiations, which resulted in an amended, extended and consolidated concession agreement with EGPC in Egypt. Ultimately the negotiations led to the merger between TransGlobe and VAALCO Energy in October 2022.

Randy obtained designations as a Chartered Public Accountant (CPA) and a Chartered Financial Analyst (CFA).

- Bachelor's degree in Geology, University of Bristol

Richard is a petroleum geologist with more than 40 years' experience in the oil and gas sector, including leading executive roles across the world's major hydrocarbon provinces. Most recently, Richard served as CEO of Frontera Energy Corporation, Global Head of Exploration for BP, and CEO of Angus Energy PLC.

His career started at Phillips Petroleum, followed by 19 years at BP in senior exploration and development positions spanning Southeast Asia, Latin America, the US, Angola and the UK North Sea. After leaving BP, Richard spent six years with TNK-BP in Russia, serving first as Vice-President, Exploration and then EVP Technology. After that, he worked in Canada as Vice-President, Exploration of Talisman Energy for five years, before returning to BP as Head of Exploration in 2013.

Key external appointments

Public companies:
Non-Executive Director of Bank of Georgia Group PLC

Non-Executive Chair of Constellation Oil Services Holding S.A.

Non-public companies:
None

Public companies:
None

Non-public companies:
None

Public companies:
None

Non-public companies:
None

Committee membership key

■ Committee Chair **A** Audit Committee **R** Remuneration Committee **N** Nomination & Governance Committee **S** Sustainability Committee

BOARD OF DIRECTORS CONTINUED

Tom Pitts

Non-Executive Director
(60)

Patrice Merrin

Non-Executive Director
(77)

Sachin Mistry

Non-Executive Director
(46)

Committee membership

A **R**

S **N**

S

Term of office

Tom was appointed as a Non-Executive Director in February 2023.

Patrice was appointed as a Non-Executive Director in June 2023.

Sachin was appointed as a Non-Executive Director in June 2024.

Independent

Yes

Yes

No

Skills and experience

- Master's degree, Queens' College, University of Cambridge

Tom has more than 25 years' investment banking and private equity experience in public and private markets. He is currently a partner at LionRock Capital, having previously served in senior leadership positions at firms including Credit Suisse, Morgan Stanley and D.E. Shaw. Tom has broad experience in emerging markets, capital markets and structuring of complex financial products.

He has direct investment experience in numerous emerging and frontier markets including Vietnam, Pakistan, Sri Lanka, Indonesia and Laos.

- B.A. Politics & Psychology, Queen's University
- Completed the Advanced Management Programme at INSEAD

Patrice has significant experience across the energy, resources and commodity sectors. She served for nine years as an independent Non-Executive Director of Glencore plc and is also the Non-Executive Chair of Metals Acquisition Limited. In 2022 she joined the board of Lancium Inc., a leading energy technology and infrastructure private company dedicated to accelerating the energy transition.

Previous roles held by Patrice include President, CEO and Director of Luscar Ltd., Canada's largest thermal coal producer, prior to which she had been EVP and COO of Sherritt International, a Canadian diversified miner, energy producer and power generator. In addition, she was a director of Climate Change and Emissions Management Corporation, created to support Alberta's initiatives on climate change and the reduction of emissions.

- Master's in Mechanical Engineering, Imperial College London

Sachin is a Portfolio Manager at Palliser Capital, a global multi-strategy fund and one of the largest investors in Capricorn. He adds to the Board's oversight of the Company as it advances its long-term priorities to drive the most value for shareholders.

He brings to the Board more than 20 years of investment, advisory and financial strategy experience across numerous developed and emerging markets. Prior to joining Palliser Capital, he served as Portfolio Manager at LIM Advisers and before that as an Executive Director at Elliot Advisers for over eight years. Sachin held various roles in the corporate finance department of UBS earlier in his career.

Key external appointments

Public companies:
None

Non-public companies:
Non-Executive Vice Chairman of Harmony Advisors

Non-Executive Director of SIG-i Capital
Director of Haglöfs AB

Public companies:
Non-Executive Chair of Metals Acquisition Limited

Lead Independent Director of Lancium Inc.

Non-public companies:
None

Public companies:
None

Non-public companies:
None

Committee membership key

 Committee Chair **A** Audit Committee **R** Remuneration Committee **N** Nomination & Governance Committee **S** Sustainability Committee

 For more information go to www.capricornenergy.com/about-us/board/

CORPORATE GOVERNANCE STATEMENT

Dear Shareholder

2025 was a year in which Capricorn continued to strengthen its governance foundations, building on the significant organisational reset and leadership changes undertaken in recent years. Following this period of change, the Board has remained committed to embedding a culture of rigorous oversight, transparent decision-making, and responsible stewardship of the Company's strategic direction.

The Company continues to operate in a sector characterised by volatility, regulatory complexity, and evolving stakeholder expectations. In this context, strong governance remains essential to maintaining resilience, ensuring accountability, and supporting the delivery of long-term sustainable value.

During the year, Capricorn continued its structured programme of stakeholder engagement, both within the organisation and externally. The Company's approach to stakeholder engagement during the year is set out on pages 7 and 8, which also includes a statement from our Directors in accordance with Section 172 of the Companies Act 2006.

Details of our strategy, performance measurement and KPIs can be found on pages 5, 9 and 68. The Board regularly reviews and develops its framework of effective and prudent controls, which enables risks and opportunities to the execution of the strategy to be identified and addressed. The risk management section of this Annual Report is on page 16 and the internal control statement on pages 44 and 45 further describes these processes and controls.

Employee engagement remains a key focus of the Company and of the Board. The Employee Voice Forum (EVF), which is our formal workforce advisory panel, established in 2019 in line with the FRC's UK Corporate Governance Code, continued during 2025. The EVF currently comprises three employees from a range of functions and regions and has a rotating membership. Members gather questions and areas of consideration from employees in their allocated departments and bring these to the forum for discussion. These issues of importance to employees are then discussed with the Board, allowing Board members to gain a greater understanding and feel for the Company's culture and to identify any areas that may impact or enhance it. Appropriate consideration of matters raised to the Board through the forum can then be made in the context of the Board's decision-making. The EVF's scheduled meetings were held in March, May and November 2025.

Compliance with the UK Corporate Governance Code

As a company incorporated in the United Kingdom with a listing category of 'Equity shares (commercial companies)' on the London Stock Exchange, Capricorn is required to report against the UK Corporate Governance Code (the "Code", as published by the FRC and available on its website at www.frc.org.uk). This statement reports compliance with the version published in January 2024. Capricorn is fully committed to achieving compliance with the principles and provisions set out in the Code and the Board is responsible for ensuring that an appropriate framework is in place to do so.

The information in this statement (together with the Strategic Report, Audit Committee Report, Nomination & Governance Committee Report, Sustainability Committee Report, Directors' Remuneration Report and Directors' Report) describes the manner in which the Company has applied the main principles of governance set out in the Code and complied with the individual Code provisions. It is the Board's view that the Company has complied with the 2024 version of the Code throughout 2025.

The Board

It is important that the Capricorn Board has the required skills, experience and expertise to allow it to operate

effectively and efficiently across a number of geographies and disciplines given the international nature of its business. The Board has considered the competencies of its Directors, which includes industry experience in addition to financial, regulatory, risk management and sustainability experience, to ensure that it is fit for purpose in pursuing the strategy of the Company. The majority of the Board was put in place over the course of 2023 with these objectives fully in mind and continues to review these competencies to ensure they are appropriate for the Company's requirements. Board appointments, for both executive and non-executive positions, consider an individual's objectivity and integrity along with the abilities, skills, experience and diversity that they can bring to the Board. This process is applied below Board level in senior management and other appointments, and such matters are taken into account when considering succession plans.

Board changes

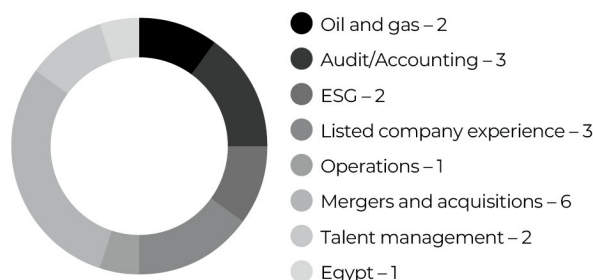
There were no changes to the composition of the Board in 2025.

The Board currently comprises one Executive Director and five Non-Executive Directors, including the Chair. The Directors of the Company as at the date of this statement are set out in the table below. Further biographical information about our Directors is also included in the Board of Directors section on pages 37 and 38.

Name	Role	Date of appointment (in current role)	Date of last re-election
Maria Gordon	Non-Executive Chair	1 February 2023	22 May 2025
Randy Neely	Chief Executive	1 June 2023	22 May 2025
Richard Herbert	Senior Independent Director	1 February 2023	22 May 2025
Patrice Merrin	Non-Executive Director	26 June 2023	22 May 2025
Sachin Mistry	Non-Executive Director	23 May 2024	22 May 2025
Tom Pitts	Non-Executive Director	1 February 2023	22 May 2025

Further information on the diversity within the Capricorn Board, including in terms of its wide range of experience and expertise across the industry, governance, technical and commercial arenas, is included in the Nomination & Governance Committee Report on pages 52 to 54 and in the Strategic Report section of this Annual Report.

Current Board competencies



CORPORATE GOVERNANCE STATEMENT CONTINUED

Division of responsibilities between the Chair and the Chief Executive

The Company has a clear division of responsibilities between the positions of Chair and the Chief Executive, which is set out in writing and agreed by the Board.

Chair: key responsibilities	Chief Executive: key responsibilities
<ul style="list-style-type: none"> – Leading the Board in an ethical manner and promoting effective Board relationships; – Ensuring that the Board plays a full and constructive part in the determination and development of the Company's strategy; – Building a well-balanced Board, considering Board composition and Board succession; – Ensuring the effectiveness of the Board and individual Directors; – Overseeing the annual Board evaluation and acting on its results; – Ensuring appropriate induction and development programmes for Directors; – Setting the Board agenda, chairing Board meetings and overseeing implementation of the Board's decisions; and – Engagement with shareholders and other stakeholders when appropriate. 	<ul style="list-style-type: none"> – Managing the business and proposing and developing the Company's strategy and overall objectives in consultation with the Board; – Driving the successful and efficient achievement of the Company's KPIs and strategic objectives; – Leading the executive team in ensuring the effective implementation of decisions of the Board and its committees; – Providing strong and coherent Company leadership and effectively communicating the Company's culture, values and behaviours internally and externally; and – Engagement with shareholders and other stakeholders.

Senior Independent Director

Richard Herbert assumed the role of Senior Independent Director upon his appointment to the Board on 1 February 2023.

The main responsibilities of this role are as follows:

- to provide a sounding board for the Chair and to serve as an intermediary with other Directors when necessary;
- to be available to shareholders and other stakeholders if they have any concerns, which contact through the normal channels of Chair, Chief Executive or Chief Financial Officer has failed to resolve or for which such contact is inappropriate;
- to meet with the other Non-Executive Directors without the Chair present, at least annually, in order to appraise the Chair's performance; and
- to act as Chair of the EVF.

Board performance evaluation Background

The annual performance evaluation process is considered by the Board as an opportunity to improve its effectiveness and to enhance its processes and procedures where appropriate. As reported in the Company's previous Annual Report and Accounts, the performance evaluation process carried out during 2024 was externally facilitated by Gould Consulting, in line with the Code recommendation that this evaluation be conducted by an external party at least every three years. Previously externally facilitated evaluations took place in 2024, 2021, 2018, 2015 and 2012, with evaluations conducted internally in the intervening years.

2025 Assessment

For 2025, in view of the external evaluation carried out in 2024, it was agreed that an internal Board performance assessment would be carried out. A questionnaire was prepared for this purpose by the Company Secretarial team, which was then reviewed and approved by the Chair. The questionnaire was subsequently completed by Directors and

the executive management team to evaluate the performance of the Board, its committees, and the Chair.

The outcome and findings of the 2025 internal performance evaluation were discussed at the March 2026 Board meeting. It was concluded that the Board is cohesive, well-functioning and guided by strong and effective chairing. Feedback emphasised the quality of debate, constructive tone and high levels of trust between the Chair, CEO and the wider leadership team. In response to the evaluation's findings, actions for improvement were agreed upon and included:

- developing long-term strategic options;
- strengthening structured risk governance; and
- enhancing Board information flows including more structured Committee reporting, cultural insights and IT improvements.

Independence of Non-Executive Directors

The Board considers the independence of each of the Non-Executive Directors on an ongoing basis, taking into account their integrity, their objectivity and their contribution to the Board and its committees. The Board believes that the following behaviours are essential for a Director to be considered independent:

- provides an objective, robust and consistent challenge to the assumptions, beliefs and views of senior management and the other Directors;
- questions intelligently, debates constructively and challenges rigorously and dispassionately;
- acts at all times in the best interests of the Company and its shareholders and other stakeholders;
- has a detailed and extensive knowledge of the Company's business and of the market as a whole, which provides a solid background against which they can consider the Company's strategy objectively and help the Executive Director(s) develop proposals on strategy; and
- has no close ties or material relationships with the Company, either directly or indirectly.

Maria Gordon was independent on her appointment to the Board and confirmed as independent on the date of her appointment as Chair in May 2024. Sachin Mistry is a current employee of a shareholder and is not considered to be an Independent Non-Executive Director under the provisions of the Code. With the exception of Sachin Mistry, the remaining Directors are independent in their appointment and have no relationship, other than by being nominated, with the nominating shareholder and are, therefore, each considered independent by the Board.

Time commitment of Non-Executive Directors

The Board recognises its responsibility under the Code to take into account other demands on each Director's time, with a view to ensuring that its Directors (particularly those Non-Executive Directors who sit on other public company boards) have sufficient time to devote to their role on the Capricorn Board. Prior to appointment, each individual's other significant commitments are disclosed and there is also a policy in place to ensure that additional external appointments are not undertaken without prior consultation. The other directorships held by each Non-Executive Director (where applicable) are disclosed in the Board of Directors section on pages 37 and 38.

None of our Non-Executive Directors sit on more than three public company boards (including Capricorn) and those that do sit on other public company boards have taken appropriate steps to ensure that they have sufficient time to devote to their role on the Capricorn Board.

Re-election of Directors

In accordance with the Code, each of the Company's Directors are subject to annual re-election by shareholders. As such, each of the current Directors will seek re-election at the Annual General Meeting (AGM) to be held on 21 May 2026.

Induction and development

New Directors received a full and appropriate induction on joining the Board. This involves a tailored programme of meetings with other Board members, senior management and the Company Secretary.

The Company ensures that new Directors also receive additional induction support and training when assuming any additional responsibilities such as membership of Board committees. Where appropriate, the Company arranges for new Non-Executive Directors to receive additional briefings on key matters regularly discussed by the Board.

The Company provides, on an ongoing basis, the necessary resources for developing and updating its existing Directors' knowledge and capabilities. In particular, the Company is committed to the provision of continuing professional development training for its Directors. In 2025, the Company continued with its practice of providing a Directors' education programme consisting of a number of seminars for Board members, which are presented by the Company's external advisers, guest speakers or members of senior management on subjects appropriate to the Company's business, including changes to legislation, regulation and market practice. During 2025, the subjects covered by these seminars included:

- Market Abuse Regulation (MAR) and Disclosure Obligations;
- Egyptian Upstream Oil & Gas Legal and Fiscal Framework; and
- Egyptian Political, Macroeconomic and Security Environment.

These seminars were incorporated into the schedule for the relevant Board meeting and were attended by all Directors present at such meetings. Any Director may request that a particular subject be covered in a seminar.

Information and support

The Board has full and timely access to all relevant information to enable it to discharge its duties. Under the direction of the Chair, the Company Secretary is responsible for ensuring good information flows within the Board and its committees, and between executive management and Non-Executive Directors, as well as facilitating induction and assisting with professional development as required. The Company Secretary ensures the presentation of high-quality information to the Board and its committees, and that all papers and information are delivered in a timely fashion. Board and committee papers are delivered securely through an electronic platform.

The Company Secretary is responsible for advising the Board, through the Chair, on all UK Corporate Governance Code and related matters, and each Director has access to the advice and services of the Company Secretary.

There is also a procedure agreed by the Board for Directors, in furtherance of their duties, to take independent professional advice if necessary, at the Company's expense.

Conflicts of interest

The Board has in place a procedure for the consideration and authorisation of conflicts or possible conflicts with the Company's interests. All Directors are aware of the requirement to submit details to the Company of any current situations (appointments or otherwise) which may give rise to a conflict, or potential conflict, of interest. The Board will continue to monitor and review potential conflicts of interest on a regular basis.

Whistleblowing

The Group has a robust Whistleblowing Policy in place, through which the workforce can raise any matters of concern – further information on the Group's Whistleblowing Policy is included in the Audit Committee Report on page 50.

Matters reserved to the Board and delegation of authority

The Board has a formal schedule of matters specifically reserved to it for decision, which is divided into categories covering different types of decisions, including corporate, Board/Directors, financial/operational, and legal/regulatory.

Board meetings

During 2025, a total of 11 scheduled meetings of the Board were held. Four of these meetings were conducted over two consecutive days following the usual format for Board meetings, described below, with another seven shorter meetings held to update the Board and/or to approve specific matters during 2025.

Board committee meetings are also scheduled for the same dates as Board meetings and are either split over two days or scheduled for one day, depending on the number of committee meetings required. Board committee meetings take place prior to the main part of the Board meeting so that the Chair of each committee can provide a report to the Board. These are followed by the remainder of the formal business of the Board meeting. The Chair also holds a short meeting with the other Non-Executive Directors (without the Executive Director).

Details of attendance at each of the Board meetings during 2025, and at meetings of each of the Board committees, are set out below. The Company has very successfully used its technological communication platforms to ensure that Directors who are unable to attend any meeting in person are still able to attend all scheduled Board and committee meetings and were also able to do so 'on camera'.

The formal agenda for each scheduled Board meeting is set by the Chair in consultation with the Chief Executive and the Company Secretary. The system for establishing agenda items means that the Chair, the Board and each of the Board committees have the confidence that all required items are included on their agenda at the most appropriate time of the year and that there is sufficient time allocated for discussion, allowing the Directors to discharge their duties effectively.

Formal minutes of all Board and committee meetings are circulated to all Directors prior to the subsequent Board meeting and are considered for approval at that Board meeting. In addition, the members of the Board are in frequent contact between meetings. There is also a procedure in place to allow Board meetings to be convened at short notice where required to deal with specific matters which need to be considered between scheduled Board meetings.

As noted above, the Non-Executive Directors have a practice of meeting informally at the end of each Board meeting without the Executive Directors being present. At these Non-Executive forums, the Non-Executive Directors are invited by the Chair to bring forward any matter pertaining to the business of the Board that they believe would benefit from discussion in such forums. This practice also applies after Board committee meetings to ensure that Non-Executive Directors can discuss any relevant issues arising from those meetings without management being present.

CORPORATE GOVERNANCE STATEMENT CONTINUED

Key issues considered within Board meetings during 2025

Code Requirement	Key discussions	Outcome
Ensuring an effective and entrepreneurial Board to promote long-term sustainable success	<ul style="list-style-type: none"> – Egyptian concession modernisation and ratification progress – Collections performance and sovereign receivables management – North Sea business development strategy and asset screening – Debt repayment strategy and capital allocation – Regulatory and MAR education 	<ul style="list-style-type: none"> – Agreed continued focus on maximising value from Egypt whilst progressing selective North Sea opportunities – Approved progression of various business development opportunities – Approved early repayment of senior debt facility – Board education delivered on MAR, inside information, and Egyptian regulatory framework
Establishing and aligning purpose, values and strategy with culture	<ul style="list-style-type: none"> – Interim and long-term strategy review – Five-year financial outlook for base business – Market feedback from investor engagement – Peer benchmarking and capital markets positioning – Strategic flexibility pre- and post-concession ratification – Shareholder engagement and proxy advisory feedback 	<ul style="list-style-type: none"> – Reaffirmed strategy to enhance Egypt value while diversifying selectively – Continued engagement with investors and proxy advisers ahead of AGM – Supported proactive shareholder communications – Agreed presentation of medium-long term operational and financial forecast
Ensuring necessary resourcing is in place and establishing a framework of controls to enable risk to be assessed	<ul style="list-style-type: none"> – Going concern and viability assessments (2024 year-end and 2025 half-year) – Net cash movements and liquidity headroom – EGPC payment patterns and arrears risk – Debt facilities and early repayment options – Exploration commitments and drilling risk profile 	<ul style="list-style-type: none"> – Approved going concern and viability statements – Approved 2025 Work Programme and Budget – Approved early repayment of senior debt facility
Effective engagement with shareholders and stakeholders	<ul style="list-style-type: none"> – AGM resolutions and proxy voting analysis – Egyptian governmental and JV partner engagement – Industry-wide arrears dynamics in Egypt 	<ul style="list-style-type: none"> – Continued structured engagement with Egyptian authorities – Supported ongoing investor outreach and market updates
Ensuring workforce policies and practices align with Company values	<ul style="list-style-type: none"> – Employee Voice Forum themes – Compliance and PDMR dealing procedures 	<ul style="list-style-type: none"> – Reinforced compliance framework including MAR procedures – Continued engagement through Employee Voice Forum
Formal and transparent appointment and succession processes	<ul style="list-style-type: none"> – Re-election of Directors at AGM – Board and Committee schedule for 2025 and 2026 – Ongoing succession considerations 	<ul style="list-style-type: none"> – Approved Board and Committee meeting schedule – Approved AGM re-election resolutions – Continued focus on governance and succession planning

Directors' attendance at 2025 Board and committee meetings

The table below sets out the attendance record of each Director at scheduled Board and committee meetings during 2025.

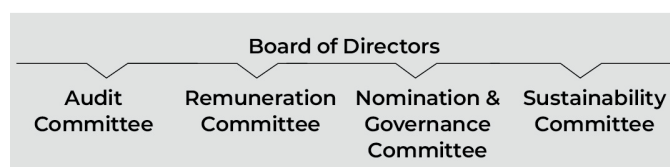
Board	Board	Audit Committee	Remuneration Committee	Nomination & Governance Committee	Sustainability Committee
Meetings held during 2025 ¹	11	4	4	2	1
	Meetings attended / meetings held in 2025 during directorship	Meetings attended / meetings held in 2025 during membership	Meetings attended / meetings held in 2025 during membership	Meetings attended / meetings held in 2025 during membership	Meetings attended / meetings held in 2025 during membership
Current Directors					
María Gordon (Chair)	11/11	–	4/4	2/2	–
Randy Neely (Chief Executive)	11/11	–	–	–	1/1
Richard Herbert (Senior Independent Director)	11/11	4/4	4/4	2/2	–
Sachin Mistry	11/11	–	–	–	1/1
Tom Pitts	10/11	4/4	4/4	–	–
Patrice Merrin	11/11	–	–	2/2	1/1

Notes:

(1) During 2025, certain Directors who were not committee members attended meetings of the Audit Committee, Remuneration Committee, Nomination & Governance Committee and Sustainability Committee by invitation. These details have not been included in the table.

Board committees

Board committee structure during 2025



Each of the Board committees is provided with all necessary resources to enable them to undertake their duties in an effective manner and has formal terms of reference approved by the Board. Copies of the terms of reference are available on the Company's website. The Company Secretary acts as secretary to the Board committees. The minutes of all committee meetings are circulated to all Directors. In line with best practice, more detailed reports from the Audit, Nomination & Governance and Sustainability Committees are presented as separate reports rather than including these in the Corporate Governance Statement. Summary details of the composition of each committee at the end of 2025 are set out in the tables below.

Remuneration Committee

Member	Date of appointment
R. Herbert (Chair)	26 June 2023 (Chair with effect from 23 May 2024)
T. Pitts	1 February 2023
M. Gordon	1 February 2023

Audit Committee

Member	Date of appointment
T. Pitts (Chair)	1 February 2023
R. Herbert	1 February 2023

Nomination & Governance Committee

Member	Date of appointment
M. Gordon (Chair)	1 February 2023 (Chair with effect from 23 May 2024)
R. Herbert	23 May 2024
P. Merrin	26 June 2023

Sustainability Committee

Member	Date of appointment
P. Merrin (Chair)	26 June 2023
S. Mistry	23 May 2024
R. Neely	26 June 2023

Shareholders and the Annual General Meeting (AGM)

Communications with shareholders are given high priority by the Board. The Company has implemented the provisions of the Companies Act 2006 regarding electronic communication with its shareholders, in order to give shareholders more choice and flexibility in how they receive information from the Company. Capricorn responds promptly to correspondence from shareholders and the Company's website contains a wide range of information on the Company, including a dedicated investor relations section.

In order to ensure that the members of the Board develop an understanding of the views of major shareholders, there is regular dialogue with institutional shareholders, including meetings with executive management after the announcement of the year-end and half-year results. The Board is kept informed of any issues raised by shareholders both as a standing agenda item in Board papers and through feedback at Board meetings, and following results or other significant announcements. In addition, the Company maintains an investor relations database, which details all meetings with investors or other related stakeholders. All analyst reports relating to the Company are also distributed to the Board.

A list of the Company's major shareholders can be found in the Directors' Report on page 78. The Company recognises that the success of the comply-or-explain approach under the Code depends on an ongoing and open dialogue with shareholders, and remains committed to engaging with shareholders, as well as governance and proxy voting agencies, on any matter which they wish to discuss in relation to the Company's governance.

During the last 18 months, certain Directors have also engaged directly (either through meetings or by telephone/written correspondence) with specific investors and investor groups on a range of matters including progress against strategic objectives, diversity and remuneration. During 2025, this also included consultation between the chair of the remuneration committee and major shareholders on the remuneration policy proposed for approval at the 2026 AGM.

CORPORATE GOVERNANCE STATEMENT CONTINUED

AGM details (2025 and 2026)	Overview
2025 AGM: was held on Thursday, 22 May 2025 at The Sheraton Grand Hotel, 1 Festival Square, Edinburgh EH3 9SR	– 12 ordinary resolutions and 4 special resolutions are proposed for shareholder approval
2026 AGM: to be held on Thursday, 21 May 2026 at The Sheraton Grand Hotel, 1 Festival Square, Edinburgh EH3 9SR (full details in Notice of AGM)	– 12 ordinary resolutions and 4 special resolutions are proposed for shareholder approval

It is policy for all Directors to be present at the AGM, when possible, with the Chair of each of the Board committees also expected to attend and be prepared to answer shareholder questions on areas within their remit.

The proxy votes for and against each resolution, as well as abstentions, will be counted before the AGM and the results will be made available following the meeting after the shareholders have voted in a poll on each resolution. Both the Form of Proxy and the poll card for the AGM include a 'vote withheld' option in respect of each resolution to enable shareholders to abstain on any particular resolution. It is explained on the Form of Proxy that a 'vote withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'for' or 'against' a resolution.

Information pursuant to the Takeover Directive

The Company has provided the additional information required by the Disclosure and Transparency Rules of the UK Listing rules (and specifically the requirements of DTR 7.2.6 in respect of Directors' interests in shares; appointment and replacement of Directors; powers of the Directors; restrictions on voting rights and rights regarding control of the Company) in the Directors' Report.

Internal control

The Board has overall responsibility for the Group's system of internal control, which includes all material controls, including financial, operational, cyber, compliance and ESG controls and related risk management, and for regularly reviewing its effectiveness. The system of internal control is designed to identify, evaluate and manage significant risks associated with the achievement of the Group's strategic objectives. Due to the limitations inherent in any system of internal control, Capricorn's system is designed to meet its particular needs and the risks to which it is exposed, with a focus on managing risk rather than eliminating risk altogether. Consequently, it can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has in place an Integrated Internal Control and Assurance Framework (the "Framework"), which plays a critical role in setting out how the Company manages and assures itself that the risks relating to the achievement of corporate vision, strategy and objectives are effectively controlled. The Framework is based on the Committee of Sponsoring Organisations (COSO) framework and its five key components, which is a commonly used and recognised international framework for considering internal control systems. The COSO framework seeks to help organisations develop systems of internal control which help facilitate the achievement of business objectives and improvements in Company performance. The COSO framework also supports organisations in adapting to increasingly complex business environments and managing risks to acceptable levels with the aim of safeguarding shareholders' interests and Company assets. The Capricorn risk framework accords with the FRC guidance on risk management and internal control.

The Framework has been in place for the 2025 financial year and up to the date of approval of the Annual Report and Accounts. The Board, supported by the Audit Committee, has carried out a review of the effectiveness of the systems of internal control during 2025 and will ensure that a similar review is performed in 2026 to meet the additional

requirements of Provision 29 of the UK Corporate Governance Code. In so doing, the Board and Audit Committee took into account the assurance provided by the year-end internal control report in respect of the effectiveness of the Group's system of internal control. The Board is accordingly satisfied that effective controls are in place and that risks have been mitigated to a tolerable level across the Group in 2025.

Particular attention has been placed by the Company's management on ensuring that an effective system of internal control has been maintained during the year in relation to the key risks in the Company's business activities.

Enhancements have been made during 2025 to the following key controls, business processes and procedures:

- compliance certificates were completed by all staff members and contractors confirming compliance with the Group's Code of Ethics. There was one minor breach of the Code in 2025 which was addressed;
- several activities were completed to enhance our bribery and corruption controls across the business, including the revision of country-specific risk assessments for Egypt, which supplemented the overarching Group risk assessment already in place;
- to ensure awareness, understanding and compliance on important governance, regulatory and security topics, mandatory e-learning was implemented across the Group, which included comprehensive modules on bribery and corruption, health and safety, cyber security, cyber fraud and tax evasion; and
- implemented controls to meet the 'reasonable procedures' defence under the new Economic Crime and Corporate Transparency Act 2023 Failure to Prevent Fraud offence, including the completion of a risk assessment, the development of policy documentation and the introduction of periodic fraud audit checks.

The following describes the key elements of the Framework and the processes used by the Board during 2025 to review the effectiveness of the system and the approach to be taken in 2026.

1. Strategic direction

The Company's strategy and business plan are debated by and approved by the Board. The Chief Executive is responsible for managing the Company's business and implementing the Company's strategic objectives in consultation with the Board. The Chief Executive is also responsible for implementing the decisions of the Board and its committees and driving performance measured against the Company's KPIs.

2. Operating management

The Company refreshes its work programme and budget on an annual basis in line with its overall strategy.

3. Risk management

The Board is responsible for maintaining sound risk management and internal control systems across the Capricorn Group. The Board must satisfy itself that the significant risks faced by the Group are being managed appropriately and that the system of risk management and internal control is sufficiently robust to respond to internal or external changes in the Group's business environment.

The Group Risk Management Process defines the steps through which Capricorn seeks to systematically identify, analyse, assess, treat and monitor the business risks faced by the Group. The Group Risk Management Process also identifies the risk management organisational structure through which business risks are managed and regularly reviewed at asset-, country- and Company-level.

4. Cyber Risk

Managing cyber risk remains a key priority for the Board, with a comprehensive and continually evolving cyber security control framework in place across the Group to mitigate threats and reduce exposure. Cyber risks are managed in line with Capricorn's standard process for identifying, analysing, assessing, treating, and monitoring risks, aligned to ISO 31000 (see page 16).

During the reporting period, Capricorn focused on strengthening preventative, detective, and responsive controls across identity, endpoints, cloud, network, and data environments. Key cyber security activities and controls include:

- Governance, Risk & Compliance: Maintenance of cyber security policies, and procedures, and delivery of mandatory annual cyber security training to all staff;
- Incident Response and Cyber Resilience: An established Cyber Incident Response Plan and Business Resilience Plan, both tested bi-annually, supported by security investigations, containment actions, and post-incident reviews;
- Identity and Access Management: Implementation and expansion of Multi-Factor Authentication, Conditional Access controls, Self-Service Password Reset and Privileged Identity Management;
- Security controls: Network, email, cloud and endpoint security controls across IT framework;
- Vulnerability Management and Assurance testing: A structured vulnerability management programme incorporating regular vulnerability scanning, risk-based prioritisation and remediation tracking; and
- Cyber insurance: Insurance policy in place to support the management of cyber incidents.

Capricorn has not experienced an information security breach in the last five years.

5. Assurance

The 'three lines of defence' framework adopted by the Board provides three levels of assurance against the risks facing the Company: firstly, at the operational level; secondly through overview by functional management; and thirdly through internal or joint venture audits.

The Directors derived assurance from the following internal and external controls during 2025:

- a schedule of matters specifically reserved for decision by the Board;
- implementation of the Capricorn business management system for key business activities;
- an appropriate organisational culture and structure;
- control over non-operated joint venture activities through delegated representatives;
- delegations of authority for all financial transactions and other key technical and commercial decisions;
- segregation of duties where appropriate;
- accounting and procurement system controls including access controls and approval processes;
- business and financial reporting, including KPIs;
- an annual review of the system of internal control led by the Risk & Compliance Manager;
- an annual internal audit plan, which is approved by the Audit Committee and Board, and is driven by risks and key controls;
- reports from the Audit Committee; and
- independent third-party reviews.

6. UK Corporate Governance Code Provision 29

The company remains on schedule to meet the additional requirements that come into effect in 2026 under Provision 29 of the UK Corporate Governance Code (2024) with respect to assessing the effectiveness of material controls.

This preparatory work has focused on defining the Group's material controls across financial, operational, compliance and reporting processes; aligning those controls with the Group's principal risks; mapping ownership responsibilities; and strengthening associated documents and evidence.

Maria Gordon

Chair

25 March 2026

AUDIT COMMITTEE REPORT

Members and meetings in 2025

	Member since	Meetings attended/meetings held in 2025 during membership
Tom Pitts (Chair)	February 2023	4/4
Richard Herbert	February 2023	4/4

Dear Shareholder

Composition of the Audit Committee

I was appointed Chair of the Audit Committee in February 2023. Serving with me is my fellow Independent Non-Executive Director, Richard Herbert. The members of the Committee have been chosen to provide the financial, commercial and technical experience needed to fulfil these duties. Richard is considered by the Board to be independent.

Summary of Audit Committee meetings during 2025 and subsequent to the year end

The Audit Committee met four times in 2025, with meetings arranged around the key external reporting dates. The first meeting in March 2025 focused on concluding the 2024 year-end external audit process (reported in the 2024 Annual Report and Accounts). Meetings in June and September centred on the Group's half year reporting and a November meeting on planning for the 2025 year-end. A subsequent meeting in March 2026 was held to conclude on the 2025 year-end process.

Meetings are attended by senior Capricorn staff, including the Chief Financial Officer, Eddie Ok, the Head of Finance and the Risk and Compliance Manager, with other senior staff joining as appropriate for the matters under discussion. The Group's Chief Executive Officer, Randy Neely, and Chair, Maria Gordon, also attended all meetings. The Group's external auditors also attend all meetings.

Responsibilities and activities during the year

The Audit Committee's primary responsibilities include the integrity of the Group's Financial Statements, the effectiveness of the Group's risk management and internal assurance processes and related governance and compliance matters.

The terms of reference of the committee consider the requirements of the UK Corporate Governance Code and are available for inspection on the Group's website. A summary of the committee's principal responsibilities and activities during the year are set out below.

	Principal responsibilities of the Committee	Activities during the year	Key areas formally discussed
Financial Statements	<ul style="list-style-type: none"> – Monitoring the integrity of the Financial Statements of the Group and Parent. – Reviewing any significant financial reporting judgements. – Reviewing the appropriateness of accounting policies, their consistent application and disclosures in financial statements. 	<ul style="list-style-type: none"> – March 2025: 2024 Financial Statements update, conclusions and approval. – June 2025: Half year key accounting issues. – September 2025: Approval of half year financial statements. – November 2025: Year end key accounting issues overview. – March 2026: Approval of 2025 year-end financial statements. 	<ul style="list-style-type: none"> – Going concern conclusions, linkage to the viability statement. – Significant accounting issues at the half year and year end (see below).
External audit	<ul style="list-style-type: none"> – Overseeing the Group's relationship with the external auditors, including: <ul style="list-style-type: none"> • making recommendations to the Board as to the appointment or reappointment of the external auditors; • reviewing their terms of engagement and engagement for non-audit services; and • monitoring the external auditors' independence, objectivity and effectiveness. 	<ul style="list-style-type: none"> – At each meeting the Committee receives an updated report from the external auditors which either explains their plans and scope for the forthcoming audit or review or contains the conclusions from their work performed. 	<ul style="list-style-type: none"> – Reviewing the external auditors' scope and audit plan for the 2025 year-end. – Discussing the materiality levels set by the auditors. – Approval of the auditor's remuneration. – Consideration of the results of the external audit with the auditors and management. – Assessment of the effectiveness of the external audit. – Selection of a new audit partner.
Internal risk management and assurance	<ul style="list-style-type: none"> – Reviewing the Group's internal financial controls and internal control and risk management systems. – Monitoring and reviewing the effectiveness of the Group's internal audit function. 	<ul style="list-style-type: none"> – At each meeting, the Audit Committee receives: <ul style="list-style-type: none"> • an update on the risk management process and a review of the latest risk matrices; 	<ul style="list-style-type: none"> – Reviewing the Group's corporate and operational risk register. – Selection of internal audit work planned.

Principal responsibilities of the Committee Activities during the year Key areas formally discussed

		<ul style="list-style-type: none"> where applicable, an update from the Group Risk and Compliance Manager on progress of internal audits and their output and recommendations; and Considered the Group's arrangements for internal control and assurance in the context of the UK Corporate Governance Code, including the requirements of Provision 29. 	<ul style="list-style-type: none"> Assessment of key findings raised from internal audits conducted in the year.
Whistleblowing procedures	<ul style="list-style-type: none"> Reviewing the Group's whistleblowing procedures and ensuring that arrangements are in place for the proportionate and independent investigation of possible improprieties in respect of financial reporting and other matters and for appropriate follow-up action. 	<ul style="list-style-type: none"> The Committee's annual review and approval of the Group's whistleblowing procedures was performed at the November 2025 meeting. 	<ul style="list-style-type: none"> Reviewing and approving of the Group's whistleblowing procedures.
Other matters	<ul style="list-style-type: none"> Reviewing the Group's policy for approval of non-audit work to the Company's auditors. Reviewing booking of Group reserves and resources. 	<ul style="list-style-type: none"> The Committee's annual review and approval of the Group's policy for approval of non-audit work was undertaken at the November 2025 meeting. Richard Herbert is Chair of the Capricorn's Reserves and Resources Reporting Committee, providing direct oversight to the Audit Committee. 	<ul style="list-style-type: none"> Review and approval of the Group policy for approval of non-audit work to the Company's auditors. Classification of reserves and resources for disclosure in the Annual Report.

The review of the Annual Report and Accounts for fair, balanced and understandable presentation and disclosure, while considered by the Audit Committee, is formally performed, and approved by the full Board.

Financial statements

At each reporting date, the Audit Committee reviews the results for the relevant period and the key assets and liabilities in the Group Balance Sheet, focusing on the key estimates, assumptions and judgements that management has used in applying the relevant accounting standard.

The key issues identified at the December 2025 year-end were the impact of the merged concessions agreement and the timing of formal ratification, impairment reviews performed on the Group's property, plant and equipment – development/producing assets, goodwill and the Company's investments in subsidiaries, expected credit loss adjustments against trade receivables and the disclosure of the ongoing tax issue relating to divested interests in Senegal. As always, the assessment of the ability of the Group to continue to operate as a going concern and the viability statement is also considered by the Audit Committee.

2025 year end significant accounting issues:

Merged concessions agreement

Capricorn, working with the operator, agreed terms with EGPC on a new merged concession agreement, consolidating the previous agreements across the eight 50:50 concessions in Egypt into one. The merged agreement includes improved commercial terms, field-life extensions and cost pool adjustments, with a ring-fencing of a portion of receivables until capital commitments in the new agreement are extinguished.

In December 2025, the Egyptian Cabinet approved the merged concession agreement, representing the final step prior to parliamentary approval. Formal ratification is expected in H1 2026. The year end financial statements are prepared on the assumption that cabinet approval made formal ratification "virtually certain" at the year end. Under this assumption, reserves volumes used in the depletion charge are based on the revised commercial terms and field life assumptions while incremental income arising from the revised terms has been accrued in the financial statements.

The Audit Committee and Capricorn Energy PLC Board received regular updates from management throughout 2025 on progress with the ratification of the merged concessions. The Audit Committee agreed that the signing of the amended agreement with EGPC was the key milestone and that the formalities of Government approval occurring post-year end should not prevent the 2025 financial statements from reflecting the economic impact of the revised terms of the merged concessions to fairly reflect the results for the year.

AUDIT COMMITTEE REPORT CONTINUED

Impairment review

At the year end, Capricorn conducted impairment tests on the carrying value of goodwill in the Group Balance Sheet and reviewed remaining assets in the Group and Company Balance Sheets for indicators of impairment, performing test where such indicators were identified. With Capricorn's market capitalisation remaining below Balance Sheet net assets, the Audit Committee noted the impairment tests conducted on the Egypt business segment and on the carrying value on investments within the Company Balance Sheet, together with the review of indicators on the underlying assets.

The valuation of the Group's Egypt assets used in impairment tests is based on the fair value of the assets under the merged concession agreement, an approach consistent with 2024 year-end impairment tests. Reserve estimates of hydrocarbons which form the basis of the valuation were based on the reserves report of the independent auditor, GLJ, following review from management. Reserves assumptions are approved by the Group's Reserves and Resources Committee, chaired by Richard Herbert. The Audit Committee agreed with management's conclusion that it was appropriate to use the GLJ reserves volumes, based on the merged concessions, to estimate the fair value of assets in the impairment test.

The Audit Committee also reviewed and approved the commercial assumptions used in the impairment test calculations including macro assumptions on oil and gas prices and inflation and asset-specific assumptions on the timing of collection of receivables and discount rates to be applied to cash flow models, revised from previous years to reflect the improved collections witnessed during 2025. The Audit Committee also assessed all other information available to the Board to support the fair value estimate used in the impairment test.

The impairment tests concluded that impairment existed on the AESW concession. The Audit Committee reviewed the underlying reasons behind the impairment and were satisfied that it has been correctly recorded.

The Audit Committee were further satisfied that there was no impairment to record on the remaining assets of the Group or on the Company's investment in subsidiary for the year ending 31 December 2025.

Expected Credit Loss provisions

During 2025, Capricorn witnessed a significant improvement in collections from EGPC, with total amounts received of \$217.4m reducing gross trade receivables in Egypt from \$184.1m at 31 December 2024 to \$85.5m at the end of the current year. With the reduction in trade receivables and reduced risk ratings for Egypt, the Group's expected credit loss provision recorded against trade receivables had decreased from \$8.7m to \$1.3m over the year, with a \$7.4m credit recorded in the Group Income Statement. The Audit Committee reviewed management's methodology behind the calculation of the provision and were satisfied that this was appropriate and the reduction properly reflected in the financial statements.

Senegal tax assessment

In December 2023 Capricorn received notification that the Senegal tax authorities had raised an assessment against Woodside, including two items relating to the Group's period of ownership, being a claim for registration duties payable on transfer of assets from Capricorn to Woodside and a capital gains tax assessment on the transfer. Capricorn has sought legal advice which supports the merits of the Group's defence and would result in no liability arising.

During 2025 and to the date of this report, the Capricorn Energy PLC Board has been fully updated by management on the latest progress with the arbitration. The Audit Committee continues to support management's conclusion that this tax assessment remains a contingent liability to be disclosed in the financial statements.

Going concern and viability

At each reporting date, management considers the factors relevant to support a statement of going concern included in note 1.2 to the Financial Statements. The Audit Committee reviews and challenges management's conclusions so that we may, in turn, provide comfort to the Board that management's assessment has been considered, challenged and is appropriate.

The Audit Committee carefully reviewed management's going concern conclusion based on the Group's latest cash and debt position. Downside case assumptions were reviewed, run with sustained low oil prices, reduced production and cost increases, including a settlement in the Senegal tax assessment. In all cases, the Group retained a significant funding surplus. This confirmed that the Group is fully funded to meet its work programme and firm commitments and settle all outstanding liabilities as they fall due over the period of 12 months from the date of signing the Financial Statements. The Audit Committee subsequently recommended to the Board that the Group continues to use the going concern basis in preparing its Financial Statements.

The Committee also reviews and challenges management on the sensitivity analysis performed to support the Group's viability statement, included in the Strategic Report on page 17. The viability statement review included assessing both the operational risks identified by management, including reserve downgrades and major emergency incidents and corporate risks identified, including volatile oil prices and a downturn in collections of receivables in Egypt. Following this challenge, the Committee recommended approval of the viability statement to the Board.

External audit

PricewaterhouseCoopers LLP (PwC) have been Capricorn's external auditors since 2013. An audit tender process was last run in December 2023. PwC may serve a maximum of seven further year end audit engagements before mandatory rotation, though the Audit Committee continues to evaluate the performance of the auditors on an ongoing basis. Bruce Collins remains lead audit partner, however the 2025 year end is his final permitted year in this role. The Audit Committee worked with PwC to identify Martin Cowie as Bruce's successor, and Martin shall shadow Bruce through the year end process to allow a smooth transition following the 2025 year end audit.

Assessment of external audit process

The Audit Committee has an established framework to assess the effectiveness of the external audit process that will continue going forward. This comprises:

Audit Committee action	Audit Committee conclusion
An assessment of the independence of the auditors.	The Audit Committee considered PwC to be independent.
A review of the audit plan including the materiality level set by the auditors and the process they have adopted to identify Financial Statement risks and key areas of audit focus (summarised in the Independent Auditors Report on page 81).	The Audit Committee accepted the level of materiality set by the auditors.
A review of the Audit Quality Inspection ("AQI") report on our auditors, published by the FRC with particular emphasis on any key messages applicable to Capricorn.	There were no matters raised in the AQI report that caused concern for the Audit Committee.
A review of the final audit report, noting key areas of auditors judgement and the reasoning behind the conclusions reached.	The Audit Committee reviewed findings on the key audit issues identified. The Committee was satisfied that appropriate challenge had been made of management and that the audit process was robust.
Regular communications through formal papers submitted and presentations to the committee, including a review by the committee of the extent to which the auditors have challenged management.	The audit plan for the year ending 31 December 2025 was presented to the Audit Committee in November 2025 and is summarised in the Independent Auditors' Report on page 81. Audit findings on significant matters were presented to the Committee in March 2026, together with the work performed by the auditors to challenge management's key estimates and assumptions.
Separate meetings were held between me as Chair of the Audit Committee and the lead audit engagement partner.	Any significant points discussed in separate meetings were brought to the attention of the full Audit Committee.
Regular discussions at Audit Committee, in the absence of the auditors, covering the robustness of the audit process, the quality of delivery, the quality of reporting and the quality of the auditors' people and service.	The Audit Committee was satisfied with the robustness of the audit process.

Of particular focus for the committee is the assessment of the judgement applied by PwC during each stage of the audit process including setting audit materiality, identifying the risks to the Financial Statements, evaluating audit findings and communicating those areas of judgement to the committee.

The Audit Committee noted the level of planned materiality and agreed on the levels of misstatements to be reported to the committee. The final audit report was presented to the Audit Committee in March 2026. The committee agreed with the conclusions reached by the auditors, noting the degree of judgement around areas of significant audit risk.

The significant accounting issues identified by the Audit Committee were included in the significant matters identified by the external auditors in their audit plan. There were no other specific areas that the Audit Committee requested the auditors to look at.

At the end of each annual reporting cycle, the Audit Committee reflects on the quality of the audit provided by the auditors. At each Audit Committee meeting, the auditors present an update on their progress and, where appropriate, conclusions on their half year review and full year audit and how the audit has been conducted in relation to the plan presented to the Audit Committee, with the Committee able to challenge the audit at any point.

Internal risk management and assurance

The Audit Committee reviews the Group's principal risks at each meeting. The Group's risk management project plan is also presented with the Audit Committee closely monitoring the close-out of recommendations raised during completed internal audits as well as noting progress of ongoing audits and plans for future audits, ensuring they remain on schedule. The Audit Committee also completes an annual review of management's formal internal controls assessment.

The Group's principal risk dashboard is updated in advance of every meeting and changes to operational and corporate risks noted and discussed. The Audit Committee will challenge management on the classification of risks where further clarification is sought on either the assessment of the likelihood of a risk materialising or its estimated financial impact.

AUDIT COMMITTEE REPORT CONTINUED

Internal audit

For internal audit, the Group adopts an out-source approach to supplement the in-house lead and this ensures we have access to specialist skills and experience as required.

Prior to the beginning of each year, an internal audit plan is developed by management based on a review of the outcome of the previous year's internal audits, the outcome of the annual assessment of effectiveness of internal control and the principal risks in the Group Risk Matrix and identified mitigation measures. The plan is then presented to the Audit Committee for review and approval. The Audit Committee receives updates on the internal audit work plan at each meeting.

The external auditor does not place any reliance on the work undertaken by the Group's internal audit function due to the scope and the timing of their work. The external auditor does, however, attend all Committee meetings where internal audit updates are given.

During 2025, the Group conducted an internal audit on the accounts payable function, encompassing the verification of new suppliers and changes to existing supplier details. No high-risk findings were identified.

Working responsibly – Whistleblowing and related policies

The Group is committed to working responsibly as part of its strategy to deliver value for all stakeholders in a safe, secure, environmentally and socially responsible manner.

The Audit Committee is responsible for ensuring the Group has a robust Whistleblowing Policy in place allowing concerns to be reported where this commitment to working responsibly may have been breached, and on an anonymous basis if required. The policy is reviewed annually by the Committee. The Group's current version of the policy was first presented to, and approved by, the Audit Committee at the March 2022 meeting and most recently re-approved at the November 2025 meeting. No matters were raised under the Whistleblowing policy during the year.

The Committee is also responsible for and is satisfied that arrangements are in place for the proportionate and independent investigation of possible improprieties in respect of financial reporting and other matters and for appropriate follow-up action.

The Group has in place a comprehensive anti-bribery and corruption management system and Code of Ethics. Regular training updates are provided to all employees and long-term contractors in addition to the training that is provided to all new staff joining the Company. Further information regarding these policies can be found on the Group's website.

Other matters:

Provision of non-audit services

Capricorn has a long-established policy in relation to the supply of non-audit services by the external auditors. The Group will engage an external adviser to provide non-audit services on the basis of the skills and experience required for the work, where benefit will be derived as a result of the third party's knowledge of the Group and at a reasonable cost. These advisers may include the Group's external auditors, under a restricted set of circumstances as permitted under the 2024 FRC Ethical Standard, although, before the engagement commences, the Audit Committee must be satisfied that the auditors' objectivity and independence would not be compromised in any way as a result of being instructed to carry out those services.

The policy for approval of audit and non-audit fees for the Group's auditors is re-approved annually. All fees should be approved by the Audit Committee in advance of the engagement with a practical workaround of only seeking approval from the Committee Chair, rather than seeking full committee approval, in advance for fees below an approved threshold of £100,000. This approval will then be ratified at the next meeting of the committee.

A full analysis of remuneration paid to the Group's external auditors in respect of both audit and non-audit work is provided on page 126 to the Financial Statements.

Board and committee performance evaluation

Details of Board and Audit Committee performance can be found on page 40.

Tom Pitts

Audit Committee Chair

25 March 2026

SUSTAINABILITY COMMITTEE REPORT

Members and meetings in 2025		
	Member since	Meetings attended/meetings held in 2025 during membership
Patrice Merrin (Chair)	June 2023	1/1
Sachin Mistry	May 2024	1/1
Randy Neely	June 2023	1/1

I am pleased to present Capricorn's Sustainability Committee Report for 2025.

Matters of environment, safety, social responsibility and sustainability are considered within each Board deliberation and decision and are, therefore, a key element of the Company's Board meetings. It is important that leadership sets the tone from the top, particularly in relation to setting strategy and metrics, and therefore the Board has continued to support and promote a dedicated committee to review the Company's sustainability initiatives and reporting. Delegating the responsibilities which originally sat with the Board allows additional focus and scrutiny. It is intended that the Sustainability Committee will continuously identify areas where Capricorn can improve, as well as ensuring high standards of governance and reporting in this area.

The members of the committee are me, Randy Neely and Sachin Mistry. Together we have extensive knowledge and awareness of the importance of sustainability in this industry and in the wider environment as we move through the energy transition.

The remit of the committee includes:

- advising and supporting the Board in the drafting of the sustainability roadmap, and assessing progress and reviewing disclosures being made regarding the roadmap;
- reviewing the policies, practices and performance relating to sustainability and the disclosures and annual reporting on sustainability;
- reviewing the policies, practices and performance relating to safety, including in particular regarding the safe and responsible performance of the Group's operations;
- reviewing the policies, practices and performance relating to social responsibility; and
- reviewing the policies, practices and performance relating to environmental matters including the protection of the environment and disclosure of greenhouse gas (GHG) emissions.

Due to our progress on emission reduction and settled asset base, the committee only met once in 2025, differing from our usual two meetings each year. The meeting of the committee took place in September 2025, with full committee attendance, and considered, amongst those matters listed above, the following:

- right-sizing the Company's ESG approach and corresponding reporting, Task Force on Climate-related Financial Disclosures (TCFD) and Streamlined Energy and Carbon Reporting (SECR);
- reinforcing our net zero Scope 1 and 2 equity emissions targets and potential cost reductions;
- linking executive pay to ESG performance indicators;
- received an update on Capricorn's decarbonisation initiatives in the Egyptian assets; and
- reviewing the Company's sustainability strategy outcomes including reductions in Egypt GHG emissions, routine flaring, methane emissions and diesel consumption.

Further information on the Company's approach to sustainability matters can be found in the Strategic Report on pages 2 to 35.

Patrice Merrin

Sustainability Committee Chair

25 March 2026

NOMINATION AND GOVERNANCE COMMITTEE REPORT

Members and meetings in 2025

	Member since	Meetings attended/meetings held in 2025 during membership
Maria Gordon (Chair)	February 2023	2/2
Patrice Merrin	June 2023	2/2
Richard Herbert	May 2024	2/2

Dear Shareholder

The Nomination & Governance Committee plays a central role in ensuring that the Board's composition remains well-matched to Capricorn's strategic ambitions while upholding the Company's values and culture. The Committee recognises the importance of maintaining a Board with the right mix of skills, experience and perspectives to provide effective leadership and robust challenge. Ensuring an appropriate balance of capabilities and representation remains a key priority, and thoughtful succession planning continues to underpin the Board's ability to support the long-term success of the Company.

The membership of the committee is set out in the table above and is comprised solely of Independent Non-Executive Directors.

The role of the Nomination & Governance Committee includes:

- reviewing and evaluating the structure, size and composition (including the balance of skills, knowledge, experience and diversity) of the Board;
- giving full consideration to succession planning for Directors and other senior executives, ensuring plans are in place for orderly succession and taking into account the Company's strategy and the challenges and opportunities that it faces;
- overseeing the development of a diverse pipeline for succession;
- ensuring that appointments made to the Board promote diversity of gender, social and ethnic backgrounds;
- monitoring the operation of the UK Corporate Governance Code and its implementation and compliance by the Company;
- reviewing developments in corporate governance and advising the Board with respect to developments in the law and practice of corporate governance; and
- reviewing and approving changes to the Board's corporate governance practices and policies.

Board changes

The Board has benefited from greater stability following new appointments and 100% turnover in 2023. There were no Board changes in 2025.

For any prospective changes, the Committee reviews the Board's mix of skills, knowledge, independence, experience and diversity, and assesses candidates on merit against clear, objective criteria. In doing so, it remains focused on ensuring that appointments support diversity across gender, social and ethnic backgrounds, as well as cognitive and personal strengths, while also confirming that any appointee can commit the necessary time to the role. In line with good governance practice, no member of the Nomination & Governance Committee has taken part in decisions relating to his or her own appointment.

Succession planning

The Nomination & Governance Committee regularly considers the combination of skills, experience, independence and knowledge of the Company and makes recommendations as appropriate. Diversity is an important principle of a well-functioning Board and encompasses multiple aspects, including gender, social and ethnic diversity, and cognitive diversity to ensure that the Board benefits from a wider selection of personal strengths and experience. All appointments are made on merit and objective criteria, promoting the diversity principles.

Working together, the Board and Nomination & Governance Committee maintain a comprehensive succession plan for appointments to the Board, ensuring there is an appropriate balance of skills and experience that continues to align with the Company's strategic aims. Details of the competencies of the Board are noted in the Corporate Governance Statement on page 39. External commitments of the Board are also regularly reviewed and the committee are of the opinion that the Board members are able to allocate sufficient time to the Company to undertake their roles and effectively discharge their responsibilities, despite some members having executive and non-executive roles in other companies.

The Company's succession planning framework supports the orderly and sustainable development of its leadership pipeline and includes both long-term succession planning and contingency arrangements for the sudden or unexpected departure of an Executive Director and other business-critical roles. The framework identifies potential internal successors and development needs, informed by regular talent reviews and performance assessments. Where appropriate, the Company also considers external candidates to ensure access to a broad and diverse talent pool. These arrangements are reviewed periodically by the Board to ensure continued alignment with the Company's strategic priorities and future leadership requirements.

The Board maintains oversight of succession planning through regular updates from the Head of HR, including reviews of the senior leadership pipeline, talent development initiatives, and retention risks. This enables the Board to assess the effectiveness of the Company's approach to developing, retaining, and recruiting high-calibre senior employees and to ensure leadership continuity over the short, medium, and long term.

Diversity

The Nomination & Governance Committee recognises the value of building a diverse Board, not just in terms of gender and social and ethnic background, but also to promote diversity of cognitive and personal strengths. There have been two women members of the Board throughout 2025 and as at 31 December 2025 women currently represent 33.3% of the Board membership (being two women out of six members). The Board acknowledges that the Company does not currently meet the 40% targets for women on the Board or in senior Board positions, and recognises that, to gain the benefits of a diverse membership, further female representation is required. The current position primarily reflects the Board restructuring undertaken in 2023. With little Board turnover since that time, opportunities to adjust the gender balance during the reporting period have been limited.

	Number of Board members ¹	Percentage of the Board	Number of senior positions on the Board (CEO, CFO ² , SID and Chair)	Number in executive management	Percentage of executive management
Men	4	66.7%	2	5	100%
Women	2	33.3 %	1	–	0%
Not specified/prefer not to say	–	–	–	–	–

Notes:

- (1) Data for this table was collected through a standardised process of self-declaration.
(2) The CFO is not a Director therefore he has been excluded from this analysis.

The Directors' range of knowledge and practice covers not only a wealth of experience of operating in the oil and gas industry but also extensive technical, operational, financial, governance and commercial expertise. The Board is also diverse in terms of the range of nationalities, culture and international experience of its members. The committee will continue to monitor and consider diversity for all future Board appointments, whilst also continuing to recruit on merit.

	Number of Board members ¹	Percentage of the Board	Number of senior positions on the Board (CEO, CFO ² , SID and Chair)	Number in executive management	Percentage of executive management
White British or other white (including minority white groups)	5	83%	3	4	80%
Mixed/multiple ethnic groups	–	–	–	–	–
Asian/Asian British	1	17%	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	1	20%
Not specified/prefer not to say	–	–	–	–	–

Notes:

- (1) Data for this table was collected through a standardised process of self-declaration.
(2) The CFO is not a Director therefore he has been excluded from this analysis.

The Company does not set fixed diversity targets for the Board but applies its wider diversity policy to all appointments. As Capricorn continues to adapt to the evolving needs of the business and the effects of Board changes during 2023, the priority is to maintain stability and retain existing Board members where appropriate. This focus on continuity limits the scope to pursue specific diversity targets, though the underlying commitment to broad and inclusive representation remains unchanged.

Across all levels below the Board, we continue to take a broad and inclusive approach to diversity, recognising that meaningful diversity extends well beyond gender. Our diversity and inclusion strategy is designed to foster an inclusive and sustainable culture in which individual differences are welcomed, valued and understood as vital drivers of performance and stakeholder value. Capricorn promotes an environment where everyone is encouraged to contribute uniquely and thrive, and the Board remains committed to ensuring that this culture is embedded throughout the organisation. Within our wider talent pool, gender representation is 38.5% female and 61.5% male. The Board and the Committee will continue to review and prioritise diversity considerations in future Board and senior management appointments, while maintaining a merit-based approach. Diversity and inclusion remain a central focus for the Company and are firmly integrated into our strategic framework, supporting the development of a diverse and high-performing workforce.

NOMINATION AND GOVERNANCE COMMITTEE REPORT CONTINUED

Our Code of Ethics and associated Company policies commit Capricorn to providing a workplace free of discrimination where diversity is valued and all employees can fulfil their potential based on merit. We also strive to ensure there is a fully inclusive workplace, while providing the right development opportunities to ensure existing staff have rewarding careers. During the year, the Company undertook a group-wide survey of all staff on perceptions concerning the culture of the Company including equity and inclusion within the organisation.

Looking to the year ahead, the Board and the Nomination & Governance Committee, together with the wider Capricorn organisation, will continue to champion diversity in its broadest sense. Our policies, programmes and everyday practices are designed to foster an environment where a wide range of perspectives and experiences are welcomed and valued. This approach not only strengthens the capability and resilience of our team, but also contributes directly to the long-term success of the business as a whole.

Board and committee performance evaluation

The Board is committed to annual evaluations of its performance in order to assess and improve its effectiveness on an ongoing basis, with the individual Directors also evaluated to determine whether each Director continues to contribute effectively. The Company's most recent external review was conducted last year, at the end of 2024, this year's was therefore conducted internally and a summary of the results and recommendation are included within the Corporate Governance section of the Annual Report on page 40. The Nomination & Governance Committee will continue to work together with the Board in seeking to address any performance evaluation outcomes relating to Board composition and succession planning.

Maria Gordon

Nomination & Governance Committee Chair

25 March 2026

DIRECTORS' REMUNERATION REPORT

Members and meetings in 2025

	Member since	Meetings attended/meetings held in 2025 during membership
Richard Herbert (Chair)	June 2023	4/4
Tom Pitts	February 2023	4/4
Maria Gordon	February 2023	4/4

PART 1 – ANNUAL STATEMENT FROM THE CHAIR OF THE COMMITTEE

Dear Shareholder,

As the Chair of Capricorn's Remuneration Committee, I am pleased to present our Directors' Remuneration Report for 2025.

During the year, we continued to apply the executive remuneration policy that was strongly supported at the 2023 AGM (the "Approved Remuneration Policy"). Under the normal three-year renewal process, shareholders will be asked to approve a new framework for directors' pay at the 2026 AGM. More details of the new policy (the "New Remuneration Policy") are set out below, with full details being provided in the Directors' Remuneration Policy that forms Part 2 of this report. Part 3 contains our Annual Report on Remuneration which identifies the various elements of pay that were actually delivered to the Company's directors during the year ended 31 December 2025 and how we intend to implement the New Remuneration Policy in 2026.

Remuneration Policy renewal and implementation for 2026

Under the UK corporate governance framework, the Company is required to seek shareholder approval for a new remuneration policy

at least once every three years. The current policy was last approved by shareholders in 2023, and therefore we are required to seek re-approval for a new policy at the 2026 AGM.

Whilst formulating the new policy, we consulted with the Company's largest shareholders and undertook a review of the current arrangements, involving a critical examination of each element of executive compensation. Following this analysis, the committee resolved that the Approved Remuneration Policy continues to align with our strategy and reflects best practice, therefore only minor changes have been made to bring it in line with current regulatory requirements and FTSE market practice, as well as removing references to legacy arrangements. Full details of the new policy are set out in Part 2 of this report.

Summary of 2025 business context and key remuneration decisions

The work of the committee in 2025 was conducted against a backdrop of a year in which the Company continued to deliver strong operational performance, strengthened its balance sheet and received approval for the transformational consolidation of eight of its Egypt concession agreements.

In this context, the key remuneration-related decisions made by the committee in 2025 and in respect of the 2025 financial year are described in more detail in the Annual Report on Remuneration contained on pages 65 to 76 and can be summarised as follows:

- *Base salary increases*
Notwithstanding the 3% standard annual salary increase awarded to the wider UK employee group for 2025, the base salary of the Chief Executive Officer, Randy Neely, did not change with effect from 1 January 2025 and remained at £500,000. His salary remains unchanged since appointment in 2023.
- *2025 annual bonus – structure and outturn*
Under the Executive Director's bonus scheme (the overall structure of which was unchanged from the prior year), the Chief Executive Officer was eligible for an annual bonus of up to 125% of salary that was entirely dependent on the achievement of Group KPIs during the financial year ending 31 December 2025. Based on an assessment of the extent to which the relevant targets were achieved at the end of the year, the committee made a bonus award to Randy Neely of 88% of maximum (equating to 110% of annual salary). Under the Approved Remuneration Policy, 75% of this award will be paid to Randy in cash, with the balance being delivered to him in the form of a deferred share award that will normally vest after a period of three years. The committee was satisfied that the outcome fairly reflected performance during the year.
- *LTIP – grant of 2025 awards*
During 2025, the committee made further grants under the Company's Long-term Incentive Plan ("LTIP") that was adopted at the 2017 AGM. Consistent with the approach that was adopted in 2024, the Chief Executive Officer's award was granted at 200% of salary and its vesting is dependent on the achievement of specified absolute shareholder return targets (further details of which can be found on page 70) that will be measured over the period of three years to 31 December 2027.
- *DBP – grant of awards relating to 2025 annual bonus plan*
On 2 April 2025, Randy Neely was granted a share award under the terms of the Company's Deferred Bonus Plan ("DBP"). This grant (further details of which can be found on page 70) related to the deferred element of his 2024 annual bonus.
- *Other decisions made, and discretions exercised, by the committee during 2025*
The only other substantive decision made and/or discretions exercised by the committee during 2025 related to the operation of the Company's various share-based incentive schemes. The committee assessed the extent to which the performance conditions attached to certain outstanding incentive awards that were granted in 2022 had been satisfied.

DIRECTORS' REMUNERATION REPORT CONTINUED

Consideration of remuneration arrangements for the wider workforce during 2025

The Company continued to consider remuneration practice in relation to all staff when determining share scheme awards and senior executive pay arrangements in accordance with current policy. Dialogue with, and consideration of, staff remains an important focus for the Company through various mechanisms including meetings of the Company's EVF which continued to be chaired by me throughout 2025.

Decisions have been made by the committee in the context of the requirements of the 2024 UK Corporate Governance Code. The committee is satisfied that, during 2025, the Approved Remuneration Policy operated as intended and delivered outcomes that fairly reflected business achievements over the year.

Implementation for 2026

An overview of the way in which the Approved Remuneration Policy and the New Remuneration Policy (if approved) will be applied in 2026 is set out on page 76 in the Annual Report on Remuneration. In summary:

- following a review by the committee, it has been concluded that there be no increase to the salary of Randy Neely. A salary increase from January 2026 was awarded to the wider workforce (3.5% for the UK based employees and 15% for Egypt based employees);
- the Chief Executive Officer's bonus scheme for 2026 will be similar to the one operated in 2025, being an opportunity to receive a bonus of up to 125% of base salary depending on the extent to which specified measures relating to the Company's strategic priorities for the period are satisfied; and
- to provide simple and direct alignment with our shareholders, the LTIP will be operated in 2026 in broadly the same manner as in 2025 with an award of 200% of salary being made to Randy Neely, the vesting of which will be conditional on the satisfaction of absolute shareholder return targets.

Feedback on Directors' Remuneration Report

As your Remuneration Committee Chair, I remain committed to an approach to pay which is aligned with our strategy and which is in the best interests of the business and our stakeholders. I am keen to maintain the current dialogue with our investors so that the different perspectives on pay are taken into account by the Committee when making key decisions.

We welcome questions and feedback from all those interested in the content of this report. We also look forward to receiving your support for the New Remuneration Policy and Directors' Remuneration Report at the AGM to be held in May 2026.

Richard Herbert

Remuneration Committee Chair

25 March 2026

PART 2 – DIRECTORS' REMUNERATION POLICY

Introduction

Background and details of approval process

This Directors' Remuneration Policy provides an overview of the Company's policy on directors' pay that will be applied in 2026, subject to shareholder approval at the 2026 AGM, and will continue to apply until the 2029 AGM, unless the committee opts to put a new Remuneration Policy to shareholders for approval before this date. It sets out the various pay structures that the Company will operate and summarises the approach that the committee will adopt in certain circumstances such as the recruitment of new directors and/or the making of any payments for loss of office.

In accordance with the requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) (the "Regulations"), the policy contained in this part will be subject to a binding vote at the AGM to be held on 21 May 2026 and will take effect immediately upon receipt of such approval from shareholders.

Overview of the decision-making process that was followed for the determination of the new policy

Since the significant changes to the Company in 2023, Capricorn has now entered a period of greater stability. As discussed in the Chair's introduction on pages 55 and 56, the Committee is confident that the existing policy continues to be appropriate and effectively supports the Company's strategic objectives. Both participants and investors are familiar with the current policy and it is consistent with prevailing market standards. As a result, no major structural changes have been suggested and we intend to present the policy for renewal at the 2026 AGM, making only minor changes including bringing this in line with recent corporate governance updates and FTSE market practice.

As part of the policy renewal process, the committee reviewed the existing framework to ensure it reflected the remuneration-related provisions contained in the 2024 UK Corporate Governance Code and, in particular, sought to ensure that the proposals for the new policy adequately incorporated the Code's key provisions of transparency and alignment between executive pay, performance, and risk management.

In its deliberations, the committee received support and advice from Deloitte, its appointed independent external advisor, and also consulted with the Company's largest shareholders. No other committee was involved in the decision-making process, but the Non-Executive Directors took into account broader Board discussions when developing the final approach. The final decisions around the new policy were taken by the committee alone in order to avoid any conflicts of interest arising.

Revisions made to the previous policy

The proposed policy largely mirrors the previous policy approved by shareholders at the 26 June 2023 AGM, however a small number of changes have been made in order to bring it in line with current regulatory requirements and best practice including:

- detailing reporting requirements in respect of the exercise of malus and clawback arrangements and the use of committee discretion;
- adding clarification that the committee may vary the proportion of annual bonus that is deferred into an award of shares once a significant shareholding is achieved; and
- removing references to interim and legacy director remuneration arrangements.

Purpose and role of the Remuneration Committee

The Remuneration Committee determines and agrees with the Board the overall remuneration policy for the Executive Directors and the Group's PDMRs (Persons Discharging Managerial Responsibilities). Within the terms of this agreed policy, the committee is also responsible for:

- determining the total individual remuneration package for Executive Directors and the PDMRs;
- determining the level of awards made under the Company's LTIPs and employee share award schemes and the performance conditions which are to apply;
- determining the KPIs used to measure performance for the annual bonus scheme;
- determining the bonuses payable under the Company's annual bonus scheme;
- determining the vesting levels of awards under the Company's LTIPs and employee share award schemes; and
- determining the policy for pension arrangements, service agreements and termination payments for Executive Directors and PDMRs.

The committee also reviews the overall remuneration levels and incentive arrangements (including the Group-wide bonus scheme) for employees below senior management level but does not set individual remuneration amounts for such individuals. This oversight role allows the committee to take into account pay policies, employment conditions and culture within the Group as a whole when designing the reward structures of the Executive Directors and PDMRs. For example, the committee considers the standard increase applied to basic pay across the Group when setting Executive Directors' base salaries for the same period.

The committee operates within written terms of reference agreed by the Board. These are reviewed periodically to ensure that the committee remains up-to-date with best practices appropriate to Capricorn, its strategy and the business and regulatory environment in which it operates. The current version of the terms of reference are available on the Company's website.

Consultation with relevant stakeholders

The committee is always keen to ensure that, in carrying out its mandate, it takes into account the views and opinions of all the relevant stakeholders in the business.

The Company has engaged with its major investors and members of the senior management team regarding the policy renewal, to explain the proposed approach and provide the opportunity to discuss the changes being put to shareholders at this year's AGM.

Historically, the committee has not undertaken a formal consultation exercise with employees in relation to the Group's policy on senior management remuneration. Members of staff are, however, regularly given the opportunity to raise issues on a variety of matters, including executive pay, via a number of mechanisms such as the Company's Employee Voice Forum, the attendance of Directors at team meetings and employee engagement surveys.

DIRECTORS' REMUNERATION REPORT CONTINUED

Overview of proposed remuneration policy

A description of each of the elements comprised in the pay packages for Capricorn's directors under its remuneration policy is as follows:

Policy Table – elements of directors' remuneration package

Remuneration element	Purpose and link to strategy	Operation	Opportunity	Framework for assessing performance
Base salary	<p>Helps recruit and retain employees.</p> <p>Reflects individual experience and role.</p>	<p>Normally reviewed annually (with changes taking effect on 1 January) and/or when otherwise appropriate, including when an individual changes position or responsibility.</p> <p>Aim is to provide a competitive base salary relative to the market (although the committee does not place undue emphasis on benchmarking data and exercises its own judgement in determining pay levels).</p> <p>Decision influenced by:</p> <ul style="list-style-type: none"> – role and experience; – average change in broader workforce salaries; – individual performance; and – remuneration practices in companies of a broadly similar size and value and relevant oil and gas exploration and production companies. 	<p>Whilst the committee has not set a monetary maximum, annual increases will not normally exceed the level of standard increase awarded to other employees except that more significant increases may be awarded at the discretion of the committee taking into account factors such as:</p> <ul style="list-style-type: none"> – an increase in the scope and responsibility of the individual's role; or – the individual's development and performance in the role following appointment; or – a re-alignment with market rates. 	None
Benefits	Helps recruit and retain employees.	<p>Executive Directors are entitled to a competitive package of benefits. For UK executives, the major elements include, but are not limited to, permanent health insurance, private health insurance, death-in-service benefit and a gym and fitness allowance. Executive Directors may also participate in any all-employee plans on the same basis as other employees.</p> <p>The committee reserves the right to provide further benefits where this is appropriate in the individual's particular circumstances (for example costs associated with relocation as a result of the director's role with the Company). Executive Directors are also eligible for other benefits which are introduced for the wider workforce on broadly similar terms.</p>	Benefits are intended to be market competitive. The committee has not set a monetary maximum for other benefits as the cost of these may vary from time to time. The maximum value for any all-employee share/incentive plans will be in line with the maximum value for all other employees.	None
Annual bonus	Rewards the achievement of annual KPIs and/or other objectives linked to the Company's strategic goals.	<p>Bonuses are awarded to Executive Directors by reference to performance against specific targets normally measured over a single financial year.</p> <p>75% of any amounts awarded to an individual under this arrangement are paid out in full shortly after the assessment of the performance targets has been completed. The remainder of the bonus will normally be deferred into an award of shares for a three-year period, (or such other period as determined by the committee), with the vesting of deferred amounts typically subject to continued employment only. The Committee will retain the ability to vary the level of</p>	Maximum % of salary: 125%	<p>The measures and targets applicable to the annual bonus scheme (and the different weightings ascribed to each of them) are set annually by the committee in order to ensure they are relevant to participants and take account of the most up-to-date business plan and strategy.</p> <p>A majority of the bonus opportunity will normally be determined by reference to performance against demanding Group KPIs and/or our strategic goals. A</p>

Remuneration element	Purpose and link to strategy	Operation	Opportunity	Framework for assessing performance
		<p>deferral once a significant shareholding is achieved.</p> <p>Annual bonuses may be subject to clawback, and the extent to which deferred share awards vest may be reduced (malus), if certain events occur in the period of three years⁽⁶⁾ from the end of the relevant financial year. These include the committee becoming aware of:</p> <ul style="list-style-type: none"> – a material misstatement of the Company's financial results; – an error in the calculation of performance targets which, had it been known at the relevant time, would have reasonably been expected to have resulted in a lower award being made; – an act committed by the relevant participant that has (or could have) resulted in summary dismissal by reason of gross misconduct; or – a corporate failure which arose due to the conduct of management and which has resulted in the appointment of a liquidator or administrator. <p>Should the malus and/or clawback provisions be used, the Company will provide details of this in the relevant Annual Report.</p> <p>The detailed terms of the clawback mechanism applicable to the cash element of any annual bonus award are set out in an individual agreement entered into between the Company and the relevant Executive Director. This provides the committee with a variety of alternative means by which value can be recovered including:</p> <ul style="list-style-type: none"> – the reduction of future bonus awards; – the application of a reduction in the number of shares in respect of which share awards would otherwise vest or be exercisable; and – requiring the individual to make a cash payment to the Company. 		<p>portion may also be linked to the achievement of individual objectives. Further detail in respect of the approach taken for 2025 and 2026 is set out in the Annual Report on Remuneration.</p> <p>Where possible, a payment scale (ranging from 0% at 'threshold', not more than 50% at 'target' and 100% at 'maximum') for different levels of achievement against each KPI and/or other objective is specified by the committee at the outset of each year. The payment scale may be varied to reflect the stretch of the underlying targets set.</p> <p>The committee has discretion to vary the measures and weightings during the year if events arise which mean that it would be inappropriate to continue with the originally prescribed structure.</p> <p>In addition, the committee has discretion to adjust awards or outcomes to ensure that the ultimate bonus payment for a financial year is fair and reasonable and properly reflects performance over that period.</p>
Long Term Incentive Plan	Incentivises Executive Directors to deliver long-term performance for the benefit of shareholders, thereby aligning the interests of the directors with those of the Company's investors.	<p>LTIP awards will normally be made annually with vesting dependent on achievement of performance conditions chosen by the committee that are typically measured over a period of at least three years.</p> <p>Vesting of awards will generally take place on the third anniversary of grant or shortly following the date on which the performance conditions are assessed by the committee.</p> <p>All awards granted to Executive Directors that vest will normally be subject to a holding period in terms of which the relevant shares will normally be released/become exercisable after five years following the start of the performance period.</p>	Total maximum % of salary: 250%.	<p>Vesting of awards granted under the LTIP will be determined based on performance against stretching targets, normally measured over a period of at least three years.</p> <p>The committee will review and set weightings and targets for each LTIP grant to ensure they remain appropriate. A significant proportion of any award will normally be linked to share price-based measures. The Remuneration Committee may change the balance of the measures, or use different measures for subsequent awards, as appropriate.</p>

DIRECTORS' REMUNERATION REPORT CONTINUED

Remuneration element	Purpose and link to strategy	Operation	Opportunity	Framework for assessing performance
		<p>The committee reviews the quantum of awards annually, taking into account factors such as market rates and overall remuneration. The committee also retains the discretion to adjust award levels in certain circumstances e.g. where there has been a significant movement in the Company's share price.</p> <p>Under the rules of the LTIP, awards may be subject to malus and/or clawback provisions if certain events occur after their grant but before the expiry of the period of three years⁽⁶⁾ from the end of the relevant performance period. These events include:</p> <ul style="list-style-type: none"> – the committee becoming aware of a material misstatement of the Company's financial results; – the committee becoming aware of an error in the calculation of performance targets which, had it been known at the relevant time, would have reasonably been expected to have resulted in a lower award being made; – the relevant participant committing an act that has (or could have) resulted in summary dismissal by reason of gross misconduct; or – a corporate failure arising, due to the conduct of management, which has resulted in the appointment of a liquidator or administrator. <p>As noted above regarding the annual bonus, if the malus and/or clawback provisions are applied to an LTIP award, the Company will disclose this in the relevant Annual Report.</p>		<p>Up to 25% of the maximum award may vest for threshold performance, however the Committee may vary this to reflect the stretch of the hurdle set.</p> <p>The committee retains the discretion to vary the vesting outcome level produced by the formulaic operation of the performance conditions in circumstances where, based on its independent judgement, it considers it appropriate to do so (e.g. where the outturn from the assessment of the prescribed targets is not, in the committee's view, a genuine reflection of the underlying performance of the Company).</p> <p>Any variations or discretions applied by the committee will be fully disclosed in the relevant year's Remuneration Report as required by the reporting requirements.</p>
Retirement benefits	Rewards sustained contribution.	<p>The Company operates a defined contribution group personal pension plan in the UK. The scheme is non-contributory and all UK permanent employees, including Executive Directors, are eligible to participate.</p> <p>The Company contributes a specified percentage of basic annual salary for senior employees, including Executive Directors.</p> <p>Where an Executive Director has an individual personal pension plan (or overseas equivalent), the Company pays its contribution to that arrangement.</p> <p>If an Executive Director's pension arrangements are fully funded or applicable statutory limits are reached, an amount equal to the Company's contribution (or the balance thereof) is paid in cash.</p>	For Executive Directors, the Company's pension contributions are at a level that is capped at the maximum amount payable to the wider UK employee population (currently 12.5% of basic salary), or where relevant, the benefit level in the jurisdiction that the Executive Director is based.	None

Remuneration element	Purpose and link to strategy	Operation	Opportunity	Framework for assessing performance
Share ownership policy	Aligns Executive Director and shareholder interests and reinforces long-term decision-making.	<p>During their employment, Executive Directors are obliged to build up and maintain a target holding of shares worth 200% of salary.</p> <p>Executive Directors are also normally required to maintain a shareholding equal to the lower of 200% of final salary and actual shareholding for a period of two years after they step down from the Board.</p> <p>Further details relating to both the above requirements (including the particular shares to which they relate and the enforcement mechanisms that have been put in place) are set out on pages 72 and 73.</p>	Not applicable.	None
Non-Executive Chair's fees and Non-Executive Directors' fees	<p>Helps recruit and retain high-quality, experienced individuals.</p> <p>Reflects time commitment and role.</p>	<p>Non-Executive Directors' fees are considered annually and are set by the executive members of the Board and the Non-Executive Chair taking into account a range of relevant factors such as:</p> <ul style="list-style-type: none"> – market practice; – time commitment; and – responsibilities associated with the roles. <p>Additional fees may be payable for additional Board responsibilities such as membership and/or chair of a committee.</p> <p>The Non-Executive Chair's fee is similarly considered annually and is determined in light of factors such as market practice, the time commitment and responsibilities associated with the role and other relevant factors.</p> <p>Role-appropriate benefits may be provided in certain circumstances. This includes the reimbursement of any expenses incurred in the performance of duties (and associated tax on those expenses).</p> <p>Neither the Non-Executive Directors nor the Non-Executive Chair will participate in any performance-based incentive schemes and they are not entitled to pension contributions. Their fees can however be paid in cash or in shares (or a balance of both).</p>	The aggregate fees of the Non-Executive Chair and Non-Executive Directors will not exceed the limit from time to time prescribed in the Company's Articles of Association.	None

Notes:

(1) A description of how the Company intends to implement the policy set out in this table during the financial year to 31 December 2026 is provided on page 76.

(2) The following differences exist between the Company's above policy for the remuneration of directors and its approach to the payment of employees generally:

- For LTIP awards granted to less senior employees, different performance conditions may be applied, with award levels reflecting role and seniority.
- A lower level of maximum annual bonus opportunity applies to employees other than the Executive Director and certain PDMRs.
- Benefits offered to other employees generally comprise permanent health insurance, private health insurance, death-in-service benefit and gym and fitness allowance.

In general, these differences arise from the development of remuneration arrangements that are market competitive for the various categories of individuals. They also reflect the fact that, in the case of the Executive Director and PDMRs, a greater emphasis is placed on variable pay.

(3) The choice of the performance metrics applicable to the annual bonus scheme reflects the committee's belief that any incentive compensation should be tied to appropriately challenging measures of both the overall performance of the Company against its strategic KPIs and (where appropriate) those areas that the relevant individual can directly influence.

(4) The performance conditions applicable to the LTIP will be selected by the committee to ensure that they align with the Company's strategic objectives going forward.

(5) Where a nil-cost option award under the LTIP becomes exercisable, it will generally remain so until the 10th anniversary of the date on which it was granted.

(6) The committee has determined that a three-year period for the application of malus and clawback provisions is appropriate and proportionate. This time frame aligns with the typical performance measurement cycle for long-term incentive plans and ensures accountability for outcomes linked to that period. It provides sufficient coverage to address potential issues such as material misstatement of results, misconduct, or significant reputational harm, while remaining practical and enforceable. A three-year horizon is consistent with prevailing UK market practice and investor expectations and offers a robust framework for safeguarding shareholder interests and maintaining trust in our remuneration arrangements.

DIRECTORS' REMUNERATION REPORT CONTINUED

Detailed provisions

Common terms of share awards

Awards under any of the Company's discretionary share plans may:

- be granted as conditional share awards or nil-cost options or in other such form that the committee determines has the same economic effect;
- have any performance conditions applicable to them amended or substituted by the committee if an event occurs which causes the committee to determine that an amended or substituted performance condition would be more appropriate and not materially less difficult to satisfy;
- incorporate the right to receive an amount (in cash or additional shares) equal to the value of dividends which would have been paid on the shares under the award that vest up to the time of vesting (or, where the award is subject to a holding period, release). This amount may be calculated assuming that the dividends have been reinvested in the Company's shares on a cumulative basis;
- be settled in cash at the committee's discretion;
- be adjusted in the event of any variation of the Company's share capital or any demerger, delisting, special dividend or other event that may affect the Company's share price; and
- otherwise be adjusted or amended in accordance with the provisions of the relevant plan rules.

Legacy awards

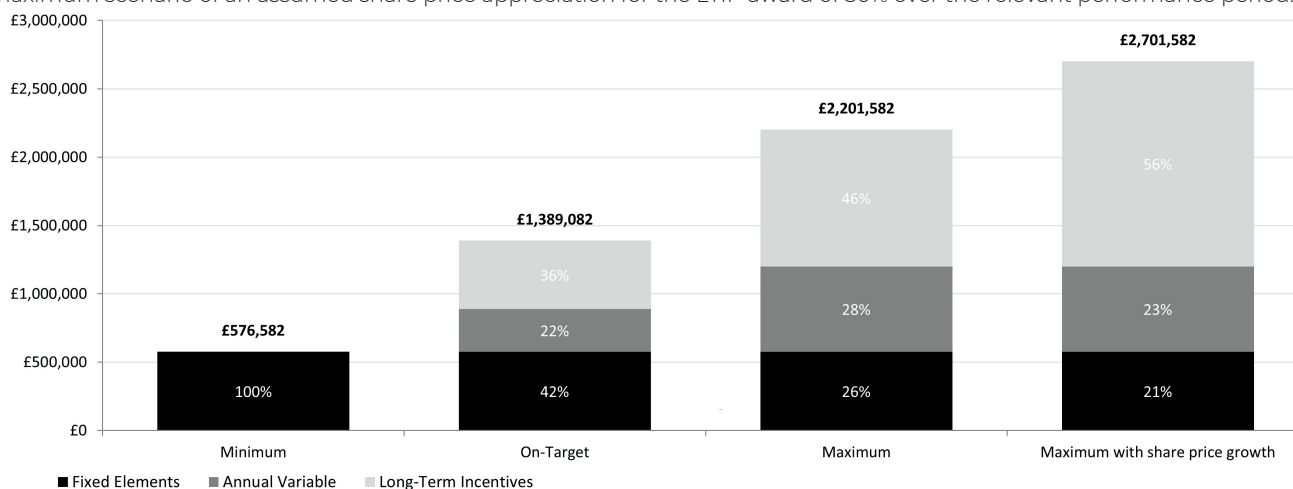
The committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out above where the terms of the payment were agreed (i) before the policy set out above or any previous policy came into effect; or (ii) at a time where a previous shareholder-approved directors' remuneration policy was in force provided that the terms of the payment were consistent with that policy at the time they were agreed; or (iii) at a time when the relevant individual was not a director of the Company and, in the opinion of the committee, the payment was not in consideration for the individual becoming a director of the Company. For these purposes 'payments' includes the committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

Minor amendments

The committee may make minor amendments to the policy to aid its operation or implementation without seeking shareholder approvals (e.g. for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) provided that any such change is not to the material advantage of the participant.

Remuneration scenarios relating to the above policy

The Regulations require the Company to present charts illustrating the level of remuneration that would be received by each person who is an Executive Director in the first year of operation of the proposed policy set out in Part 2 of this report. In the chart below, we show the make-up of remuneration of the CEO (being the only current Executive Director) under minimum, on-target and maximum scenarios. A further column has also been included which illustrates the impact on the figures contained in the maximum scenario of an assumed share price appreciation for the LTIP award of 50% over the relevant performance period.



In developing the above scenarios, the following assumptions have been made:

- The 'minimum' column is intended to show the fixed level of remuneration to which the CEO is entitled in 2026 irrespective of performance levels, namely base salary (at current rate), benefits (using the details set out in the 2025 single total figure table provided on page 66) and pension (calculated by applying the percentage entitlement against the latest salary figure).
- The 'on-target' scenario seeks to illustrate the remuneration the CEO would receive if performance was in line with expectation. In addition to the fixed elements summarised above, it assumes a 50% of maximum payout under the annual bonus scheme (with the CEO having a 125% of salary maximum opportunity). This scenario also assumes a 50% vesting of an LTIP award granted over shares worth 200% of salary (being the anticipated award level in 2026 (see page 76), notwithstanding the higher policy maximum of 250% of salary stated on page 59).
- The 'maximum' columns demonstrate total remuneration levels in circumstances where the above variable elements pay out in full.
- For the 'maximum with share price growth' column, share-price appreciation of 50% over the relevant performance period has been assumed for any LTIP award. For all other columns, any post-grant share price movements have not been taken into account for the purposes of valuing LTIP and deferred bonus awards.
- The Executive Director is entitled to participate in the SIP on the same basis as other employees. The value that may be received under this arrangement is subject to legislative limits and, for simplicity, has been excluded from the above chart.

Recruitment policy

Base salaries

Salaries for any new director hires (including internal promotions) will be set to reflect their skills and experience, the Company's intended pay positioning and the market rate for the role. Where it is appropriate to offer a below-market salary initially, the committee will have the discretion to allow phased salary increases over time for newly appointed directors, even though this may involve increases in excess of the rate for the wider workforce and inflation.

Benefits

Benefits for new appointees to the Board will normally be provided in line with those offered to other Executive Directors and employees taking account of local market practice, with relocation expenses/arrangements provided for if necessary. Tax equalisation may also be considered if an executive is adversely affected by taxation due to their employment with Capricorn. Legal fees and other reasonable costs and expenses incurred by the individual may also be paid by the Company. Retirement benefits for any new Executive Directors will be in accordance with the terms of the policy.

Variable pay

Where an individual is appointed to the Board, the committee will ensure that ongoing variable remuneration arrangements are framed in accordance with the terms of, and are subject to the limits contained in, the Company's policy table set out above, however, different performance measures may be set for the year of joining the Board, taking into account the individual's role and responsibilities and the point in the year the executive joined.

For an internal appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms, adjusted as relevant to take into account the appointment.

Buy-outs

The committee may make awards to 'buy-out' a candidate's remuneration arrangements and contractual terms that are forfeited as a result of joining the Company. In doing so, the design of these awards would appropriately reflect the value, nature, time horizons and performance requirements attaching to the forfeited remuneration. Shareholders will be informed of any such arrangements at the time of appointment.

Non-Executive Chair and Non-Executive Directors

On the appointment of a new Non-Executive Chair and other Non-Executive Directors, the fees will be set taking into account a range of relevant factors such as market practice, time commitment and the responsibilities associated with the role. Where specific cash or share arrangements are delivered to Non-Executive Directors, these will not include share options or other performance-related elements.

Executive Directors' service contracts

Executive Directors have a rolling service contract that provides for 12 months' notice by the director or the Company. The committee believes that this policy on notice periods provides an appropriate balance between the need to retain the services of key individuals who will benefit the business and the need to limit the potential liabilities of the Company in the event of termination. The service contract may also include restrictive covenants which may apply after leaving the Company.

The Executive Director's service contract is available for inspection, on request, at the Company's registered office.

Exit payment policy for Executive Directors

The Executive Director's contract allows for termination with contractual notice from the Company or termination with a payment in lieu of notice, at the Company's discretion. The contract also allows for phased payments to be made on termination with an obligation on the individual to mitigate loss. Neither notice nor a payment in lieu of notice will be given in the event of gross misconduct. The committee's approach when considering payments in the event of termination is to take account of the individual circumstances including the reason for termination and the contractual obligations of both parties as well as the relevant share plan and pension scheme rules.

In the event of termination by the Company, an Executive Director would be entitled to receive an amount representing base salary and the value of benefits and pension contributions due under the individual's service contract for the notice period. Directors are not entitled to participate in any additional redundancy scheme. The committee will have the authority to settle legal claims against the Group (e.g. for unfair dismissal, discrimination or whistleblowing) that arise on termination. The committee may also authorise the provision of certain benefits relating to departure, such as provision of outplacement services and pay reasonable legal expenses associated with the termination.

On termination of employment, the committee has discretion as to the amount of bonus payable in respect of the year of termination. The bonus paid would reflect the Company's and the individual's performance during that period. However, any bonus payable (in cash and/or share awards as determined by the committee) on termination would not normally exceed a pro-rated amount to reflect the period for which the individual worked in the relevant year.

As a general rule, if an Executive Director ceases employment, all unvested share awards granted pursuant to the Company's deferred bonus arrangements will lapse immediately. However, if such cessation occurs by reason of death, injury, permanent disability, or because the individual's employing company or part of the business in which he/she is employed is transferred out of the Group, retirement with the agreement of the Company, or in any other circumstances determined by the committee other than where an individual has been summarily dismissed (in each case, a 'good leaver'), those awards will not lapse and will normally continue to vest at the end of the original vesting period. The committee may determine that a deferred bonus award should vest before the normal time in certain circumstances, for example where an individual has died. The committee also has the discretion to time pro-rate any awards held by such a good leaver.

DIRECTORS' REMUNERATION REPORT CONTINUED

As a general rule, if an Executive Director ceases employment, all unvested awards granted pursuant to the Company's LTIP will lapse immediately. However, if such cessation occurs by reason of death, injury, permanent disability, or because the individual's employing company or part of the business in which he/she is employed is transferred out of the Group, or in any other exceptional circumstances determined by the committee (in each case, a 'good leaver'), those awards will not lapse and will normally continue to vest at the end of the original performance period but only if, and to the extent that, the applicable performance conditions are satisfied. The committee may determine that an award should vest before the normal time in certain circumstances, for example where an individual has died. It is the Remuneration Committee's normal policy to time pro-rate any awards held by such a good leaver, although it retains the discretion to refrain from doing so in exceptional circumstances. Any holding period attached to the share awards would normally continue to apply unless the committee determines otherwise.

If an Executive Director ceases employment, LTIP awards subject to a holding period will normally be released (or if structured as nil-cost options, become exercisable) on the original timescales. These awards will, however, lapse where cessation occurs due to the individual's gross misconduct, or if the committee considers it appropriate, the individual's bankruptcy. The committee has the discretion to accelerate the release of shares in certain circumstances, for example death.

In the event of a change of control or winding up of the Company, treatment of share awards will be in accordance with the relevant plan rules. The committee has the discretion to disapply time pro-rating in the event of a change of control.

If there is a demerger or special dividend, the committee may allow awards to vest on the same basis as for a change of control.

Non-Executive Directors' letters of appointment

Neither the Non-Executive Directors nor the Non-Executive Chair has a service contract but all have letters of appointment that set out their duties and responsibilities, the time commitment expected by the Company, and the basis on which their fees will be paid. These letters of appointment have either: no fixed term but can be terminated with immediate effect by either the director concerned or the Company; or can be terminated pursuant to the terms of a separate relationship agreement, and, in both cases, are subject to the Company's Articles of Association, which provide for the annual election or re-election by shareholders of all the Company's directors. There are no provisions for compensation payable on termination of appointment.

None of the Non-Executive Directors nor the Non-Executive Chair participates in any of the Company's share schemes and they are not entitled to a bonus or pension contributions.

The Non-Executive Directors' and Non-Executive Chair's letters of appointment are available for inspection, on request, at the Company's registered office.

PART 3 – ANNUAL REPORT ON REMUNERATION

Introduction

This Annual Report on Remuneration provides details of the way in which the committee operated during the financial year to 31 December 2025 and explains how Capricorn's existing Approved Remuneration Policy (which was approved by shareholders at the Company's AGM held on 26 June 2023) was implemented during that period. It also summarises how the New Remuneration Policy will be applied in 2026 (subject to its approval at the 2026 AGM).

In accordance with the requirements of the Regulations, this part of the report will be subject to an advisory vote at the 2026 AGM.

The Company's auditors are required to report to Capricorn's shareholders on the 'auditable parts' of this Annual Report on Remuneration (which have been highlighted as such below) and to state whether, in their opinion, those parts have been properly prepared in accordance with the Regulations and the Companies Act 2006.

On the basis that Capricorn has fewer than 250 UK employees, the Company is not required to:

- publish or report its gender pay gap information; or
- provide pay ratio information in relation to the total remuneration of the Chief Executive.

Operation of the Remuneration Committee during 2025

Members of the Remuneration Committee

The members of the Remuneration Committee during 2025 were as follows:

- Richard Herbert (Committee Chair);
- Maria Gordon; and
- Tom Pitts.

The individuals who served on the committee during 2025, each of whom was an independent Non-Executive Director of the Company throughout the period, had no personal financial interest (other than as shareholders) in the matters decided, no potential conflicts of interest from cross-directorships and no day-to-day involvement in running the business. Details of attendance at the committee's meetings during 2025 are shown in Part 1 above. Prior to his appointment as Chair, Richard Herbert had served on the remuneration committee of another public company for more than 12 months.

Biographical information on the individuals who are currently committee members is shown on pages 37 and 38.

Internal assistance provided to the committee

The Company's Chief Executive Officer is not a member of the Remuneration Committee but may attend its meetings by invitation and is consulted in respect of certain of its proposals. The Chief Executive Officer is not involved in any discussions in respect of their own remuneration. During the year, the committee also received assistance and advice on remuneration policy from the Legal Director.

External assistance provided to the committee

As and when the Remuneration Committee considers it appropriate, it takes external advice on remuneration from a number of sources. During the year, it received the following assistance:

Adviser ³	Assistance provided to the committee during 2025	Fees for committee assistance in 2025 ¹	Other services provided to the Company during 2025
Deloitte LLP ²	Appointed by the committee to give periodic advice on various aspects of the directors' remuneration packages. Assisted with the preparation of the 2024 and 2025 Directors' Remuneration Reports and provided support on a number of miscellaneous remuneration-related projects including the proposed 2026 remuneration policy.	£28,400	Provided advice on various aspects of remuneration practice across the Group.
Shepherd and Wedderburn LLP	Appointed by the Company to carry out regular calculations in relation to the LTIP performance conditions. Assisted with the preparation of the 2024 and 2025 Directors' Remuneration Reports and the proposed 2026 remuneration policy.	£10,695	General legal services to the Group throughout the year.

Notes:

- (1) The bases for charging the fees set out in the table were agreed by the committee at or around the time the particular services were provided and, in general, reflected the time spent by the adviser in question on the relevant matter.
- (2) Deloitte LLP is a member of the Remuneration Consultants Group and its work is governed by the Code of Conduct in relation to executive remuneration consulting in the UK.
- (3) The committee reviews the performance and independence of all its advisers on a continuous basis. No issues relating to performance or independence were noted by the committee during the year.

DIRECTORS' REMUNERATION REPORT CONTINUED

Statement of shareholder voting at general meetings

The table below shows the voting outcome at the last general meeting(s) at which shareholders were asked by the Company to approve a resolution relating to its Directors' Remuneration Report and Directors' Remuneration Policy.

Description of resolution	Date of general meeting	Number of votes 'For' and 'Discretionary'	% of votes cast	Number of votes 'Against'	% of votes cast	Total number of votes cast	Number of votes 'Withheld' ¹
To approve the 2024 Directors' Remuneration Report	22 May 2025	41,239,354	96.42%	1,530,943	3.58%	42,770,297	25,634
To approve the 2023 Directors' Remuneration Policy	26 June 2023	102,605,294	99.33%	689,037	0.67%	103,294,331	8,819

Note:

(1) A vote withheld is not a vote in law.

The committee welcomed the endorsement of both the above resolutions that was shown by the vast majority of shareholders at the relevant meetings and gave due consideration to any concerns raised by investors who did not support the resolutions.

Single total figure table for 2025 (audited)

The tables below set out the remuneration received by the Executive Director and Non-Executive Directors during the year.

Executive Director during 2025

Financial year	Fixed remuneration				Variable remuneration					Totals		
	Salary	Benefits ¹	Pension ²	SIP ³	Annual bonus ⁴			Long-term incentives ⁵	Total remuneration	Total fixed remuneration	Total variable remuneration	
					paid in cash	deferred into shares	total bonus					
Executive Director												
Randy	2025	£500,000	£14,082	£62,500	£0	£412,500	£137,500	£550,000	£0	£1,126,582	£576,582	£550,000
Neely	2024	£500,000	£4,266	£62,500	£3,599	£403,125	£134,375	£537,500	£0	£1,107,865	£570,365	£537,500

Notes:

- (1) The standard taxable benefits available to the Executive Director during 2025 (unchanged from 2024) were permanent health insurance, private dental and health insurance, death-in-service benefit and a gym and fitness allowance.
- (2) Additional disclosures relating to the pension provision for the Executive Director during 2025 are set out on page 67.
- (3) This column shows the face value (at date of award) of matching and free shares provided to the Executive Director under the all-employee SIP during the relevant period. Further details on the way in which the SIP was operated during 2025 are set out on pages 71 and 72.
- (4) Under the Company's 2025 annual bonus scheme for Executive Directors, 75% of any amount awarded to an individual is paid out in cash with the balance being delivered in the form of a deferred share award, which normally vests after a period of three years from grant. Further information in relation to the annual bonus scheme for 2025 is provided on pages 67 to 69.
- (5) During 2024 and 2025, there was no vesting of LTIP awards held by the Executive Director.
- (6) Following the end of the year to 31 December 2025, the committee considered whether there were any circumstances that could or should result in the recovery or withholding of any sums pursuant to the clawback arrangements contained within the Company's Approved Remuneration Policy. The conclusion reached by the committee was that it was not aware of any such circumstances.

Non-Executive Directors

	Fixed remuneration ¹			Totals
	Financial year	Fees	Benefits	Total remuneration
Non-Executive Directors				
Maria Gordon ²	2025	£270,000	–	£270,000
	2024	£210,962	–	£210,962
Richard Herbert ³	2025	£125,000	–	£125,000
	2024	£121,048	–	£121,048
Sachin Mistry ⁴	2025	–	–	–
	2024	–	–	–
Tom Pitts	2025	£105,000	–	£105,000
	2024	£105,000	–	£105,000
Patrice Merrin	2025	£95,000	–	£95,000
	2024	£95,000	–	£95,000

Notes:

- (1) Non-Executive Directors do not receive any pension, annual bonus or long-term incentives from the Company.
- (2) Maria Gordon was appointed as Chair of the Company on 23 May 2024 (prior to which she was a Non-Executive Director).
- (3) The 2024 fees noted for Richard Herbert have been restated, replacing those noted in the 2024 Annual Report and Accounts.
- (4) Sachin Mistry was appointed as a Director on 23 May 2024. In terms of the relationship agreement between the Company and Palliser Capital, he is not entitled to any remuneration, fee, bonus or other financial reward or compensation in connection with this role.

Executive Director's base salary during 2025 (audited)

On his appointment as Chief Executive Officer on 1 June 2023, Randy Neely's annual salary was set at £500,000 which remained unchanged during 2024 and 2025.

Executive Director's pension provision during 2025 (audited)

In accordance with the terms of the Approved Remuneration Policy, the Company operates a defined contribution, non-contributory Group personal pension plan which is open to all UK permanent employees. During 2025, the Company contributed 12.5% of basic annual salary on behalf of all qualifying employees (including Executive Directors).

The Company also has a pension committee which meets on a regular basis to assess the performance and suitability of the Company's pension arrangements.

Randy Neely received cash payments in lieu of pension equal to 12.5% of basic salary entitlement for the year ended 31 December 2025, details of which are set out on the previous page in the "pension" column of the single total figure table.

Annual bonus – 2025 structure and outcome (audited)

During 2025, Capricorn operated an annual bonus scheme for all employees and Executive Directors. The maximum level of bonus award for the Chief Executive Officer was 125% of salary.

For all participants other than the Chief Executive Officer and PDMRs (persons discharging managerial responsibilities), 2025 bonus awards were based on achievement against a mixture of personal objectives and Group-wide KPIs.

Consistent with the approach adopted in 2024, 100% of the Chief Executive's bonus opportunity for the year to 31 December 2025 was determined by reference to the extent to which certain Group KPIs were achieved. A summary of the relevant targets, ascribed weightings, payment scales and achievement levels is set out on the next page.

DIRECTORS' REMUNERATION REPORT CONTINUED

KPI measures and performance achieved in 2025

Performance measure	Weighting	Threshold (0%)	Target (1% to 99%)	Stretch (100%)	Performance score
Production					
Deliver Net WI production in line with public market guidance.	15%	<17,000 boepd	>17,000 boepd	>19,000 boepd	15% ¹
Deliver operating cost targets in line with public market guidance.	5%	Above guidance	Within guidance	At or below bottom end of guidance	5% ²
Financial Performance					
Improve cash collections in Egypt.	20%	To fund operations in-country from current period collections		End year with a 10% reduction in AR balance from beginning of year	20% ³
Advance discussions over refinancing of the debt.	5%	Full marks awarded if refinancing is completed. Performance will be measured against the progress made with the banks in agreeing facility terms and conditions, and readiness for execution. Discretion may be applied if a suitable solution is found within the scope of the existing debt arrangements.			5% ⁴
Corporate projects					
Delivery of projects of strategic significance	25%	Performance will be at board's discretion based on progress with strategic projects.			15% ⁵
Improved Reserves Replacement Ratio	10%	Reserves replacement ratio of 250% defined as replacing production for 2025 and adding a year of production to reserves.			10% ⁶
PSC consolidation: Conclude negotiations with EGPC on improved fiscal terms on the 50:50 JV assets	10%	Stretch target is ratification. Measurable progress of small and big board approvals.			9% ⁷
Maximise value from historic transaction receivables	5%	Improve position on transaction receivables.			5% ⁸
HSSE/ESG					
Complete two safety leadership visits to Egypt assets and hold two safety workshops led by a senior executive, to discuss HSSE.	2%	Progress against stated objectives.			2% ⁹
Demonstrate equity Scope 1 and Scope 2 GHG emissions reductions. Progress will be assessed against success of Bapetco Emission Reduction Projects (BED power centralisation and flare optimisation).	3%	0 ERP projects completed.	Completion of 1 out of 2 planned ERP projects.	Completion of 2 out of 2 planned ERP projects.	2% ¹⁰
Overall performance					88%

Notes:

- (1) Target fully met: Full year production was towards the top end of guidance.
- (2) Target fully met: OPEX costs were at the bottom end of guidance.
- (3) Target fully met: Stretch target was met with a total reduction in the AR balance of 53%.
- (4) Target fully met: Full marks awarded to recognise a commercial solution within the current debt agreements.
- (5) Target partially met: Extensive due diligence completed on several assets in the UK and MENA regions.
- (6) Target fully met: Reserves replacement ratio was exceeded.
- (7) Target partially met: Marks achieved in recognition of the advancement of the PSC consolidation negotiations and success in agreeing a backdated operations start date.
- (8) Target fully met: Full marks awarded in recognition of the value of the expected Waldorf recovery.
- (9) Target fully met: Full marks awarded as all objectives were completed.
- (10) Target partially met: Marks awarded in recognition of the BED power centralisation and flare optimisation projects, while recognising some delays and data issues.

2025 annual bonus scheme – overview of award and actual payments made

In accordance with its normal practice, the above outturn from the assessment of the Group KPIs was subject to a further review by the committee in order to assess whether the resulting level of award that it would generate for the Chief Executive Officer under the annual bonus scheme structure for 2025 would be fair and reasonable in the context of the Company's overall financial and operational performance during the year. In particular, due consideration was given to strong performance in Egypt reflected by the share price improvement in the reporting period. The conclusion reached was that the amounts to be paid to the Chief Executive Officer were appropriate in the circumstances and there was no requirement for the committee to make any adjustments pursuant to its overarching discretion under the annual bonus scheme, details of which are set out in the Approved Remuneration Policy.

The application of the outturn from the above performance condition assessments resulted in an outcome of 88% of maximum for Randy Neely.

There was no application of the malus and clawback provisions in the reporting period. Further detail on the recovery provisions including the circumstances and time frame for which they can be applied are set out in the Remuneration Policy.

		Randy Neely Group KPI measures
Award calculation	Max. bonus opportunity (as % of salary)	125%
	X	
	Award percentage (as calculated above)	88%
	=	
	Total award (as % of salary)	110%
	Total award (as an amount)	£550,000
Form of payment	Cash payment ¹	£412,500
	Deferred share award ²	£137,500

Notes:

- The cash payment due under the annual bonus scheme was paid to the Chief Executive Officer shortly after completion of the assessment of the relevant performance measures and conditions.
- Under the Company's annual bonus scheme for 2025, 25% of any amounts awarded are delivered in the form of share awards granted under the DBP. Any such awards normally vest on the third anniversary of grant, with such vesting usually being conditional only on the continued employment of the individual with the Group.

Long-term incentives

Introduction

During the year to 31 December 2025, the Chief Executive Officer participated in the Company's Long Term Incentive Plan ("LTIP") (which was approved by shareholders at the AGM held on 19 May 2017) and its Deferred Bonus Plan ("DBP").

The LTIP enables selected senior individuals to be granted conditional awards or nil-cost options over ordinary shares, the vesting of which is normally dependent on both continued employment with the Group and the extent to which pre-determined performance conditions are met over a specified period of three years.

The DBP is the mechanism by which the required proportion of an Executive Director's annual bonus can be deferred into shares; it involves the individual being granted a conditional award or nil-cost option over ordinary shares with a face value equal to the amount of bonus being deferred. The vesting of any such awards (which will normally take place on or around the third anniversary of grant) is normally dependent on continued employment with the Group. Such vesting is not, however, conditional on the satisfaction of any additional performance conditions.

LTIP awards granted during 2025 (audited)

Overview of award granted

On 3 April 2025, the following award under the LTIP was granted to the Chief Executive Officer:

	Form of award	Basis of award granted	Share price at which date of grant ³	No. of shares over which award originally granted	Face value (£000) of shares over which award originally granted ⁴	% of shares over which award originally granted that vest at threshold	Vesting determined by performance over
Randy Neely	Nil-cost option	2 x base salary of £500,000	£2.418	413,564	£1,000	0%	3 years up to 31 December 2027

Notes:

- Details of the performance conditions applicable to the above award are provided on the following page.
- No price is payable by participants for their shares on the exercise of a nil-cost option granted under the LTIP.
- This figure represents the average mid-market closing price of a share in the Company over the three dealing days immediately preceding the date of grant. (The actual closing price on 3 April 2025 was £2.19).
- The value shown in this column has been calculated by multiplying the "number of shares over which the award was originally granted" by the "share price at date of grant".
- In the period following the grant of the above award, no change has been made to the exercise price or the date on which it will become exercisable.

DIRECTORS' REMUNERATION REPORT CONTINUED

Performance conditions

In line with the approach that was adopted in 2024, and consistent with feedback previously received during meetings with major shareholders, the committee determined that the vesting of LTIP awards granted in 2025 would be linked to the satisfaction of the following share price targets at the end of a prescribed period of three years.

Share price at the end of the three-year measurement period	Percentage of ordinary shares comprised in award that vest
Less than or equal to US\$3,449	0%
US\$4,948	100%
Between US\$3,449 and US\$4,948	0%-100% on a straight-line basis

Notwithstanding the extent to which the above targets have been satisfied, there are a number of circumstances in which the committee can adjust the level of vesting applied to the award. When determining whether to adjust the level of vesting, the committee will take into account all factors which it deems relevant at the time including, but not limited to, the underlying performance of the Company and/or the individual, the progress made against execution of the Company's strategy and the wider external environment in which the Company operates. In particular, final vesting may be scaled back by up to 40% if the committee determines that insufficient shareholder value has been generated during the first two years of the performance period.

Additional information in relation to the above targets is as follows:

- when calculating the level of achievement, share prices will normally be averaged over a 90-day period;
- the share price targets can be varied to take account of post-grant events such as share capital variations and returns of capital; and
- in accordance with the terms of the Approved Remuneration Policy, and irrespective of the Company's share price performance over the measurement period, the committee retains the discretion (in exceptional circumstances) to adjust the vesting outcome for the award where the original result produced by the application of the performance conditions would be inappropriate or unreasonable given the circumstances that exist at that time.

Post vesting holding period

Following its vesting, the award granted to the current Chief Executive Officer in 2025 will be subject to a two-year holding period during which it cannot normally be exercised.

Dividend equivalent rights

As with awards granted under the LTIP in previous years, the 2025 grant to the Chief Executive Officer was made on terms that he will receive a payment (in cash and/or shares) on, or shortly following, the settlement of his award of an amount equivalent to the dividends that would have been payable on the shares acquired between the date of grant and the expiry any applicable holding period. Where required, the committee will decide the basis on which the value of such dividends will be calculated, which may assume the reinvestment of dividends. The rules of the LTIP also give the committee the discretion to disapply these provisions in relation to all or part of any special dividend. This discretion was exercised by the committee in relation to each of the special dividends that were paid by the Company during 2023 and 2024 on the basis that the economic position of participants in the LTIP was effectively preserved through the operation of the share consolidation that formed part of the return of cash mechanism on each occasion.

LTIP – awards vesting/lapsing during the year (audited)

No awards granted to Executive Directors of the Company vested or lapsed during 2025.

DBP awards granted during 2025 (audited)

On 3 April 2025, the following grant under the DBP was made to the Chief Executive Officer in respect of the portion of his 2024 annual bonus award which was to be deferred in accordance with the Approved Remuneration Policy:

Form of award ¹	Basis of award granted	Share price at date of grant ²	No. of shares over which award originally granted	Face value (£000) of shares over which award originally granted ³	% of shares over which award originally granted that vest at threshold	Vesting determined by performance over ⁴	
Director							
Randy Neely	Nil-cost option	25% x 2024 annual bonus award of £537,500	£2.418	55,572	£134	100%	N/A

Notes:

- (1) No price is payable by participants for their shares on the exercise of a nil-cost option granted under the DBP.
- (2) This figure represents the average mid-market closing price of a share in the Company over the three dealing days immediately preceding the date of grant. (The actual closing price on 3 April 2025 was £2.19.)
- (3) The value shown in this column has been calculated by multiplying the "number of shares over which the award was originally granted" by the "share price at date of grant".
- (4) The above award will normally vest on or around the third anniversary of its date of grant. As explained on page 69, such vesting is dependent on continued employment with the Group but not on the satisfaction of any additional performance conditions.
- (5) In the period following the grant of the above award, no change has been made to the exercise price or the date on which it will become exercisable.

LTIP & DBP – awards exercised during 2025 (audited)

No LTIP or DBP awards were exercised by current or former Executive Directors during the year to 31 December 2025.

LTIP & DBP – other awards held by Executive Directors during 2025 (audited)

For the sake of completeness, and in order to allow comparisons to be made with the awards granted during 2025, set out below are details of the other unvested awards under the LTIP and DBP that were held by the current Executive Director during the year:

	Date of grant ¹	Plan	Form of award ²	Basis of award granted	Share price at award date of grant ³	No. of shares (£000) over which award originally granted	Face value (£000) of shares over which award originally granted ⁴	% of shares over which award originally granted that vest at threshold	Vesting determined by performance over
Director									
Randy Neely	28/07/23	LTIP	Nil-cost option	2 x base salary of £500,000	£1.857	538,502	£1,000	0%	3 years up to 31 May 2026
Randy Neely	02/04/24	LTIP	Nil-cost option	2 x base salary of £500,000	£1.75	571,428	£1,000	0%	3 years up to 31 December 2026
Randy Neely	02/04/24	DBP	Nil-cost option	25% x 2023 annual bonus award of £260,154	£1.75	37,164	£65	100%	N/A

Notes:

- (1) Details of the performance conditions applicable to the above awards granted under the LTIP were provided in previous Directors' Remuneration Reports.
- (2) No price is payable by participants for their shares on the exercise of a nil-cost option granted under the LTIP or DBP.
- (3) In the case of an award granted in 2023, this figure represents the average of the closing mid-market prices of a share in the Company for the three dealing days immediately preceding the date of grant. For a 2024 award, it is the closing mid-market price of such a share for the single dealing day immediately preceding the date of grant.
- (4) The value shown in this column has been calculated by multiplying the "number of shares over which the award was originally granted" by the "share price at date of grant".
- (5) During 2025, no change has been made to the exercise price of the above awards or the date on which they will become exercisable.

Participation of executive directors in all-employee share schemes during 2025 (audited)**Introduction**

In order to encourage increased levels of long-term share ownership amongst its general employee population, the Company launched an HM Revenue and Customs-approved SIP in April 2010. The SIP provides eligible employees, including UK tax-resident Executive Directors, with the following benefits:

- "Partnership shares" – employees can authorise deductions of up to £1,800 per tax year from pre-tax salary, which are then used to acquire ordinary shares on their behalf.
- "Matching shares" – the Company can award further free shares to all participants who acquire partnership shares on the basis of up to two matching shares for every one partnership share purchased. For the tax year 2025/2026, the Company awarded two matching shares for every one partnership share purchased and intends to continue using this award ratio for the tax year 2026/2027.
- "Free shares" – employees can be given up to £3,600 worth of ordinary shares free in each tax year. On 2 May 2025, an award of free shares was made to employees.

In certain circumstances, the rules of the SIP also allow participants to reinvest dividends paid on their plan shares in further 'dividend shares'.

As the SIP is an 'all employee' arrangement, no performance conditions are imposed in relation to any matching or free shares awarded pursuant to its terms.

DIRECTORS' REMUNERATION REPORT CONTINUED

Details of executive directors' SIP participation in 2025

Details of the shares purchased by and awarded to Executive Directors under the SIP during the course of the year are as follows:

Director	Total SIP shares held at 01/01/25	Free shares awarded during 2025	Partnership shares awarded during 2025 ¹	Matching shares awarded during 2025	Total SIP shares held at 31/12/25
Randy Neely	4,395	0	0	0	4,395

The total number of shares held by the above individual under the SIP is included in their beneficial shareholding disclosed in the Directors' Report on page 77.

Shareholding guidelines for Directors (audited)

A formal share ownership policy for Executive Directors has been in place for a number of years under which they are required, during employment, to build up and maintain a target holding, currently equal to 200% of salary. In order to facilitate the achievement of the requirement, the share ownership policy provides that, until the necessary holding is achieved, an Executive Director is normally obliged to retain shares with a value equal to 50% of the net-of-tax gain arising from any vesting or exercise under the Company's share incentive plans.

In addition, Executive Directors are normally obliged to maintain a specified holding of shares for a period of two years following cessation of employment. In particular:

- the requirement is to maintain a post-employment holding of relevant shares equal to 200% of final salary;
- if this targeted holding has not been achieved at the point employment ceases, the requirement will apply to all relevant shares held at that time;
- 'relevant shares' will include all shares acquired by the individual on the exercise of awards that vest under any of the Company's discretionary share plans, including the LTIP and the DBP (other than those that are sold in order to satisfy tax liabilities arising on exercise);
- shares subject to awards that vest but which remain unexercised (e.g. because a holding or deferral period applies), or which have been granted under the DBP, will also count as 'relevant shares', but on a net-of-tax basis;
- until such time as the 200% of salary target is achieved, any relevant shares acquired by an individual will be placed in a nominee structure;
- relevant shares held by or on behalf of an individual will also count towards the satisfaction of the 'in-service' share ownership policy that is described above;
- for the avoidance of doubt, any shares acquired by an individual other than pursuant to a discretionary share plan (e.g. purchases using his/her own resources) will not be subject to the post-employment holding requirement; and
- the committee will retain the discretion to reduce or waive the post-employment holding requirement in limited circumstances (such as on the death of the individual or where his/her personal circumstances change).

The following table discloses the beneficial interest of each Director in the ordinary shares of the Company as at 31 December 2025 (or date of cessation of directorship, if earlier). Following his appointment in 2023, Randy Neely is continuing to build his interest towards the shareholding guideline. His interest in Company shares will be enhanced through part deferral of the 2025 bonus and 2026 LTIP grants.

	Shares held			Ordinary shares over which LTIP and DBP awards held			Compliance with shareholding requirements	
	Ordinary shares ¹	Ordinary shares held in the SIP	Total holding of ordinary shares	Share awards not subject to performance conditions ²	Share awards subject to performance conditions ³	Total interest in ordinary shares	In-service requirement	Post-cessation requirement
							Value of holding as a % of salary ^{4,5}	Value of holding as a % of salary ^{4,6}
Executive Director								
Randy Neely	–	4,395	4,395	92,736	1,523,494	1,620,625	21%	19%
Non-Executive Directors								
Maria Gordon	–	–	–	–	–	–	–	–
Richard Herbert	–	–	–	–	–	–	–	–
Sachin Mistry	9,758,433	–	9,758,433	–	–	9,758,433	–	–
Tom Pitts	–	–	–	–	–	–	–	–
Patrice Merrin	–	–	–	–	–	–	–	–

Notes:

- (1) Includes shares held by connected persons.
- (2) This column shows (i) all vested but unexercised awards under the LTIP; and (ii) all unexercised awards under the DBP (whether vested or unvested), that were held by the director concerned as at 31 December 2025 (or date of cessation of directorship, if earlier).
- (3) This column shows all unvested and outstanding awards under the LTIP that were held by the director concerned as at 31 December 2025 (or date of cessation of directorship, if earlier) including those granted during the year. Details of these entitlements, the vesting of which is subject to the satisfaction of performance conditions, are set out on pages 69 to 71.
- (4) Share price used is the average price for the period of 90 days up to and including 31 December 2025.
- (5) This holding includes (i) all shares held by the individual; and (ii) the net-of-tax number of all shares subject to vested but unexercised LTIP awards and outstanding DBP awards assuming a 47% tax rate is applied.
- (6) This holding includes the net-of-tax number of all shares subject to (i) vested but unexercised LTIP awards; and (ii) outstanding DBP awards assuming a 47% tax rate is applied.
- (7) The shareholding numbers noted in the table above were unchanged as at the the date of this report.

Loss of office payments and payments to past Directors during 2025 (audited)

During the year to 31 December 2025, there were no payments to past directors.

Dilution of share capital pursuant to share plans during 2025

In any 10-year rolling period, the number of ordinary shares which may be issued in connection with all of the Company's employee share schemes (whether discretionary or otherwise) cannot exceed 10% of the Company's issued ordinary share capital. It should, however, be noted that all shares acquired by or awarded to participants under the SIP and the DBP are existing ordinary shares purchased in the market. As a result, neither the SIP nor the DBP involves the issue of new shares or the transfer of treasury shares.

Board appointments with other companies during 2025

The Board believes, in principle, in the benefits of Executive Directors accepting positions as Non-Executive Directors of other companies in order to widen their skills and knowledge for the benefit of the Company, provided that the time commitments involved are not unduly onerous. The Executive Directors are permitted to retain any fees paid for such appointments.

The appointment of any Executive Director to a non-executive position with another company must be approved by the Nomination & Governance Committee. In the case of a proposed appointment to a company within the oil and gas industry, permission will only normally be given if the two companies do not compete in the same geographical area.

DIRECTORS' REMUNERATION REPORT CONTINUED

Relative importance of spend on pay

Set out below are details of the amounts of, and percentage change in, remuneration paid to or receivable by all Group employees and distributions to shareholders in the years ended 31 December 2024 and 2025.

	Financial Year 2024	Financial Year 2025	% change
Employee costs (US\$m)	10.3	10.5	1.9%
Distributions (US\$m) ¹	57.1	0	(100)%

Notes

(1) For the purposes of the above table, 'Distributions' include amounts distributed to shareholders by way of dividend and share buyback. The figure for 2024 represents the aggregate of: (i) the return of cash that took place in May of that year; and (ii) the share-buybacks that occurred in the period.

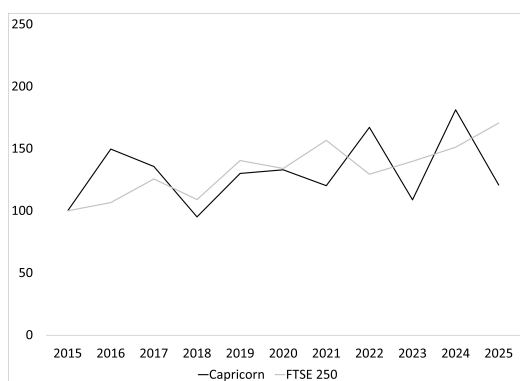
TSR performance graph and further information on Chief Executive pay

Introduction

The following chart demonstrates the growth in value of a £100 investment in the Company and an investment of the same amount in the FTSE 250 Index over the last 10 years. This comparison has been chosen on the basis that Capricorn was a constituent member of the FTSE 250 Index for a significant proportion of the previous 10 years.

The table following the graph illustrates the movements in the total remuneration of the Company's Chief Executive during the same ten-year period.

Performance graph – comparison of ten-year cumulative TSR on an investment of £100



Total remuneration of Chief Executive during the same ten-year period

Financial year	Chief Executive	Total remuneration of Chief Executive ¹	Annual variable element award rates for Chief Executive (as % of max. opportunity)	Long term incentive vesting rates for Chief Executive (as % of original award level)
2025	Randy Neely	£1,126,582	88%	N/A
2024	Randy Neely	£1,107,865	86%	N/A
2023	Randy Neely	£607,642	71% ²	N/A
2023	Chris Cox	£393,107	80% ³	N/A
2023	Simon Thomson	£49,155	N/A	N/A
2022	Simon Thomson	£1,908,773	22.5%	59%
2021	Simon Thomson	£1,950,892	60.5%	67.7%
2020	Simon Thomson	£1,479,731	75%	27.4%
2019	Simon Thomson	£1,173,630	65%	0%
2018	Simon Thomson	£2,204,001	70%	56.7%
2017	Simon Thomson	£2,992,615	76.9%	90.8%
2016	Simon Thomson	£2,081,601	80.2%	81.7%

Notes:

- The amounts disclosed in this column have been calculated using the same methodology prescribed by the Regulations for the purposes of preparing the single total figure table shown on page 66.
- Randy Neely was awarded a bonus for the financial year to 31 December 2023 of 71% of maximum opportunity (being 125% of salary). This figure was then pro-rated by reference to the part of the year that he was employed by the Company, resulting in a final award of 52% of annual base salary.
- Chris Cox was awarded a bonus for the financial year to 31 December 2023 of 80% of the maximum opportunity (being 100% of salary). This figure was then pro-rated by reference to the part of the year that he was employed by the Company, resulting in a final award of 32.9% of annual base salary.

Percentage annual change in Directors' remuneration elements compared to all Group employees

The table below compares the percentage change in various elements of each Directors' remuneration between:

- 2024 and 2025,
- 2023 and 2024;
- 2022 and 2023;
- 2021 and 2022; and
- 2020 and 2021,

and the percentage change in the same remuneration elements of all the Group's employees in respect of those same periods.

	Between 2024 and 2025			Between 2023 and 2024			Between 2022 and 2023			Between 2021 and 2022			Between 2020 and 2021		
	% change in base salary/fees	% change in taxable benefits	% change in annual bonus	% change in base salary/fees	% change in taxable benefits	% change in annual bonus	% change in base salary/fees	% change in taxable benefits	% change in annual bonus	% change in base salary/fees	% change in taxable benefits	% change in annual bonus	% change in base salary/fees	% change in taxable benefits	% change in annual bonus
All Group employees ¹	5.9%	5.2%	8.4%	7%	(6.2)%	90%	6.0%	(24.0)%	(4.0)%	4.4%	(0.25)%	(13.0)%	2.0%	(6.1)%	(16.7)%
Executive Director															
Randy Neely ²	0%	230%	2.3%	71.4%	(72.9)%	106.6%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Non-Executive Directors³															
Maria Gordon ^{4,5}	28%	n/a	n/a	91.8%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Richard Herbert ⁴	3.3%	n/a	n/a	17% ⁶	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tom Pitts ⁴	0%	n/a	n/a	(0.4)%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Patrice Merrin ⁴	0%	n/a	n/a	92.6%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sachin Mistry ⁷	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

- (1) The standard level of salary increase across the Group in 2025 was 3%. However, some individuals in the UK and Egypt received higher percentage increases which raised the average for all employees to 5.9%.
- (2) Randy Neely was appointed as an Executive Director on 1 June 2023.
- (3) The Non-Executive Directors are not eligible to participate in the annual bonus scheme.
- (4) Each of Maria Gordon, Richard Herbert and Tom Pitts were appointed as Directors on 1 February 2023, with Patrice Merrin being appointed on 26 June 2023.
- (5) Maria Gordon was appointed as Chair of the Company on 23 May 2024 (prior to which she was a Non-Executive Director).
- (6) Restatement of figure to reflect updated 2024 fees as detailed on page 67.
- (7) As explained on page 67, Sachin Mistry is not entitled to any remuneration, fee, bonus or other financial reward or compensation in connection with his role as a Director.

DIRECTORS' REMUNERATION REPORT CONTINUED

Implementation of remuneration policy in 2026

The following table provides details of how the Company intends to implement the key elements of the New Remuneration Policy during the year to 31 December 2026.

Remuneration element	Implementation during 2026
Base salary	Notwithstanding the 3.5% standard annual salary increase awarded to UK based employees of the Group for 2026, Randy Neely's base salary did not change with effect from 1 January 2026 and will stay at the £500,000 level paid in 2023, 2024 and 2025.
Benefits	It is expected that there will be no change to the benefit provision in 2026. UK tax-resident Executive Directors will be given the opportunity to participate in the SIP on the same terms as apply to all other eligible employees in the arrangement.
Annual bonus	In accordance with the requirements of the policy, Executive Directors will be eligible to receive a bonus of up to 125% of base salary depending on the extent to which specified measures are satisfied over 2026. Of the bonus award, 25% will be deferred into shares for a period of three years. Similar to prior years, for senior executives in the wider Group, the 2026 bonus will continue to be based on a balanced scorecard of measures linked to strategy. The committee reviewed the scorecard in early 2026 and determined that the 2025 KPI framework remains appropriate, with some updates to the weightings. The performance measure categories for 2026 are HSE (5%), production and OPEX (25%), financial (25%) and corporate projects (45%).
LTIP	It is intended that, during the early part of 2026, the Chief Executive Officer will be granted a further award pursuant to the rules of the LTIP on the following terms: <ul style="list-style-type: none"> – the award will be granted over shares worth 200% of salary; – the extent to which the award vests will be determined by reference to the satisfaction of absolute shareholder return conditions over the period of three consecutive financial years starting on 1 January 2026; and – the overall structure of these conditions will mirror those applied to the award granted to the Chief Executive Officer in 2025, with the precise targets to be applied to the 2026 award being set by the committee at the time of its grant. Full disclosure of the 2026 LTIP award will be provided in the 2026 Directors' Remuneration Report.
Retirement benefits	During 2026 the Company will contribute 12.5% of basic salary on behalf of the Executive Director or pay them an equivalent amount of additional salary. This rate of pension contributions is equal to the amount paid to the wider UK employee population.

Non-Executive Chair's and Non-Executive Directors' fees

For 2026, the annual fees for Non-Executive Directors and the Non-Executive Chair increased by 3.5% to £82,800 and £279,450 respectively, in line with the standard level of increase afforded to UK-based staff.

The additional fees for committee chair and membership in 2026 (which also increased by 3.5%) are as follows:

	Chair	Member
Audit Committee/Remuneration Committee	£15,525	£10,350
Sustainability Committee	£10,350	£5,175
Nomination & Governance Committee	–	£5,175

Date of appointment and forthcoming election/re-election

The following table sets out the dates on which each of the current Directors was first appointed and specifies the dates on which those individuals are next subject to election or re-election:

Director	Date of original appointment	Date when next subject to election or re-election
Maria Gordon	1 February 2023	21 May 2026
Richard Herbert	1 February 2023	21 May 2026
Sachin Mistry	23 May 2024	21 May 2026
Tom Pitts	1 February 2023	21 May 2026
Patrice Merrin	26 June 2023	21 May 2026
Randy Neely	1 June 2023	21 May 2026 ¹

Notes:

(1) Randy Neely's service contract provides 12 calendar months' notice period to be given by the Company.

The Directors' Remuneration Report was approved by the Board on 25 March and signed on its behalf by:

Richard Herbert

Chair of the Remuneration Committee

25 March 2026

DIRECTORS' REPORT

The Directors of Capricorn Energy PLC (registered in Scotland with company number SC226712) (the "Company") present their Annual Report and Accounts for the year ended 31 December 2025 together with the audited consolidated Financial Statements of the Group and Company for the year. These will be laid before shareholders at the AGM to be held on 21 May 2026. The Directors' Report and the Strategic Report which includes trends and factors likely to affect future development, performance and position of the business, our section 172 Statement (see pages 7 and 8) and a description of the principal risks and uncertainties of the Company's Group (see pages 18 to 23) which are hereby incorporated by reference, collectively comprise the management report as required under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

Results and dividend

The Group made a profit after tax of \$19.0m.

The Directors do not recommend the payment of a dividend for the year ended 31 December 2025.

Strategic report

Details of the Group's strategy and business model during the year and the information that fulfils the requirements of the Strategic Report can be found in the Strategic Report section of this document on pages 2 to 35, which are deemed to form part of this report by reference.

Details of Capricorn's offices and Capricorn's advisers are given at the end of this report.

Change of control

All of the Company's share incentive plans contain provisions relating to a change of control and further details of these plans are described in the Directors' Remuneration Report on pages 55 to 76. Generally, outstanding options and awards will vest and become exercisable on a change of control, subject to the satisfaction of performance conditions, if applicable, at that time.

Other than in respect of the \$80m junior debt facility agreement entered into by Capricorn Egypt Limited and its partner Cheiron with Trafigura Ventures V B.V. and Deutsche Bank A.G. dated 24 June 2021 (together the "Egypt Facility Agreements"), there are no significant agreements to which the Company or a member of the Group is a party that take effect, alter or terminate in the event of a change of control of the Company. In terms of each of the Egypt Facility Agreements, if there is a change of control of the Company, the majority lenders may cancel the commitments and all outstanding amounts will become immediately due and payable.

Corporate governance

The Company's Corporate Governance Statement is set out on pages 39 to 45 and is deemed to form part of this report by reference.

Directors

The names and biographical details of the current Directors of the Company are given in the Board of Directors section on pages 37 and

38. The beneficial interests of all the Directors who held this office during 2025 in the ordinary shares of the Company as at 31 December 2025 (and at 25 March 2026) are shown below:

	Number of shares as at 31 December 2024	Number of shares as at 31 December 2025	Number of shares as at 25 March 2026
Maria Gordon	0	0	0
Randy Neely	4,395	4,395	4,395
Richard Herbert	0	0	0
Tom Pitts	0	0	0
Patrice Merrin	0	0	0
Sachin Mistry	9,223,965	9,758,433	9,758,433

Notes:

The figures in the table above include shares held by connected persons.

Details of outstanding awards over ordinary shares in the Company held by the Directors (or any members of their families) are set out in the Directors' Remuneration Report on page 73.

None of the Directors have a material interest in any contract, other than a service contract or letter of appointment, with the Company or any of its subsidiary undertakings. Details of the Directors' service contracts and letters of appointment are set out in the Directors' Remuneration Policy on pages 63 to 64.

DIRECTORS' REPORT CONTINUED

Share capital and voting rights

The issued share capital of the Company is shown in section 7.1 of the notes to the Financial Statements. As at 25 March 2026, 70,558,339 ordinary shares of 799/122 pence each (the "Ordinary Shares") have been issued, are fully paid up and are quoted on the London Stock Exchange.

The rights attaching to the Ordinary Shares are set out in the Company's Articles of Association. There are no special control rights in relation to the Company's shares and the Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights. Each share carries the right to one vote at shareholders meetings of the Company. Shareholders are entitled to 21 days' notice of the general meetings of the Company and have rights to appoint a nominated proxy (in advance) to exercise their vote, to speak, and to vote on a show of hands or on a poll.

Major interests in share capital

As at 31 December 2025 and 16 March 2026 (being the latest practicable date prior to the date of this report), the Company had received notification that shareholdings of 3% and over were as set out in the table below.

Fund Manager	Shares as at 31 December 2025	% Share capital	Shares as at 16 March 2026	% Share capital
Newtyn Partners	12,294,098	17.42	10,109,021	14.33
Palliser Capital	9,758,433	13.83	9,758,433	13.83
Morgan Stanley as principal	8,806,247	12.48	8,898,799	12.61
Kite Lake Capital Management	5,630,814	7.98	5,630,814	7.98
Madison Avenue Partners	3,759,796	5.33	3,759,796	5.33
Bank of America Merrill Lynch International collateral account	3,137,781	4.45	3,138,076	4.45
Dimensional Fund Advisors	2,740,409	3.88	2,665,515	3.78
Goldman Sachs collateral account	2,672,930	3.79	2,786,451	3.95
Janus Henderson Investors	2,233,063	3.16	2,234,879	3.17

Political donations

No political donations were made and no political expenditure was incurred during the year.

Charitable donations

The Company made charitable donations for the purpose of community health to the cumulative sum of £50,500.

Greenhouse gas emissions

Details of the Group's GHG emissions can be found in the Strategic Report section on page 13, which are deemed to form part of this report by reference. Our response to the SECR framework has been provided on page 15 of this Annual Report and Accounts and is also deemed to form part of this report by reference.

Employee and stakeholder engagement

Details of the Company's engagement with employees and external stakeholders are noted in the Strategic Report on page 14 and in our Section 172 Statement on pages 7 and 8, which are hereby incorporated in this report by reference.

Financial instruments

The financial risk management objectives and policies of the Company are detailed in Section 3.9 of the Financial Statements.

Acquisition of own shares

No shares have been repurchased by the Company in the financial year to 31 December 2025 and there are no current plans to commence a share buyback programme.

Appointment and replacement of Directors

The Company's Articles of Association provide that Directors can be appointed by the Company by ordinary resolution, or by the Board. The Nomination & Governance Committee makes recommendations to the Board on the appointment and replacement of Directors. Further details of the rules governing the appointment and replacement of Directors are set out in the Corporate Governance Statement on page 40 and in the Company's Articles of Association.

Directors' indemnities

As permitted by the Company's Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 (a "Qualifying Third-Party Indemnity Provision"). The indemnity was in force throughout the last financial year and is currently in force as at the date of this report.

Powers of the Directors

Subject to the Company's Articles of Association, UK legislation and any directions given by special resolution, the business of the Company is managed by the Board. The Directors currently have powers both in relation to the issuing and buying back of the Company's shares and are seeking renewal of these powers at the forthcoming AGM.

Articles of Association

Unless expressly specified to the contrary therein, the Company's Articles of Association may be amended by a special resolution of the Company's shareholders.

Statement of directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and Accounts, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards were followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the Annual Report and Accounts, the Directors' Remuneration Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and the Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Board of Directors section on pages 37 and 38 confirm that, to the best of their knowledge:

- the Group and Company financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities and financial position of the Group and the Company, and of the profit of the group; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties that they face.

Disclosure of information to auditors

Each of the Directors of the Company as at 25 March 2026, being the date this report is approved, confirm that, as far as they are aware, there is no relevant audit information of which the Company's auditors are unaware. In making this confirmation, the Directors have taken appropriate steps to make themselves aware of the relevant audit information and to establish that the Company's auditors are aware of this information.

AGM 2026

The AGM of the Company will be held at The Sheraton Grand Hotel, 1 Festival Square, Edinburgh EH3 9SR at 10.00 a.m. on 21 May 2026. The resolutions to be proposed at the AGM are set out and fully explained in the Notice of AGM which has been posted or made available to shareholders together with this Annual Report and Accounts. Full details are included in the Notice of AGM.

Recommendation

The Board considers that all of the resolutions to be considered at the AGM are in the best interests of the Company and its shareholders as a whole and unanimously recommends that you vote in favour of all of the proposed resolutions.

This Annual Report was approved by the Board of Directors and authorised for issue on 25 March 2026.

By order of the Board



Paul Ervine

Company Secretary

25 March 2026

Financial Statements

Contents

Financial Statements		Section 5 – Taxation	
Independent Auditors' Report	81	5.1 Tax strategy and governance	118
Group Income Statement	87	5.2 Tax credit/(charge) on (loss)/profit for the year	119
Group Balance Sheet	89	5.3 Current tax receivable	120
Group Statement of Cash Flows	90	5.4 Deferred tax assets and liabilities	120
Group Statement of Changes in Equity	91		
Section 1 – Basis of preparation		Section 6 – Discontinued operations	
1.1 Accounting policies	92	6.1 Profit from discontinued operations	122
1.2 Going concern	93	6.2 Cash flow information for discontinued operations	123
1.3 Post balance sheet events – Middle East instability	93	6.3 Discontinued operations – Senegal contingent liability	123
Section 2 – Oil and gas assets, operations and other non-current assets		Section 7 – Capital structure and other disclosures	
2.1 Gross profit: revenue and cost of sales	95	7.1 Issued capital and reserves	124
2.2 Intangible exploration/appraisal assets	96	7.2 Return of cash to shareholders	125
2.3 Property, plant & equipment – development/producing assets	97	7.3 Capital management	125
2.4 Goodwill	98	7.4 Guarantees	126
2.5 Other property, plant & equipment and intangible assets	99	7.5 Auditors' remuneration	126
2.6 Provisions – well abandonment	100		
2.7 Capital commitments	100	Company Financial Statements	
Section 3 – Working capital, financial instruments and long-term liabilities		Company Balance Sheet	127
3.1 Cash and cash equivalents	101	Company Statement of Cash Flows	128
3.2 Loans and borrowings	102	Company Statement of Changes in Equity	129
3.3 Lease liabilities	103		
3.4 Inventory	103	Section 8 – Notes to the Company Financial Statements	
3.5 Trade and other receivables	104	8.1 Basis of preparation	130
3.6 Financial liabilities at fair value through profit or loss	105	8.2 Investments in subsidiaries	130
3.7 Trade and other payables	105	8.3 Long-term intercompany receivables	133
3.8 Financial instruments	106	8.4 Cash and cash equivalents	133
3.9 Financial risk management: objectives and policies	107	8.5 Other receivables	133
		8.6 Trade and other payables	133
		8.7 Financial instruments	133
		8.8 Capital management	135
		8.9 Related party transactions	135
Section 4 – Income Statement analysis			
4.1 Segmental analysis	110		
4.2 Employee benefits: staff costs, share-based payments and Directors' emoluments	113		
4.3 Finance income	115		
4.4 Finance costs	116		
4.5 Earnings per ordinary share	116		

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPRICORN ENERGY PLC

Report on the audit of the financial statements

Opinion

In our opinion, Capricorn Energy PLC's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2025 and of the Group's profit and the Group's and Company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2025 (the "Annual Report"), which comprise:

- the Group Balance Sheet as at 31 December 2025;
- the Company Balance Sheet as at 31 December 2025;
- the Group Income Statement for the year then ended;
- the Group Statement of Comprehensive Income for the year then ended;
- the Group Statement of Cash Flows for the year then ended;
- the Company Statement of Cash Flows for the year then ended;
- the Group Statement of Changes in Equity for the year then ended;
- the Company Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 7.5, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Context

Capricorn Energy PLC is an independent, UK-based energy company, focused on oil and gas exploration, development and production. Capricorn's activities are focused in Egypt. Capricorn's headquarters and finance team are based in Edinburgh supported by a team in Egypt.

Overview

Audit scope

- We conducted audit work on 9 components. 2 of these components were subject to a full scope audit, the remaining 7 were subject to audit of FSLIs. All audit work performed to support the group audit report was performed by the group engagement team in the UK. Our audit scope covered 98% of total assets.

Key audit matters

- Valuation of Production assets (group)
- Valuation of Investments in subsidiaries (parent)

Materiality

- Overall group materiality: US\$5,130,000 (2024: US\$6,197,000) based on 1% of total assets.
- Overall Company materiality: US\$4,873,000 (2024: US\$4,713,000) based on 1% of total assets, restricted to 95% of Group materiality.
- Performance materiality: US\$3,847,000 (2024: US\$4,647,000) (group) and US\$3,655,000 (2024: US\$3,534,000) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPRICORN ENERGY PLC CONTINUED

Valuation of Expected Credit Loss ("ECL") of EGPC receivable (Group), which was a key audit matter last year, is no longer included because of a downgrade in the risk given the significant reduction in the receivables balance due from EGPC following significant receipts during 2025. Otherwise, the key audit matters below are consistent with last year.

Key audit matter

Valuation of Production assets (group)

The carrying value of oil & gas production assets at 31 December 2025 was \$212.4m (2024: \$210.8m).

Under IAS 36, where there is an impairment trigger, non-current production assets must be evaluated for impairment. Management has reviewed the Egypt assets for indicators of impairment or any events which would trigger a reversal of impairment. An impairment trigger was identified in relation to the AESW concession as a result of deferred development activity and the shorter remaining concession term. The recoverable amount was determined by the fair value less cost of disposal (FVLCD) method using a discounted cash flow model. Based upon the discounted cash flow projections used by management, an impairment was recognised on the AESW concession of \$10.6m. This is an area of audit focus because the support for the carrying value is based on judgements and estimates made by management in their impairment assessment, particularly in respect of projected cash flows and discount rate.

Refer to notes 2.3 to the financial statements.

How our audit addressed the key audit matter

We assessed the assets for potential impairment triggers such as declining oil and gas prices or downward revisions in reserves and validated both internal and external valuation models provided by management. We performed the following in relation to this significant risk:

- Discussed reserve estimates with management experts to assess key judgements or differences between internal and external experts, seeking explanations for any differences identified;
- Validated the reserves estimates prepared by management experts and ensured we challenged management by assessing key judgements as well as evaluating management's experts for competence and objectivity;
- Obtained understanding of the source of management's forecast oil and gas production, as well as assessing management's historic ability to forecast;
- Evaluated the reasonableness of opex and capex assumptions;
- Benchmarked assumptions including comparing the commodity price, inflation and discount rates used to expected ranges prepared by our own Valuation experts;
- Compared the timing of cash receipts for the sale of hydrocarbons to the recent history of recovery and considering other forward-looking factors;
- Obtained and understood the concession agreements to confirm terms that may affect the valuation;
- Considered the global focus on clean energy transition and climate change in the context of the assumptions, in particular in relation to the cost of carbon;
- Assessed the composition of CGUs based on the requirements of IAS 36;
- Validated integrity and accuracy of the model and agreed net book values to Capricorn's records;
- Assessed management's sensitivity analysis and performed our own assessment; and
- Evaluated the disclosures in the financial statements.

Based on the procedures performed, we have nothing to report.

Valuation Investments in subsidiaries (Parent)

The carrying value of investments in the company balance sheet as at 31 December 2025 is \$383.8m.

At the year end, investments in subsidiaries were reviewed for indicators of impairment or reversals and impairment tests conducted where indicators were identified.

Following this review, management concluded that no impairment should be recognised as the recoverable value of the investment in Capricorn Oil Limited was found to exceed the carrying value of the investment. This is an area of audit focus because the support for the carrying value is based on judgements and estimates made by management in their impairment assessment, in particular in respect of projected cash flows and discount rate.

Refer to note 8.2 to the financial statements.

In assessing the carrying value of investments in subsidiaries, we have undertaken the following work:

- For the investment in Capricorn Oil Group, we compared the resulting investment balance to our audit work on the other assets and liabilities of the Group;
- Assessed managements calculation of the fair value of the group's producing assets, consistent with the procedures performed in respect of the Valuation of Production assets key audit matter, including assessment of the approval process for the merged concession;
- Considered other factors including the market capitalisation of the group, analyst and other market commentary as well as other matters which could impact fair value;
- Validated the mathematical accuracy and integrity of the model and agreed the net book value of assets and liabilities into Capricorn's books and records;
- Agreed the cash balances in the group to the underlying confirmations of cash for the in-scope subsidiaries; and
- Evaluated the disclosure in the financial statements.

Based on the procedures performed, we have nothing to report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPRICORN ENERGY PLC CONTINUED

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The Group's activities are managed centrally from the Group's Head Office in Edinburgh, with components representing each of the geographical locations in which they operate. We have included components which accounted for the largest share of the Group's results or where we considered there to be areas of significant risk. We identified 2 components which, in our view, required an audit of their complete financial information due to their relative size or risk characteristics. The work in the remaining 7 components was determined by their individual contribution to the Group's overall financial performance or balance sheet, and their risk profile. All components were audited by the Group engagement team in the UK.

The impact of climate risk on our audit

Our audits considered the impact of climate change. As part of our audit, we made enquiries with management to understand the process adopted to assess the extent of the potential impact of climate risk on the Group's financial statements and to support the disclosures made in the Strategic Report. We also read the Group's governance process in response to climate risk.

Using our knowledge of the business, we focused our work on how the impact of climate commitments made by the Group would impact the assumptions within the discounted cash flows prepared by management that are used in the Group's producing asset impairment test. We also evaluated whether the impact of both physical and transitional risks had been appropriately included in management's going concern and viability assessments. We considered the completeness of management's climate impact assessment by reading the external reporting made by management as well as internal climate plans and Board minutes.

We also considered the completeness of the impact on financial statement line items by comparing management's assessment of the impact of climate risk, including the potential impact on the underlying assumptions and estimates as outlined in Section 2 of the Notes to the Group financial statements.

Finally, we assessed the consistency of the information in the front half of the Annual Report regarding the Task Force on Climate-Related Financial Disclosures (TCFD) and the financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – group	Financial statements – company
Overall materiality	US\$5,130,000 (2024: US\$6,197,000).	US\$4,873,000 (2024: US\$4,713,000).
How we determined it	1% of total assets	1% of total assets, restricted to 95% of Group materiality
Rationale for benchmark applied	We continue to determine the Group's total assets as the most appropriate benchmark, reflecting the focus of users of the financial statements on the group's asset base and is an appropriate measure that reflects the size of the Group's operations.	The company's purpose is to hold investments in the subsidiaries of the group. The company has limited income statement transactions, therefore the appropriate benchmark for assessing materiality is total assets.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between US\$184,000 and US\$4,873,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to US\$3,847,000 (2024: US\$4,647,000) for the group financial statements and US\$3,655,000 (2024: US\$3,534,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above US\$256,000 (group audit) (2024: US\$309,000) and US\$243,000 (company audit) (2024: US\$235,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and evaluating management's going concern assessment including base case forecasts, downside scenarios and additional sensitivities as well as comparing the forecasts to approved budgets;
- Considering the historical reliability of management's cash flow forecasting;
- Assessing key inputs into the models, including operational and head office cost assumptions, commodity prices, production forecasts, forecast payment profiles, comparing these to the inputs used in other key accounting estimates in the financial statements or other sources of evidence;
- Assessing the mitigating actions identified by management in downside scenarios and corroborating these to internal and external sources of evidence;
- Obtaining and validating the opening cash balances;
- Assessing management's consideration of the terms and conditions of group's debt facility relating to its assets in Egypt, including the impact of cross guarantee clauses;
- Assessing management's consideration of ongoing Senegal tax claim, including reviewing contractual and legal documentation;
- Assessing the impact of the geopolitical situation in the Middle East;
- Assessing any impact of the Group's announcement of unsolicited bids for the Group on the Directors' going concern assessment; and
- Evaluating the disclosures in relation to management's going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPRICORN ENERGY PLC CONTINUED

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPRICORN ENERGY PLC CONTINUED

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with oil and gas laws and regulations in Egypt, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Listing Rules, tax legislation and concession agreements in Egypt. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of management around known or suspected instances of non-compliance with laws and regulations, claims and litigation, and instances of fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Review of board minutes;
- Challenging management on the judgements and assumptions made in their significant accounting estimates; and
- Identifying and testing journal entries, including any journal entries representing unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed by the company for the financial year ended 31 December 2013. Our uninterrupted engagement covers 13 financial years.

Other matter

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Bruce Collins (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
25 March 2026

GROUP INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 \$m	2024 \$m
Continuing operations			
Revenue	2.1	134.9	147.8
Other income	2.1	0.9	30.1
Cost of sales	2.1	(39.4)	(41.6)
Depletion	2.1, 2.3	(50.8)	(85.1)
Gross profit		45.6	51.2
Pre-award costs		(0.2)	–
General exploration costs		0.6	(1.1)
Unsuccessful exploration well costs	2.2	(13.0)	(8.9)
(Impairment)/Reversal of impairment of property, plant & equipment – development/producing assets	2.3	(10.6)	15.7
Expected credit loss adjustment on revenue receivable	3.5	7.4	(3.9)
Other operating income		0.8	1.0
Administrative expenses		(24.9)	(23.9)
Operating profit		5.7	30.1
Fair value loss – deferred consideration on business combination		–	(5.2)
Other gains/(losses) through profit or loss		0.3	(0.1)
Finance income	4.3	4.7	9.5
Finance costs	4.4	(15.3)	(20.4)
(Loss)/Profit before tax from continuing operations		(4.6)	13.9
Taxation			
Tax credit/(charge)	5.2	21.1	(26.5)
Profit/(loss) from continuing operations		16.5	(12.6)
Profit from discontinued operations	6.1	2.5	23.2
Profit for the year attributable to equity holders of the Parent		19.0	10.6
Profit/(Loss) per share for profit/(loss) from continuing operations:			
Profit/(Loss) per ordinary share – basic	4.5	\$ 0.24	\$(0.16)
Profit/(Loss) per ordinary share – diluted	4.5	\$ 0.23	\$(0.16)
Profit per share for profit attributable to equity holders of the Parent:			
Profit per ordinary share – basic	4.5	0.28	0.14
Profit per ordinary share – diluted	4.5	0.26	0.14

**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025**

	2025 \$m	2024 \$m
Profit for the year attributable to equity holders of the Parent	19.0	10.6
Other comprehensive income/(expense) – items that may be recycled to the Income Statement		
Currency translation differences	4.8	(1.2)
Currency translation differences recycled on liquidation of subsidiaries	–	(0.4)
Other comprehensive income/(expense) for the year	4.8	(1.6)
Total comprehensive income for the year attributable to equity holders of the Parent	23.8	9.0
Total comprehensive income from:		
Continuing operations	21.3	(14.2)
Discontinued operations	2.5	23.2
	23.8	9.0

GROUP BALANCE SHEET AS AT 31 DECEMBER 2025

	Note	2025 \$m	2024 \$m
Non-current assets			
Intangible exploration/appraisal assets	2.2	3.0	–
Property, plant & equipment – development/producing assets	2.3	212.4	210.8
Goodwill	2.4	10.8	10.8
Other property, plant & equipment and intangible assets	2.5	12.0	13.0
Deferred tax asset	5.4	18.2	18.3
		256.4	252.9
Current assets			
Cash and cash equivalents	3.1	132.7	123.4
Inventory	3.4	7.4	8.0
Trade and other receivables	3.5	116.5	231.4
Current tax receivable	5.3	–	4.0
		256.6	366.8
Total assets		513.0	619.7
Current liabilities			
Provisions – well abandonment	2.6	10.9	0.5
Loans and borrowings	3.2	10.4	26.4
Lease liabilities	3.3	1.0	1.0
Deferred consideration on business combinations	3.6	–	25.0
Trade and other payables	3.7	82.8	110.6
		105.1	163.5
Non-current liabilities			
Provisions – well abandonment	2.6	–	6.8
Loans and borrowings	3.2	30.0	72.9
Lease liabilities	3.3	4.6	5.1
Deferred tax liabilities	5.4	–	22.1
		34.6	106.9
Total liabilities		139.7	270.4
Net assets		373.3	349.3
Equity attributable to equity holders of the Parent			
Called-up share capital	7.1	7.3	7.3
Share premium	7.1	0.9	0.9
Shares held by ESOP/SIP Trusts	7.1a,b	(7.6)	(6.7)
Foreign currency translation	7.1c	(82.5)	(87.3)
Merger and capital reserves	7.1d	46.2	46.2
Retained earnings		409.0	388.9
Total equity		373.3	349.3

The Financial Statements on pages 87 to 126 were approved by the Board of Directors on 25 March 2026 and signed on its behalf by:



Randy Neely
Chief Executive

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 \$m	2024 \$m
Cash flow from operating activities:			
(Loss)/Profit before tax from continuing operations		(4.6)	13.9
Profit from discontinued operations	6.1	2.5	23.2
(Loss)/Profit before tax including discontinued operations		(2.1)	37.1
Adjustments for non-cash income and expense and non-operating cash flows:			
Other income – tax entitlement volumes		(0.9)	(30.1)
Unsuccessful exploration well costs		13.0	8.9
Depreciation, depletion and amortisation		52.2	86.8
Impairment/(Reversal of impairment) of property, plant & equipment – development/producing assets		10.6	(15.7)
Expected credit loss adjustment on revenue receivable		(7.4)	3.9
Share-based payments charge		2.2	1.9
Fair value loss – deferred consideration on business combination		–	5.2
Other (gains)/losses through profit or loss		(0.3)	0.1
(Gain)/Loss on disposal of a financial asset – discontinued operations		(2.5)	26.1
Loss on disposal of a subsidiary – discontinued operations		–	0.7
Gain on disposal of oil and gas asset – discontinued operations		–	(50.0)
Finance income		(4.7)	(9.5)
Finance costs		15.3	20.4
Adjustments to operating cash flows for movements in current assets and liabilities:			
Inventory movement		0.6	0.3
Trade and other receivables movement	3.5	74.0	(9.1)
Trade and other payables movement	3.7	(0.1)	9.1
Net cash flows from operating activities		149.9	86.1
Cash flows from investing activities:			
Expenditure on intangible exploration/appraisal assets		(12.8)	(1.0)
Expenditure on property, plant & equipment – development/producing assets		(76.7)	(39.7)
Expenditure on other property, plant & equipment and intangible assets		–	(0.9)
Deferred consideration received – discontinued operations		–	2.0
Deferred consideration paid on business combination		(25.0)	(25.0)
Proceeds on disposal of financial assets		0.3	3.1
Refund of proceeds on disposed of oil and gas assets – discontinued operations		(0.7)	–
Senegal contingent consideration receipt – discontinued operations	6.1	50.0	–
Tax refund received on investing activities		3.8	1.4
Interest received and other finance income		5.3	8.8
Net cash flows used in investing activities		(55.8)	(51.3)
Cash flows from financing activities:			
Repayments of borrowings	3.2	(70.1)	(13.5)
Lease payments	3.3	(1.3)	(0.9)
Dividends paid		–	(50.1)
Share repurchase		–	(7.3)
Other interest and charges		(11.9)	(14.8)
Proceeds from issue of shares		–	0.2
Cost of shares purchased	7.1a,b	(2.0)	(10.9)
Net cash flows used in financing activities		(85.3)	(97.3)
Net increase/(decrease) in cash and cash equivalents		8.8	(62.5)
Opening cash and cash equivalents at beginning of year		123.4	189.5
Foreign exchange differences		0.5	(3.6)
Closing cash and cash equivalents	3.1	132.7	123.4

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Equity share capital and share premium \$m	Shares held by ESOP/SIP Trusts \$m	Foreign currency translation \$m	Merger and capital reserves \$m	Retained earnings \$m	Total equity \$m
At 1 January 2024	8.4	(6.3)	(85.7)	45.9	444.2	406.5
Profit for the year	–	–	–	–	10.6	10.6
Currency translation differences	–	–	(1.2)	–	–	(1.2)
Currency translation differences recycled on liquidation of subsidiaries	–	–	(0.4)	–	–	(0.4)
Total comprehensive income	–	–	(1.6)	–	10.6	9.0
Dividends paid	–	–	–	–	(50.1)	(50.1)
Share repurchase	(0.3)	–	–	0.3	(7.3)	(7.3)
Share-based payments	–	–	–	–	1.9	1.9
Exercise of employee share options	0.1	0.1	–	–	–	0.2
Cost of shares purchased	–	(10.9)	–	–	–	(10.9)
Cost of shares vesting	–	10.4	–	–	(10.4)	–
At 31 December 2024	8.2	(6.7)	(87.3)	46.2	388.9	349.3
Profit for the year	–	–	–	–	19.0	19.0
Currency translation differences	–	–	4.8	–	–	4.8
Total comprehensive income	–	–	4.8	–	19.0	23.8
Share-based payments	–	–	–	–	2.2	2.2
Cost of shares purchased	–	(2.0)	–	–	–	(2.0)
Cost of shares vesting	–	1.1	–	–	(1.1)	–
At 31 December 2025	8.2	(7.6)	(82.5)	46.2	409.0	373.3

SECTION 1 – BASIS OF PREPARATION

This section includes the Group's general accounting policies applicable across the Financial Statements. Accounting policies specific to individual notes to the Financial Statements are embedded in the notes themselves.

1.1 Accounting policies

a) Basis of preparation

The consolidated Financial Statements of Capricorn Energy PLC ("Capricorn" or "the Group") for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Directors on 25 March 2026. Capricorn is a limited company incorporated and domiciled in the United Kingdom whose shares are publicly traded. The registered office is located at 50 Lothian Road, Edinburgh, Scotland, EH3 9BY. The registered company number is SC226712.

Capricorn prepares its Financial Statements on a historical cost basis, unless accounting standards require an alternate measurement basis. Where there are assets and liabilities calculated on a different basis, this fact is disclosed either in the relevant accounting policy or in the notes to the Financial Statements. The Financial Statements comply with the Companies Act 2006 as applicable to companies using UK-adopted International Financial Reporting Standards (IFRS).

All accounting policies have been applied consistently across all years disclosed.

The Group's Financial Statements are prepared on a going concern basis.

b) Accounting standards

The Financial Statements of Capricorn have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. During the year, no new standards or amendments to standards were adopted that had a material impact on Capricorn's results or Financial Statement disclosures.

The IASB has issued the following standards and amendments which are not yet effective and have not been early adopted by the Group.

IFRS 18 – Presentation and Disclosure in Financial Statements (effective 1 January 2027) replaces IAS 1 and introduces new requirements relating to the presentation of the income statement and enhanced disclosure requirements. The Group is assessing the impact of IFRS 18, which is expected to primarily affect presentation and disclosure.

Amendments to IFRS 9 and IFRS 7 – Financial Instruments (effective 1 January 2026) clarify aspects of classification, derecognition and related disclosures. The amendments are not expected to have a material impact on the Group's financial statements.

c) Basis of consolidation

The consolidated Financial Statements include the results of Capricorn Energy PLC and its subsidiary undertakings to the balance sheet date. Where subsidiaries follow differing accounting policies from those of the Group, those accounting policies have been adjusted to align with those of the Group. Intercompany balances and transactions between Group companies are eliminated on consolidation, though foreign exchange differences arising on intercompany balances between subsidiaries with differing functional currencies are not offset.

The results of subsidiaries acquired or incorporated in any year are included in the Income Statement and Statement of Cash Flows from the effective date of acquisition, while the results of subsidiaries disposed of or liquidated during the year are included in the Income Statement and Statement of Cash Flows to the date at which control passes from the Group.

d) Joint arrangements

Capricorn is a partner (joint operator as defined by IFRS 11) in oil and gas exploration, development and production licences which are unincorporated joint arrangements. All of the Group's current interests in these arrangements are determined to be joint operations. A full list of oil and gas licence interests can be found on page 136.

Costs relating to an interest in a joint operation incurred on non-well specific exploration activities or costs directly associated with the production of hydrocarbons are charged immediately to the Income Statement. Costs relating to exploration wells are capitalised in accordance with the Group's accounting policy for intangible exploration/appraisal assets (note 2.2) pending determination of the success of the well. All costs associated with development activities for oil and gas assets are capitalised in property, plant & equipment – development/producing assets note 2.3. All costs capitalised in either exploration/appraisal or development/producing assets relate to interests in joint operations.

Capricorn's working capital balances relating to joint operations are included in trade and other receivables (note 3.5) and trade and other payables (note 3.7). Any share of finance income or costs generated or incurred by the joint operation is included within the appropriate income statement account.

1.1 Accounting policies continued

e) Foreign currencies

These Financial Statements continue to be presented in US dollars (\$), the functional currency of the Parent.

In the Financial Statements of individual Group companies, Capricorn translates foreign currency transactions into the functional currency at the rate of exchange prevailing at the transaction date (or an approximation thereof where not materially different). Monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are taken to the Income Statement except for those incurred on borrowings specifically allocable to development projects, which are capitalised as part of the cost of the asset, though there were none in either the current or preceding year.

The Group maintains the Financial Statements of the Parent and subsidiary undertakings in their functional currency. Where applicable, the Group translates subsidiary Financial Statements into the presentation currency, US dollars, using the closing rate method for assets and liabilities, which are translated at the rate of exchange prevailing at the balance sheet date and monthly average rates for income statement accounts. Capricorn takes exchange differences arising on the translation of net assets of Group companies whose functional currency is non-US dollar directly to the foreign currency translation reserve within equity.

Rates of exchange to \$1 were as follows:

	Closing 2025	YTD average 2025	Closing 2024	YTD average 2024
GBP	0.742	0.764	0.799	0.782

f) Exceptional items

Where items have a significant impact on profit or loss, occur infrequently and are not part of the Group's normal operating cycle, such items may be disclosed as exceptional items on the face of the Income Statement.

1.2 Going concern

The Directors have considered the factors relevant to support a statement of going concern. In assessing whether the going concern assumption is appropriate, the Board considered the Group cash flow forecasts under various scenarios, identifying risks and mitigating factors. The cash flow forecasts assessed for the going concern assessment cover the period to March 2027.

On 11th March 2026, Capricorn confirmed it has received multiple unsolicited non-binding proposals from Alamadiyaf al Masiyyah for Trading LLC, a member of the Cafani Group, regarding a possible all cash offer to acquire the entire issued and to be issued share capital of the Company. At the time of approval of the financial statements, no firm offer has been made. There can be no certainty that any firm offer will be made, nor as to the terms of any such firm offer, or whether the Directors would recommend any offer to shareholders. As a result, this possible offer has not been considered as part of the Directors Going Concern assessment.

As the Directors will not commit to investing further Group funds into the Egypt business, separate cash flow forecasts have been run for Capricorn Egypt, the Egypt asset-holding subsidiary and the remaining Capricorn Energy PLC Group. However, Capricorn Egypt has the forecast financial capacity to settle the outstanding balance on the Junior facility within the going concern period allowing cash flow forecasts to now include remittance of surplus funds from the Egypt business back to the Capricorn Energy PLC Group.

Group cash flow forecasts have been run on base-case, price crash and downside assumptions. Base case assumptions forecast administrative costs and assume a successful outcome in the Senegal tax arbitration. A downside scenario includes an increase to administrative costs and a tax settlement payable in Senegal. The Senegal arbitration process is highly unlikely to conclude within the Going Concern period. Scenarios run currently exclude future returns to shareholders. In the Egypt business, downside assumptions include a return to lower oil prices, with an oil price averaging \$58/bbl until April 2027, and \$60/bbl thereafter through to the end of 2027, a 10% reduction in forecast production from 2026 onward and reductions to collections against outstanding Egypt trade receivables. An oil-price crash scenario assumes a fall in the oil price to \$35/bbl at the end of Q1 2026 with a recovery to \$65/bbl by the end of 2027. In all cases, capital expenditure remains as forecast, though the ability to reduce future spend to match lower revenue receipts is one of several mitigants open to the Company. Sensitivities assuming early repayment of the Junior loan facility have also been run, should post year end events of default be enforced.

Under all scenarios Capricorn continues to operate as a going concern with sufficient cash balances, allowing the Group to meet its current and contracted commitments both within and outside Egypt as and when they fall due for a period of at least 12 months from the date of signing these Financial Statements.

The Board and Audit Committee assessments of risk and mitigants to the Group's operational existence beyond this 12-month period is included in the Viability Statement on page 17.

1.3 Post balance sheet events – Middle East instability

As of March 2026, the oil market is experiencing significant volatility, with prices ranging from \$80/bbl to near \$120/bbl following military conflicts in the Middle East, particularly around the Strait of Hormuz. The escalation of conflict involving Iran risks prolonged supply disruption with a significant quantity of global crude oil supply passing through the affected areas. Egypt has not been involved in the ongoing regional turmoil.

A prolonged crisis could lead to fiscal challenges in Egypt, which may in turn impact the Company. Capricorn continues to monitor future capital spend against collections.

SECTION 2 – OIL AND GAS ASSETS, OPERATIONS AND OTHER NON-CURRENT ASSETS

This section contains details of Capricorn's oil and gas assets, including the gross profit generated from operations in Egypt, development/producing assets and associated impairment tests performed which resulted in the impairment of the AESW asset at the year end.

Key estimates and assumptions in this section:

Estimation of reserves based on merged concessions

Capricorn's impairment test is performed across the BED and Obaiyed areas as a single cash-generating unit (CGU), reflecting the merged concession agreement which is expected to be formally ratified in H1 2026. Reserves estimates at the year end are calculated using commercial terms and contractual field lives based on this revised concession. Despite not being formally ratified at the year end, the Directors believe that with the agreement approved by all parties, including EGPC, and with an operational start date of 1 July 2025, the use for the revised reserves estimates in 2025 best reflects the results for the year.

Estimation of fair value of assets for use in impairment tests

The fair value less cost of disposal of property, plant & equipment – development/producing assets in Egypt used in the Group's impairment test of goodwill has been measured using the net present value of discounted future cash flows over the commercial field life of the concessions, based on the revised field life and commercial terms included in the merged concession agreement, consistent with how a market participant would value the assets. These valuations represent a level 3 estimate of fair value.

The key assumptions used in the Group's discounted cash flow models used to estimate the fair value of the asset reflect past experience and take account of external factors. These assumptions include:

- drilling plans aligned with forecast cash collections from EGPC;
- short/medium-term oil price based on the forward curve for two years from the balance sheet date;
- long-term oil price of \$65/bbl (2024: \$65/bbl) escalated at 2% per annum;
- Egypt price differentials to base oil prices;
- proved and probable reserves estimates and production profiles, based on external estimates under revised concession terms and internal price assumptions;
- collection of revenues on monthly invoices;
- cost profiles for future costs escalated at 2.0% per annum (2024: 4.0% per annum);
- carbon prices based on World Energy Outlook 2023 ("WEO-2023") Net Zero Emissions by 2050 Scenario; and
- post-tax discount rates of 15% (2024: 15%).

Climate change assumptions

Capricorn's cost of carbon assumptions are included in the fair value models used to attribute value to the assets. Those models will also determine the useful life-of-field assumptions for each producing asset and increasing costs of carbon could result in reduced commercial reserves volumes. Sensitivities performed on alternate carbon cost assumptions did not have a significant impact on the fair values of the assets in Egypt.

Decommissioning and well abandonment costs

In Egypt, under model concession agreements and the Fuel Material Law, liabilities in respect of development/producing assets passes to the Egyptian Government through the transfer of ownership from the contractor to the government under the cost recovery process. While the current risk to the Company of becoming liable for decommissioning liabilities in Egypt is low, future changes to legislation could result in decommissioning liabilities in Egypt. Any increase in Egyptian decommissioning liabilities could adversely affect the Company's financial condition.

In relation to petroleum wells, under good oilfield practices, the contractor is responsible for decommissioning non-producing wells under a decommissioning plan approved by EGPC during the life of the concession agreement. If EGPC agrees that a producing well is not economic, then the contractor may be responsible for decommissioning the well under an EGPC approved decommissioning plan. EGPC, at its own discretion, may not require a well to be decommissioned if it wants to preserve the ability to use the well for other purposes. As EGPC has discretion on decommissioning wells, there is a risk that the Company could incur well decommissioning costs. In accordance with the respective concession agreements, expenses approved by EGPC are recoverable through the cost recovery mechanism.

As at 31 December 2024 and 2025, no decommissioning assets or liabilities have been recorded on the Balance Sheet.

There are currently no assets that have been identified as at risk of becoming stranded.

2.1 Gross profit: revenue and cost of sales

Accounting policies

Revenue

Revenue from oil sales represents the Group's share of sales from its producing interests in Egypt, at the point in time when ownership of the oil has passed to the buyer. On domestic sales, the point of sale is determined to be the point when oil is delivered to communal storage tanks in onshore facilities. Sales relating to the export of oil are recognised once the cargo is fully loaded onto a crude tanker and the necessary export documentation received. Revenue is measured using the monthly average Brent oil price, plus or minus the applicable price differential premium or discount to reach the Official Selling Price and is recorded at fair value, including estimates to reduce revenue to the Group's expected entitlement share of sales volumes.

Revenue from the sale of gas in Egypt is recorded based on the volume of gas accepted each day by customers at the delivery point.

Revenue from royalties is calculated on production from fields in Mongolia.

Other income – tax entitlement volumes

Under the concession agreements in Egypt, income tax due on taxable profit is paid on Capricorn's behalf by EGPC from their share of production. To reflect this arrangement through the concession agreements, Capricorn notionally receive a greater share of hydrocarbon production, grossing up the Group's entitlement interest share of production, by the amount required to cover the tax payable. The oil is produced and sold on Capricorn's behalf and proceeds remitted to the tax authorities. This income does not meet the IFRS definition of revenue and is therefore shown as other income with an equal and opposite tax charge recorded through current taxation.

Cost of sales and inventory

Cost of sales include Capricorn's share of costs incurred by the joint operation in extracting oil and gas. Also included are marketing and transportation costs and loss-of-production insurance costs payable over the year.

Oil inventory is measured at market value in accordance with established industry practice.

	Year ended 31 December 2025 \$m	Year ended 31 December 2024 \$m
Oil sales	96.8	111.6
Gas sales	37.5	35.2
Revenue from oil and gas sales	134.3	146.8
Royalty income	0.6	1.0
Total revenue	134.9	147.8
Other income – tax entitlement volumes	0.9	30.1
Other income	0.9	30.1
Production costs and inventory movements	(39.4)	(41.6)
Cost of sales	(39.4)	(41.6)
Depletion (note 2.3)	(50.8)	(85.1)
Gross profit	45.6	51.2

Revenue

Capricorn recognised oil and gas revenue on producing concessions in Egypt, based on an entitlement interest. Payment terms are within 30 days from the date of the invoice for oil sales and 45 days from the date of the invoice for gas sales. All sales in the year were domestic sales. Revenue includes \$15.2m of additional income relating to the merged concession agreement, for production from 1 July 2025 to 31 December 2025. This amount remains unbilled, with invoices to be issued following ratification.

Oil and gas revenue in Egypt for the year ended 31 December 2025 was \$134.3m (2024: \$146.8m), from net entitlement production of 3.6 mmbœ (2024: 3.6 mmbœ) of which ~40% (2024: ~39%) was liquids. Oil sales averaged \$68.4/boe (2024: \$79.3/boe) and with gas sales at \$3.1/mscf (2024: \$2.9/mscf). Other income represents tax paid on Capricorn's behalf by EGPC – see section 5.

Production costs over the year were \$39.4m (2024: \$41.6m), or \$5.4/boe (2024: \$4.8/boe) (on a working interest (WI) basis), including inventory movements.

SECTION 2 – OIL AND GAS ASSETS, OPERATIONS AND OTHER NON-CURRENT ASSETS CONTINUED

2.2 Intangible exploration/appraisal assets

Capricorn follows a full successful efforts accounting policy for oil and gas assets.

Costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the Income Statement as pre-award costs.

Expenditure incurred on the acquisition of a licence interest is initially capitalised on a licence-by-licence basis. Costs are held, undepleted, within intangible exploration/appraisal assets until such time as the exploration phase on the licence area is complete or commercial reserves have been discovered and a field development plan approved.

Non-well specific exploration expenditure incurred in the process of determining oil and gas exploration targets is charged directly to the Income Statement in the year it is incurred.

Exploration/appraisal drilling costs directly relating to an exploration well are capitalised until the success or otherwise of the well has been established. The success or failure of each exploration/appraisal effort is judged on a well-by-well basis. Drilling costs are written off on completion of a well unless the results indicate that hydrocarbon reserves exist and there is a reasonable prospect that these reserves are commercial and work to confirm the commercial viability of such hydrocarbons is intended to be carried out in the foreseeable future. Where results of exploration drilling indicate the presence of hydrocarbons which are ultimately not considered commercially viable, all related costs are written off to the Income Statement.

Following appraisal of successful exploration wells, if commercial reserves are established and technical feasibility for extraction demonstrated and approved in a field development plan, then the related capitalised intangible exploration/appraisal costs are transferred into a single field cost centre within property, plant & equipment – development/producing assets, after testing for impairment.

Proceeds from the disposal or farm-down of part or all of an exploration/appraisal asset are credited initially to that interest with any excess being credited to the Income Statement.

	Egypt \$m	Other countries \$m	Total \$m
Cost			
At 1 January 2024	2.5	–	2.5
Additions	–	6.4	6.4
Unsuccessful exploration costs	(2.5)	(6.4)	(8.9)
At 31 December 2024	–	–	–
Additions	13.3	2.7	16.0
Unsuccessful exploration costs	(10.3)	(2.7)	(13.0)
At 31 December 2025	3.0	–	3.0
Net book value			
At 31 December 2023	2.5	–	2.5
At 31 December 2024	–	–	–
At 31 December 2025	3.0	–	3.0

Additions to intangible exploration/appraisal assets were funded through cash and working capital, including increased provisions for well abandonment costs.

Egypt

Three exploration wells were completed in Egypt during 2025 on the NUMB, WEF and SEH concessions, with the NUMB-6 and SEH-6X wells producing encouraging results. In NUMB, the joint venture is progressing a development lease application following the drilling of NUMB-6. In SEH, the SEH-6X well, encountered sub-commercial volumes and costs were written off, however the well did establish the extension of an active petroleum system and was considered sufficiently positive to justify progressing to phase 2 on the licence. Unsuccessful exploration costs of \$10.3m (2024: \$2.5m) include the SEH and WEF concessions and directly relate to the two wells drilled.

Other countries

Additions of \$2.7m (2024: \$6.4m) relate to an increase of \$2.7m (2024: \$1.7m) on estimated historic UK well abandonment costs, and \$nil (2024: \$4.7m) of past costs no longer expected to be recovered following the exit of from all remaining licences in Mexico. All additions were immediately written off as unsuccessful exploration costs.

2.3 Property, plant & equipment – development/producing assets

Accounting policy

Costs

All costs incurred after the technical feasibility and commercial viability of producing hydrocarbons have been demonstrated and a development plan approved are capitalised within development/producing assets on a field-by-field basis. Subsequent expenditures are capitalised only where it either enhances the economic benefits of the development/producing asset or replaces part of the existing development/producing asset. Any remaining costs associated with the part replaced are expensed.

Costs of borrowings relating to the ongoing construction of development/producing assets and facilities are capitalised during the development phase of the project. Capitalisation ceases once the asset is ready to commence production.

Net proceeds from any disposal, part disposal or farm-down of development/producing assets are credited against the appropriate portion of previously capitalised cost. A gain or loss on disposal of a development/producing asset is recognised in the Income Statement to the extent that the net proceeds, measured at fair value, exceed or are less than the appropriate portion of the net capitalised costs.

Depletion

Depletion is charged on a unit-of-production basis, based on proved and probable reserves on a field-by-field basis. Fields within a single development or concession area may be combined for depletion purposes. Where production commences prior to completion of the development, costs to be depleted include the costs-to-complete of the facility required to extract the volume of reserves recorded.

Impairment

Development/producing assets are reviewed for indicators of impairment at the balance sheet date. Indicators of impairment for the Group's development assets include:

- downward revisions of reserves estimates;
- increases in cost estimates for development projects; or
- a decrease in the oil price or other negative changes in market conditions.

Impairment tests are carried out on each development/producing asset at the balance sheet date where an indicator of impairment is identified. The test compares the carrying value of an asset to its recoverable amount based on the higher of its fair value less costs of disposal or value in use. Where the fair value less costs of disposal supports the carrying value of the asset, no value-in-use calculation is performed.

If it is not possible to calculate the fair value less costs of disposal of an individual asset, the fair value less costs of disposal is calculated for the CGU containing the asset and tested against the carrying value of the assets and liabilities in the CGU for impairment. Where an asset can be tested independently for impairment, this test is performed prior to the inclusion of the asset into a CGU for further impairment tests.

If the carrying amount of the asset or CGU exceeds its recoverable amount, an impairment charge is made.

Where there has been a charge for impairment in an earlier year, that charge will be reversed in a later year where there has been a change in circumstances to the extent that the recoverable amount is higher than the net book value at the time. In reversing impairment losses, the carrying amount of the asset will be increased to the lower of its original carrying value or the carrying value that would have been determined (net of depletion) had no impairment loss been recognised in prior years.

SECTION 2 – OIL AND GAS ASSETS, OPERATIONS AND OTHER NON-CURRENT ASSETS CONTINUED

2.3 Property, plant & equipment – development/producing assets continued

	Egypt \$m
Cost	
At 1 January 2024	572.2
Additions	62.6
At 31 December 2024	634.8
Additions	63.0
At 31 December 2025	697.8
Accumulated depletion and impairment	
At 1 January 2024	354.6
Depletion charge	85.1
Reversal of impairment	(15.7)
At 31 December 2024	424.0
Depletion charge	50.8
Impairment	10.6
At 31 December 2025	485.4
Net book value	
At 31 December 2023	217.6
At 31 December 2024	210.8
At 31 December 2025	212.4

Egypt

Additions have been funded through cash and working capital wholly within the Egypt business. Capricorn continues to align capital investment in the Egypt assets with cash collections against the outstanding trade receivables balance. Additions in the year predominantly relate to the costs of producing wells drilled. During 2025, 20 wells were spudded, 18 on the BED concessions and two on the AESW concession. All wells were complete by the end of January 2026.

Depletion of \$50.8m (2024: \$85.1m) was charged to the Income Statement based on entitlement interest production during the year. The costs for depletion include future capital costs-to-complete consistent with the life-of-field reserves estimates used in the calculation.

Impairment review

Impairment reviews conducted at the year end identified indicators of impairment on the AESW concession. This loss of future forecast production reduces the recoverable value of the asset and leads to the impairment charge of \$10.6m. Immediate drilling activity is focused on the newly merged concessions, with the recoverable value of AESW reducing as a result of deferred development activity and the shorter remaining concession term. Negotiations to improve the concession terms on AESW were initiated in 2025. Post impairment, the AESW net book value is now \$1.8m. Given the low values, there are no changes to assumptions which would result in a material adjustment to the amounts recorded in the financial statements, therefore no sensitivity analysis has been provided.

No indicators were identified on remaining concessions and these assets were not therefore tested for impairment. They are however included within the Egypt operating segment along with goodwill which is tested annually for impairment and reflects that Capricorn's market capitalisation remains below the net book value of the Group's Balance Sheet.

At 31 December 2024, the Group's development/producing assets in Egypt were reviewed for indicators of impairment or reversal of previous impairments. Following significant progress on the revised concession agreement with EGPC at the year end, the anticipated increased field lives and improved commercial terms were an indicator that previous impairments may be reversed. Impairment tests were conducted across the BED and Obaiyed concessions as a single CGU and resulted in the full reversal of prior year impairment after adjusting for additional notional depletion. Given the significant headroom generated by the increase in fair value under the improved terms, there are no reasonable changes to assumptions that would reduce the reversal of impairment recorded, therefore no sensitivity analysis has been provided. AESW and NEAG concessions were reviewed for indicators of impairment but as no indicator was identified, no impairment tests were performed.

2.4 Goodwill

	Egypt \$m
Cost	
At 1 January 2024, 31 December 2024 and 31 December 2025	10.8

Goodwill arose on the acquisition of the Western Desert assets in Egypt in 2021. Goodwill has been tested for impairment at 31 December 2025 and no impairment was identified. As there are no reasonable changes to assumptions that would result in an impairment of goodwill, no sensitivity analysis has been provided.

2.5 Other property, plant & equipment and intangible assets

Accounting policies

Carbon credits

There is no specific guidance under IFRS as to how carbon credit purchases should be accounted. The IASB had previously issued an IFRIC on the subject (IFRIC 3 *Emission Rights*, issued in 2004) but this withdrawn shortly after issue. However, in the deliberations leading up to the IFRIC, the Interpretations Committee concluded that an allowance that is purchased is an asset that should be recognised.

Having recorded the asset at cost, Capricorn has elected to carry the asset on Balance Sheet and amortise on a Carbon Emissions ("UOP") basis in the periods in which the credits are utilised.

Right-of-use assets – leasehold property

At the start of the lease, the Capricorn recognises a Right-of-Use ("ROU") asset in the Balance Sheet. The ROU asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

	Carbon credits \$m	Intangible assets \$m	Property, plant & equipment \$m	Right-of-use assets – leasehold property \$m	Total \$m
At 1 January 2024	6.8	12.2	0.3	7.6	26.9
Additions	–	0.9	–	–	0.9
Disposals	–	(8.8)	–	–	(8.8)
Right-of-use asset adjustment	–	–	–	(0.6)	(0.6)
Foreign exchange	–	(0.3)	–	–	(0.3)
At 31 December 2024	6.8	4.0	0.3	7.0	18.1
Disposals	–	(2.7)	–	–	(2.7)
Foreign exchange	–	0.7	–	0.4	1.1
At 31 December 2025	6.8	2.0	0.3	7.4	16.5
Accumulated depreciation and amortisation					
At 1 January 2024	–	11.6	–	0.8	12.4
Charge for the year	–	0.6	0.1	1.0	1.7
Disposals	–	(8.8)	–	–	(8.8)
Foreign exchange	–	(0.3)	–	0.1	(0.2)
At 31 December 2024	–	3.1	0.1	1.9	5.1
Charge for the year	–	0.3	0.2	0.9	1.4
Foreign exchange	–	0.7	(0.1)	0.1	0.7
Disposals	–	(2.7)	–	–	(2.7)
At 31 December 2025	–	1.4	0.2	2.9	4.5
Net book value					
At 31 December 2023	6.8	0.6	0.3	6.8	14.5
At 31 December 2024	6.8	0.9	0.2	5.1	13.0
At 31 December 2025	6.8	0.6	0.1	4.5	12.0

Disposals of intangible assets in 2024 relate to fully amortised, historic software costs written off including the Group's legacy ERP system which was replaced in that year.

In 2022, the Group invested \$6.8m in verified carbon credits, which will be used to offset the Group's future emissions from its operations in Egypt, to help achieve its net zero targets. For more details see the TCFD Report, on pages 24 to 31. None of the carbon credits purchased have subsequently been retired. Amortisation of the carbon credits will commence on first retirement. The carrying value of carbon credits are included within the Egypt cash generating unit for impairment testing.

SECTION 2 – OIL AND GAS ASSETS, OPERATIONS AND OTHER NON-CURRENT ASSETS CONTINUED

2.6 Provisions – well abandonment

	Total \$m
At 1 January 2024	5.5
Change in estimate	1.7
Unwinding of discount	0.3
Foreign exchange	(0.2)
At 31 December 2024	7.3
Change in estimate	2.7
Unwind of discount	0.3
Well abandonment expenses paid	(0.1)
Foreign exchange	0.7
At 31 December 2025	10.9
Amounts due less than one year	10.9
At 31 December 2025	10.9

Well abandonment provisions at 31 December 2025 represent the present value of costs related to the abandonment of two wells on the Tybalt P1632 licence in the UK.

The provision is based on operator cost estimates, subject to internal review and amendment where considered necessary, and is calculated using assumptions based on existing technology and the current economic environment. Based on updated timings from the operator, all amounts are now due within 12 months. In 2024, for amounts due greater than one year, cost escalation was 3.0% with a discount rate of 4.1% per annum. The reasonableness of these assumptions is reviewed at each reporting date to take into account any material changes required.

In December 2025, the well abandonment work plan was updated resulting in increases to the provision of \$2.7m (2024: \$1.7m). The work has been brought forward to 2026 from 2027, resulting in the full provision being classified as a current liability.

2.7 Capital commitments

	At 31 December 2025 \$m	At 31 December 2024 \$m
Oil and gas expenditure:		
Intangible exploration/appraisal assets	–	7.6
Contracted for	–	7.6

Capital commitments represent Capricorn's share of obligations in relation to its interests in joint operations. These commitments include Capricorn's share of the capital commitments of the joint operations themselves.

There were no capital commitments for intangible exploration/appraisal assets relating to remaining licence commitments in Egypt (2024: \$7.6m). Commitments totalling \$9.9m were approved in January 2026, through joint venture budgets.

At 31 December 2025, there were no capital commitments recorded for property, plant & equipment – development/producing assets (2024: \$nil). However, commitments totalling \$82.8m were approved in January 2026 through joint venture budgets.

There were no short-term lease commitments at the 2025 balance sheet date (2024: \$nil).

SECTION 3 – WORKING CAPITAL, FINANCIAL INSTRUMENTS AND LONG-TERM LIABILITIES

This section includes detail on the Group's loan facilities, where the Senior Facility is now fully repaid, movements in lease liabilities and financial assets and liabilities at the year end. The Group's financial risk management objectives and policies are also contained in this section.

Significant accounting judgements and key estimates and assumptions in this section:

Expected credit loss adjustment on Egypt trade receivables

Capricorn reviews expected credit loss adjustments that reduce the value of receivables in Egypt at each reporting date. While Capricorn ultimately expects to recover the full value of receivables, the credit risk assessment is based on latest market observed risk ratings and the current ageing of receivables.

There is no reasonable change in assumptions that would lead to material impact on the Financial Statements and therefore no sensitivity analysis is provided.

3.1 Cash and cash equivalents

Accounting policy

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits with an original maturity of three months or less. For the purposes of the statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

	At 31 December 2025 \$m	At 31 December 2024 \$m
Cash at bank	19.7	16.2
Money market funds	113.0	107.2
Cash and cash equivalents	132.7	123.4

At 31 December 2025, \$55.3m (2024: \$48.7m) of cash and cash equivalents are restricted and not available for immediate ordinary business use. This includes \$53.6m (2024: \$45.5m) of cash and cash equivalents in Egypt. Restricted cash in Egypt may be used to fund ongoing working capital requirements of the producing assets and to fund principal and interest payments on the Group's debt facilities.

Cash and cash equivalents earn interest at floating rates. Short-term investments are made for varying periods, which can be as short as instant access but generally not more than three months, depending on the cash requirements of the Group. At 31 December 2025 and 31 December 2024, Capricorn had invested surplus funds into money market funds and short-term bank deposits. These meet the criteria of cash and cash equivalents.

Capricorn limits the placing of funds and other investments to banks or financial institutions that have ratings of BBB- or above from at least two of Moody's, Standard & Poor's or Fitch, unless a sovereign guarantee is available from a BBB- rated government. The limits set by the counterparties vary between \$20.0m and \$200.0m depending on the ratings of the counterparty. No investments are placed with any counterparty with a five-year credit default swap exceeding 250 bps. Investments in money market liquidity funds are only made with BBB-rated liquidity funds and the maximum holding in any single fund is 20% of total investments.

SECTION 3 – WORKING CAPITAL, FINANCIAL INSTRUMENTS AND LONG-TERM LIABILITIES CONTINUED

3.2 Loans and borrowings

	Year ended 31 December 2025 \$m	Year ended 31 December 2024 \$m
Reconciliation of opening and closing liabilities to cash flow movements:		
Opening liabilities	99.3	111.8
Loan repayments in the year disclosed in the statement of Cash Flows		
Senior Debt Facility	(60.1)	(13.5)
Junior Debt Facility	(10.0)	–
	(70.1)	(13.5)
Non-cash movements		
Junior Debt Facility payment allocated to prepayments	10.0	–
Accrued debt facility interest	(0.1)	0.1
Amortisation of debt arrangement fees	1.3	0.9
Closing liabilities	40.4	99.3
Amounts due less than one year	10.4	26.4
Amounts due greater than one year	30.0	72.9
Closing liabilities	40.4	99.3

Capricorn Egypt debt facilities

In September 2021, Capricorn Egypt entered into a \$325.0m Senior Debt Facility and an \$80.0m Junior Debt Facility jointly with the Operator in Egypt, to finance the acquisition of the Egyptian Western Desert portfolio. The facility commitments are split 50:50 with the Operator. The remaining Senior Debt Facility was repaid in full in 2025 by Capricorn and the Operator, and the Senior Debt Facility was cancelled. The Junior Debt Facility remains active. The maximum drawdown available to Capricorn at 31 December 2025 was \$40.0m (2024: \$40.0m) for the Junior Debt Facility. All drawings in the year were denominated in US dollars. The first amortisation payment on the Junior Debt Facility was due on 5th January 2026, however Capricorn made this repayment in late December 2025. As the liability was not formally extinguished until the due date, the \$10.0m payment is classified as an other asset at the year end, see note 3.5.

Interest on the Junior debt drawn is charged at the appropriate SOFR for the currency drawn plus an applicable margin, with additional charges relating to notional marketing fees. The remaining Junior Facility is scheduled to be repaid in 2027 and 2028. Capricorn has provided no guarantee outside the subsidiary holding the Egypt assets. The Junior facility is cross-guaranteed by the Group companies party to the facility, including the Operator. Capricorn has provided no guarantee outside the subsidiary holding the Egypt business. Post year end, events of default exist on the Junior Facility; however, lenders have taken no action to force repayment of the outstanding balance.

3.3 Lease liabilities

Accounting policy

Lease liabilities are measured and recorded on commencement of the asset being brought into use. Measurement is based on the lower of fair value of the asset or the net present value of fixed lease commitments under the contract. Lease payments made in excess of the fixed installments are charged direct to the Income Statement as variable lease costs.

Lease payments are allocated between capital and interest based on the rate implicit in the lease agreement. Where this is not practical to determine, the Group's incremental borrowing rate is used.

Where there are changes subsequent to initial recognition, adjustments are made to both the lease liability and the capitalised asset. The interest rate used where the rate implicit in the lease is not determinable is updated at the date of the remeasurement.

No lease liability is recognised for leases where the period over which the right-of-use of an asset is obtained is forecast to be less than 12 months. Leases for low-value items are not recorded as a liability but are charged as appropriate when the benefit is obtained.

	At 31 December 2025 \$m	At 31 December 2024 \$m
Reconciliation of opening and closing liabilities to cash flow movements:		
Opening Liabilities	6.1	7.4
Lease payments in the year disclosed in the statement of Cash Flows as financing cash flows		
Total lease payments	(1.3)	(0.9)
Non-cash movements:		
Lease adjustment	–	(0.7)
Lease interest charges	0.4	0.4
Foreign exchange	0.4	(0.1)
Closing lease liabilities	5.6	6.1
Amounts due less than one year	1.0	1.0
Amounts due greater than one year	4.6	5.1
Total lease liabilities	5.6	6.1

As at 31 December 2025, the balance of \$5.6m (2024: \$6.1m) wholly relates to office lease costs in the UK and Egypt.

As at 31 December 2025, the Group did not incur any further fixed or variable lease costs. There are no material costs relating to short-term leases or the lease of low-value assets. Amortisation charges relating to right-of-use assets and the carrying value at the year end are disclosed in note 2.5. The maturity analysis of lease liabilities is included in note 3.8.

3.4 Inventory

Accounting policy

Spare parts inventories in Egypt are maintained by Bapetco on behalf of the Operator. Inventory is held at the lower of cost and net realisable value, where net realisable value is measured at cost less provisions for obsolescence, based on the age of the items held.

	At 31 December 2025 \$m	At 31 December 2024 \$m
Spare parts – Egypt concessions	7.4	8.0

SECTION 3 – WORKING CAPITAL, FINANCIAL INSTRUMENTS AND LONG-TERM LIABILITIES CONTINUED

3.5 Trade and other receivables

Accounting policy

Trade receivables represent amounts due from the sale of oil and gas from the Group's assets in Egypt and royalty payments receivable from producing fields in Mongolia. Other receivables primarily represent recharges to joint operations. Joint operation receivables relate to Capricorn's interest in its oil and gas joint arrangements, including Capricorn's participating interest share of the receivables of the joint arrangements themselves.

Trade receivables, other receivables and joint operation receivables, which are financial assets, are measured initially at fair value and subsequently recorded at amortised cost.

A loss allowance is recognised, where material, for expected credit losses on all financial assets held at the balance sheet date. Expected credit losses are the difference between the contractual cash flows due to Capricorn and the discounted actual cash flows that are expected to be received. Where there has been no significant increase in credit risk since initial recognition, the loss allowance is equal to 12-month expected credit losses. Where the increase in credit risk is considered significant, lifetime credit losses are provided. For trade receivables, a lifetime credit loss is recognised on initial recognition where material.

Prepayments, which are not financial assets, are measured at historic cost.

	At 31 December 2025 \$m	At 31 December 2024 \$m
Trade receivables	84.4	175.4
Other receivables	21.2	54.1
Prepayments and other assets	10.5	0.8
Joint operation receivables	0.4	1.1
	116.5	231.4

Trade receivables relate to the Group's producing assets in Egypt. Capricorn remain in discussions with EGPC to manage the receivables position and retain the capability to restrict further investment in Egypt to match revenue collections. The significant improvement in collections across 2025 has resulted in a material reduction in the trade receivables balance at the year end. At 31 December 2025, the expected credit loss adjustment offsetting receivables is \$1.3m (2024: \$8.7m), a net credit of \$7.4m (2024: net charge \$3.9m) is to the Income Statement in the year.

Trade receivables are initially recorded at fair value and subsequently measured at amortised cost, net of an allowance for expected credit losses. Revenue is recognised at the point in time where title passes to the customer and payment becomes unconditional. The fair value measurement of revenue for oil and gas sales in Egypt includes adjustments to invoiced quantities for expected entitlement share adjustments.

The other receivables balance of \$21.2m (2024: \$54.1m) includes accrued oil and gas revenue receivable of \$15.2m (2024: \$nil) which will be invoiced on formal ratification of the revised concession agreement, interventure receivables of \$0.6m (2024: \$0.6m), VAT recoverable in the UK of \$0.2m (2024: \$0.1m), money market interest receivable of \$0.4m (2024: \$0.9m) and the earnout settlement receivable of \$4.0m (2024: \$1.5m) (see note 6.1). The 2024 balance also included \$50.0m of further consideration due on the past sale of assets in Senegal (see note 6.1 for details).

Prepayments and other assets at 31 December 2025 include a \$10.0m early repayment on the Junior Debt Facility. See note 3.2.

	Year ended 31 December 2025 \$m	Year ended 31 December 2024 \$m
Reconciliation of opening and closing receivables to operating cash flow movements:		
Opening trade and other receivables	231.4	186.0
Closing trade and other receivables	(116.5)	(231.4)
Decrease/(Increase) in trade and other receivables	114.9	(45.4)
Foreign exchange	3.9	(1.4)
Senegal consideration (received)/receivable	(50.0)	50.0
Decrease in joint operation receivables relating to investing activities	(6.9)	(7.7)
Decrease in other receivables relating to investing activities	(0.6)	(4.4)
Increase in prepayments and other receivables relating to financing activities	10.2	0.3
Trade and other receivables movement on earnout settlement	2.5	(0.5)
Trade and other receivables cash flow movement	74.0	(9.1)

The movements in joint operation receivables relating to investing activities relate to the Group's share of the receivables of joint operations in respect of exploration, appraisal and development activities.

3.6 Financial liabilities at fair value through profit or loss

	At 31 December 2025 \$m	At 31 December 2024 \$m
Current liabilities		
Financial liabilities at fair value through profit or loss – deferred consideration on business combination	–	25.0

Financial liabilities at fair value through profit or loss – deferred consideration on business combination

Deferred consideration was due to Shell following the Egypt business combination in 2021, with amounts due linked to the average annual dated Brent oil price for each year up to and including the 2024 year end. A maximum \$50.0m was due for each year, split 50:50 between Capricorn and the Operator where the average oil price exceeded \$75/bbl. Capricorn's full \$25.0m share was payable in respect of 2023 and 2024 and settled in May 2024 and January 2025 respectively. No further amounts are due to Shell.

In 2024, the Group recorded a \$5.2m loss on fair value movements increasing the financial liability to the full \$25.0m due.

3.7 Trade and other payables

Accounting policy

Trade and other payables are non-interest bearing and are measured at fair value initially then amortised cost subsequently.

Joint operation payables are payables that relate to Capricorn's interest in its oil and gas joint arrangements, including Capricorn's participating interest share of the trade and other payables of the joint arrangements themselves. Where Capricorn is operator of the joint operation, joint operation payables also include amounts that Capricorn will settle to third parties on behalf of joint operation partners. The amount to be recovered from partners for their share of such liabilities are included within joint operation receivables.

	At 31 December 2025 \$m	At 31 December 2024 \$m
Trade payables	0.1	0.1
Other taxation and social security	0.7	0.6
Accruals and other payables	5.9	6.3
Joint operation payables	76.1	103.6
	82.8	110.6

Joint operation payables include \$6.7m (2024: \$13.7m) and \$69.4m (2024: \$89.9m) relating to exploration/appraisal asset and development/producing asset costs respectively. \$72.2m (2024: \$99.6m) relates to the Group's operations in Egypt.

	Year ended 31 December 2025 \$m	Year ended 31 December 2024 \$m
Reconciliation of opening and closing payables to operating cash flow movements:		
Opening trade and other payables	(110.6)	(82.0)
Closing trade and other payables	82.8	110.6
(Decrease)/Increase in trade and other payables	(27.8)	28.6
Foreign exchange	(0.2)	(0.5)
Decrease/(Increase) in joint operation payables relating to investing activities	27.3	(18.2)
Decrease/(Increase) in accruals and other payables relating to investing activities	0.8	(0.7)
Increase in accruals and other payables relating to financing activities	(0.2)	(0.1)
Trade and other payables cash flow movement	(0.1)	9.1

Movements above for investing activities relate to exploration, appraisal and development activities through the Group's joint operations. Movements relating to production activities are included in amounts through operating cash flows.

SECTION 3 – WORKING CAPITAL, FINANCIAL INSTRUMENTS AND LONG-TERM LIABILITIES CONTINUED

3.8 Financial instruments

Below is the comparison by category of carrying amounts and fair values of all the Group's financial instruments that are carried in the Financial Statements.

Financial assets

	At 31 December 2025 \$m	At 31 December 2024 \$m
Carrying amount at fair value		
<i>Financial assets at amortised cost</i>		
Cash and cash equivalents	132.7	123.4
Trade receivables	84.4	175.4
Other receivables	21.2	54.1
Joint operation receivables (excluding VAT)	0.4	1.1
	238.7	354.0

Due to the short-term nature of remaining financial assets held at amortised cost, their carrying amount is considered to be the same as their fair value.

There are no material impairments of financial assets held on the Balance Sheet at either 31 December 2025 or 2024 other than the impairment of other long-term receivables and other receivables relating to amounts due on the settlement agreement with Waldorf Production Limited (see note 6.1).

Financial liabilities

	At 31 December 2025 \$m	At 31 December 2024 \$m
Carrying amount at fair value		
<i>Financial liabilities at amortised cost</i>		
Trade payables	0.1	0.1
Accruals and other payables	5.9	6.3
Joint operation payables	76.1	103.6
Lease liabilities	5.6	6.1
Loans and borrowings	40.4	99.3
<i>Financial liabilities at fair value</i>		
Deferred consideration on business combinations	–	25.0
	128.1	240.4

The fair value of financial liabilities has been calculated by discounting the expected future cash flows at prevailing interest rates.

Maturity analysis of financial liabilities

The expected financial maturity of the Group's financial liabilities at 31 December 2025 is as follows:

	<1 year \$m	1-2 years \$m	2-5 years \$m	>5 years \$m
<i>Financial liabilities at amortised cost</i>				
Trade payables	0.1	–	–	–
Accruals and other payables	5.9	–	–	–
Joint operation payables	76.1	–	–	–
Lease liabilities	1.0	1.0	2.7	0.9
Loans and borrowings	14.5	12.9	21.2	–
	97.6	13.9	23.9	0.9

3.8 Financial instruments continued

Financial liabilities continued

The expected financial maturity of the Group's financial liabilities at 31 December 2024 was as follows:

	<1 year \$m	1-2 years \$m	2-5 years \$m	>5 years \$m
<i>Financial liabilities at amortised cost</i>				
Trade payables	0.1	–	–	–
Accruals and other payables	6.3	–	–	–
Joint operation payables	103.6	–	–	–
Lease liabilities	1.0	1.0	2.7	1.4
Loans and borrowings	33.9	47.0	40.1	–
<i>Financial liabilities at fair value</i>				
Deferred consideration on business combinations	25.0	–	–	–
	169.9	48.0	42.8	1.4

Fair value

	At 31 December 2025 \$m	At 31 December 2024 \$m
Liabilities measured at fair value – Level 2		
<i>Financial liabilities at fair value</i>		
Deferred consideration on business combinations	–	25.0
	–	25.0

3.9 Financial risk management: objectives and policies

The main risks arising from the Group's financial instruments are commodity price risk, liquidity risk, credit risk and foreign currency risk. The Board of Capricorn, through the Treasury Subcommittee, reviews and agrees policies for managing each of these risks and these are summarised below.

The Group's treasury function and executive team as appropriate are responsible for managing these risks, in accordance with the policies set by the Board. Management of these risks is carried out by monitoring of cash flows, investment and funding requirements using a variety of techniques. These potential exposures are managed while ensuring that the Company and the Group have adequate liquidity at all times in order to meet their immediate cash requirements. There are no significant concentrations of risks unless otherwise stated. The Group does not enter into or trade financial instruments, including derivatives, for speculative purposes.

The primary financial assets and liabilities comprise cash, short- and medium-term deposits, money market liquidity funds, intra-group loans and other receivables and financial liabilities held at amortised cost. The Group's strategy is to finance its operations through a mixture of retained profits and bank borrowings. Other alternatives such as equity issues and other forms of non-investment-grade debt finance will be reviewed by the Board, when appropriate.

Commodity price risk

Commodity price risk arises principally from the Group's Egyptian production, which could adversely affect revenue and debt availability due to changes in commodity prices.

The Group measures commodity price risk through an analysis of the potential impact of changing commodity prices. Based on this analysis and considering materiality and the potential business impact, the Group may choose to hedge. However, the Group did not enter into any commodity price hedging arrangements during either year covered by this report.

Liquidity risk

The Group closely monitors and manages its liquidity risk using both short- and long-term cash flow projections, incorporating debt financing plans and active portfolio management of investments. Cash forecasts are regularly produced and sensitivities run for different scenarios including, but not limited to, further delays in the settlement of trade receivables in Egypt, changes in asset production profiles and cost schedules as well as collection assumptions on receivables related to legacy items.

During the year, the Group's treasury function has actively managed the Group's US dollar and EGP position in Egypt. EGP has been maintained at sufficient levels to meet upcoming local and joint operation payments falling due, but limiting holding significant funds to avoid exposure to currency devaluation. US dollar payments have been carefully managed to match cash inflows on receivable settlements preserving sufficient funds to meet upcoming debt repayments as and when they fall due.

SECTION 3 – WORKING CAPITAL, FINANCIAL INSTRUMENTS AND LONG-TERM LIABILITIES CONTINUED

3.9 Financial risk management: objectives and policies continued

Liquidity risk continued

The Group runs sensitivities on its liquidity position at various times throughout the year. This includes scenarios forecasting different levels of capital expenditure dependent on uncertain payment schedules from EGPC. Further details are noted in the Viability Statement provided on page 17. Details of the Group's debt facilities can be found in note 3.2.

Future liquidity of the Egypt business is dependent upon the timing of payments from EGPC to maintain the current receivables position. The Group preserves liquidity by committing only to further investment that can be funded through collections. Outside of Egypt the Group has sufficient funds to settle all other financial liabilities.

The Group invests cash in a combination of money market liquidity funds and term deposits with a number of international and UK financial institutions, ensuring sufficient liquidity to enable the Group to meet its short- and medium-term expenditure requirements.

Credit risk

Credit risk arises from cash and cash equivalents, investments with banks and financial institutions and trade and other receivables.

Customers, joint operation partners and other debtors are subject to a risk assessment using publicly available information and credit reference agencies, with follow-up due diligence and monitoring if required. At the year end, the Group's trade receivables primarily relates to amounts due from EGPC for oil and gas sales in Egypt. Amounts are recognised after providing for expected credit losses, based on management's assessment of credit risk.

Credit risk for investments with banks and other financial institutions is managed by the Group treasury function in accordance with Board-approved policies. These policies limit counterparty exposure, maturity, collateral and take account of published ratings, market measures and other market information. The limits are set to minimise the concentration of risks and therefore mitigate the risk of financial loss through counterparty failure.

Capricorn's policy is to invest with banks or other financial institutions that, firstly, offer the greatest degree of security in the view of the Group and, secondly, the most competitive interest rates. Repayment of principal is the overriding priority and this is achieved by diversification and shorter maturities to provide flexibility. The Board monitors the Group's policy and updates as required.

At the year end, the Group does not have any significant concentrations of bad debt risk with financial institutions. As at 31 December 2025, the Group had material investments with six counterparties (2024: 10) to ensure no concentration of counterparty investment risk. At 31 December 2025 and 2024, the Group's investments were a combination of instant access and term deposits.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the balance sheet date.

3.9 Financial risk management: objectives and policies continued**Foreign currency risk**

Capricorn manages exposures that arise from non-functional currency receipts and payments by matching receipts and payments in the same currency and actively managing the residual net position.

The Group also aims where possible to hold surplus cash, debt and working capital balances in the functional currency of the subsidiary, thereby matching the reporting currency and functional currency of most companies in the Group. This minimises the impact of foreign exchange movements on the Group's Balance Sheet.

Where residual net exposures do exist and they are considered significant, the Company and Group may from time to time opt to use derivative financial instruments to minimise exposure to fluctuations in foreign exchange and interest rates.

The following table demonstrates the sensitivity to movements in the USD:GBP exchange rate, with all other variables held constant, on the Group's monetary assets and liabilities. These are considered to be reasonably possible changes for the purposes of sensitivity analysis. The Group's exposure to foreign currency changes for all other currencies, including EGP, is not material.

	At 31 December 2025		At 31 December 2024	
	Effect on profit before tax \$m	Effect on equity \$m	Effect on profit before tax \$m	Effect on equity \$m
10% increase in GBP to USD	(6.9)	(1.2)	(7.6)	(0.9)
10% decrease in GBP to USD	6.9	1.2	7.6	0.9

SECTION 4 – INCOME STATEMENT ANALYSIS

This section contains further income statement analysis, including segmental analysis, details of employee benefits payable in the year, finance income and finance costs.

Significant accounting judgements in this section:

Segmental disclosures and discontinued operations

IFRS 8 'Operating Segments' does not provide guidance as to whether segment disclosures apply to discontinued operations. Capricorn has included the results of discontinued operations within the "Other Capricorn Energy Group" segment for both years presented.

Key estimates and assumptions in this section:

There are several key estimates and assumptions used in the calculation of the Group's share-based payment charges. These are detailed in note 4.2 (b).

4.1 Segmental analysis

Operating segments

Capricorn had one reportable operating segments during 2025 relating to its operations in Egypt. "Other countries" combine costs relating to legacy positions in Mexico and ongoing new venture activities in the UK. 2024 comparative information has been restated to reflect the revised reportable segments.

The "Other Capricorn Energy Group" segment exists to accumulate the activities and results of the Parent and other holding companies together with other unallocated expenditure and net assets/liabilities, including amounts of a corporate nature not specifically attributable to any of the business units.

Non-current assets as analysed on a segmental basis consist of: intangible exploration/appraisal assets; property, plant & equipment – development/producing assets; goodwill; and other property, plant & equipment and intangible assets.

	At 31 December 2025 \$m	At 31 December 2024 \$m
Geographical information: non-current assets		
Egypt	226.5	221.8
Other Capricorn Energy Group	11.7	12.8
Total non-current assets	238.2	234.6

4.1 Segmental analysis continued**Operating segments** continued

The segment results for the year ended 31 December 2025 are as follows:

	Egypt \$m	Other countries \$m	Other Capricorn Energy Group \$m	Total \$m
Continuing operations				
Revenue	134.3	–	0.6	134.9
Other income	0.9	–	–	0.9
Cost of sales	(39.4)	–	–	(39.4)
Depletion	(50.8)	–	–	(50.8)
Gross profit	45.0	–	0.6	45.6
Pre-award costs	–	–	(0.2)	(0.2)
General exploration costs	0.6	–	–	0.6
Unsuccessful exploration well costs	(10.3)	(2.7)	–	(13.0)
Impairment of property, plant & equipment – development/producing assets	(10.6)	–	–	(10.6)
Expected credit loss adjustment on revenue receivable	7.4	–	–	7.4
Other operating income	–	–	0.8	0.8
Depreciation – purchased assets	–	–	(0.2)	(0.2)
Amortisation – right-of-use assets	(0.2)	–	(0.7)	(0.9)
Amortisation of other intangible assets	–	–	(0.3)	(0.3)
Other administrative expenses	(2.7)	(2.3)	(18.5)	(23.5)
Operating profit/(loss)	29.2	(5.0)	(18.5)	5.7
Other gains through profit or loss	–	–	0.3	0.3
Interest income	1.0	–	3.5	4.5
Interest expense	(8.2)	–	–	(8.2)
Other net finance expense	(0.5)	(1.0)	(5.4)	(6.9)
Profit/(Loss) before tax from continuing operations	21.5	(6.0)	(20.1)	(4.6)
Tax credit	21.1	–	–	21.1
Profit/(Loss) for the year from continuing operations	42.6	(6.0)	(20.1)	16.5
Profit from discontinued operations	–	–	2.5	2.5
Profit/(Loss) attributable to equity holders of the Parent	42.6	(6.0)	(17.6)	19.0
Balance as at 31 December 2025:				
Capital expenditure	62.6	–	–	62.6
Total assets	415.1	7.0	90.9	513.0
Total liabilities	113.8	15.7	10.2	139.7
Non-current assets	226.5	–	11.7	238.2

Revenue in the Egypt segment contains revenue generated from eight concessions in the Western Desert, onshore the Arab Republic of Egypt. 95.1% (\$113.3m) of revenue related to sales to a single customer.

All transactions between segments are carried out on an arm's length basis.

SECTION 4 – INCOME STATEMENT ANALYSIS CONTINUED

4.1 Segmental analysis continued

Operating segments continued

The segment results for the year ended 31 December 2024 were as follows:

	Egypt \$m	Other countries (restated) \$m	Other Capricorn Energy Group \$m	Total \$m
Revenue	146.8	–	1.0	147.8
Other income	30.1	–	–	30.1
Cost of sales	(41.6)	–	–	(41.6)
Depletion charges	(85.1)	–	–	(85.1)
Gross profit	50.2	–	1.0	51.2
General exploration costs	(1.1)	–	–	(1.1)
Unsuccessful exploration costs	(2.5)	(6.4)	–	(8.9)
Impairment reversal of property, plant & equipment – development/producing assets	15.7	–	–	15.7
Expected credit loss adjustment on revenue receivable	(3.9)	–	–	(3.9)
Other operating income	–	–	1.0	1.0
Depreciation – purchased assets	–	–	(0.1)	(0.1)
Amortisation – right-of-use assets	(0.3)	–	(0.7)	(1.0)
Amortisation of other intangible assets	–	(0.1)	(0.5)	(0.6)
Other administrative expenses	(2.6)	(0.8)	(18.8)	(22.2)
Operating profit/(loss)	55.5	(7.3)	(18.1)	30.1
Fair value loss – deferred consideration	(5.2)	–	–	(5.2)
Other losses through profit or loss	–	–	(0.1)	(0.1)
Interest income	1.8	0.1	7.1	9.0
Interest expense	(13.7)	–	(0.4)	(14.1)
Other net finance (expense)/income	(5.6)	(1.3)	1.1	(5.8)
Profit/(Loss) before tax from continuing operations	32.8	(8.5)	(10.4)	13.9
Tax (charge)/credit	(31.9)	–	5.4	(26.5)
Profit/(Loss) for the year from continuing operations	0.9	(8.5)	(5.0)	(12.6)
Profit from discontinued operations	–	–	23.2	23.2
Profit/(Loss) attributable to equity holders of the Parent	0.9	(8.5)	18.2	10.6
Balances as at 31 December 2024:				
Capital expenditure	62.6	–	0.9	63.5
Total assets	469.5	9.1	141.1	619.7
Total liabilities	246.9	11.8	11.7	270.4
Non-current assets	221.8	–	12.8	234.6

Revenue in the Egypt segment contains revenue generated from eight concessions in the Western Desert, onshore the Arab Republic of Egypt. 94.0% (\$138.0m) of revenue related to sales to a single customer.

All transactions between segments are carried out on an arm's length basis.

4.2 Employee benefits: staff costs, share-based payments and Directors' emoluments

a) Staff costs

	Year ended 31 December 2025 \$m	Year ended 31 December 2024 \$m
Wages and salaries	10.1	9.6
Social security costs	1.8	1.9
Redundancy costs	–	0.3
Other pension costs	0.4	0.4
Share-based payments	2.2	1.9
	14.5	14.1

Staff costs are shown gross before amounts recharged to joint operations. The share-based payments charge represents amounts in respect of equity-settled options. Social security costs include pro-rata accruals for NIC expected to be due on share-based payments forecast to vest in future years.

The monthly average number of full-time equivalent employees, including Executive Directors and individuals employed by the Group working on joint operations was:

	Number of employees	
	Monthly average 2025	Monthly average 2024
Continuing operations:		
UK	27	28
Egypt	12	16
UAE	2	–
Mexico	–	1
	41	45

SECTION 4 – INCOME STATEMENT ANALYSIS CONTINUED

4.2 Employee benefits: staff costs, share-based payments and Directors' emoluments continued

b) Share-based payments

Income Statement charge

	Year ended 31 December 2025	Year ended 31 December 2024
	\$m	\$m
Included within gross staff costs (continuing operations):		
SIP	0.3	0.4
LTIP	1.8	1.4
Deferred bonus	0.1	–
Employee share scheme	–	0.1
	2.2	1.9

Details of awards with a significant impact on the results for the current and prior year are given below, together with a summary of the remaining awards.

Share-based payment schemes and awards details

The Group operates a number of share award schemes for the benefit of its employees.

The number of share awards made by the Company during the year is given in the table below, together with their weighted average fair value (WAFV) and weighted average grant or exercise price (WAGP/WAEP):

	Year ended 31 December 2025			Year ended 31 December 2024		
	WAFV £	WAGP/ WAEP £	Number of shares	WAFV £	WAGP/ WAEP £	Number of shares
SIP – free shares	2.37	2.37	40,986	1.69	1.69	59,696
SIP – matching shares	2.32	2.32	31,040	2.07	2.07	30,786
LTIP	1.01	2.42	1,815,978	0.78	1.75	2,412,942
Deferred bonus	2.42	2.42	134,869	1.75	1.75	37,164
			2,022,873			2,540,588

The awards existing under the LTIP with the WAGP are as follows:

	2025		2024	
	Number of shares	WAGP £	Number of shares	WAGP £
At 1 January	6,630,098	1.82	11,784,135	1.79
Granted during the year	1,815,978	2.42	2,412,942	1.75
Exercised during the year	(320,048)	1.32	(3,043,566)	1.64
Lapsed during the year	(1,245,734)	1.96	(4,523,413)	1.81
At 31 December	6,880,294	1.98	6,630,098	1.82

The weighted average remaining contractual life of outstanding awards under the LTIP at 31 December 2025 was 1.1 years (2024: 1.2 years). Included in the above are 114,536 of exercisable LTIP awards (2024: 210,303). No exercise price is payable in respect of LTIP awards.

The awards existing under all share schemes other than the LTIP with the weighted average of the grant price, exercise price and notional exercise prices (WAGP/WAEP) are as follows:

	2025		2024	
	Number of shares	WAGP/WAEP £	Number of shares	WAGP/WAEP £
At 1 January	710,628	1.90	2,037,947	1.90
Consolidation of shares	–	–	(37,191)	1.84
Granted during the year	206,895	2.39	127,646	1.74
Exercised during the year	(342,992)	1.94	(385,689)	1.69
Lapsed during the year	(8,805)	1.98	(1,032,085)	1.82
At 31 December	565,726	2.06	710,628	1.90

The weighted average remaining contractual life of outstanding awards under all other schemes at 31 December 2025 was 6.1 years (2024: 7.2 years). Included in the above are 205,365 of exercisable employee share awards (ESAS) (2024: 14,552). No exercise price is payable in respect of ESAS.

4.2 Employee benefits: staff costs, share-based payments and Directors' emoluments continued

b) Share-based payments continued

Assumptions and inputs

The fair value of the Capricorn LTIP scheme awards were calculated using a Monte Carlo model.

Capricorn share awards normally have a 10-year life from the date of grant. Awards were exercised on a regular basis throughout the year, subject to the normal employee dealing bans imposed by the Company at certain times. The weighted average share price during the year was £2.32 (2024: £1.90).

The Company awards two types of LTIP shares to all employees and senior executives. The vesting of the LTIP awards are linked to absolute shareholder returns.

Vesting percentages that will be delivered for their achievement, are as follows:

LTIP – Senior Executive award

Share price at the end of the three-year measurement period	Percentage of ordinary shares comprised in award that vest
Less than or equal to \$3.57 (2024: \$2.56)	0%
\$5.13 or higher (2024: \$3.70)	100%
Between \$3.57 and \$5.13 (2024: \$2.56 and \$3.70)	0%–100% on a straight-line basis

Senior Executive award vesting may be scaled back by up to 40% if the Committee determines that insufficient shareholder value has been generated during the first two years of the performance period.

LTIP – Staff award

Share price at the end of the three-year measurement period	Percentage of ordinary shares comprised in award that vest
Less than or equal to \$3.09 (2024: \$2.21)	0%
\$3.10 (2024: \$2.22)	50%
\$3.57 or higher (2024: \$2.56)	100%
Between \$3.10 and \$3.57 (2024: \$2.22 and \$2.56)	50%–100% on a straight-line basis

Fair value of the awards using Monte Carlo simulation model	2025 \$	2024 \$
Senior Executive award	1.18	0.77
Staff award	1.74	1.32

c) Directors' emoluments and remuneration of key management personnel

Details of each Director's remuneration, pension entitlements, share options and awards pursuant to the LTIP are set out in the Directors' remuneration report on pages 55 to 79. Directors' remuneration, their pension entitlements and any share awards vested during the year are provided in aggregate in note 8.9.

Remuneration of key management personnel

The remuneration of the Directors of the Company and senior management who are identified as the key management personnel of the Group is set out below in aggregate.

	Year ended 31 December 2025 \$m	Year ended 31 December 2024 \$m
Short-term employee benefits	5.4	5.6
Post-employment benefits	0.1	0.1
Share-based payments	1.3	0.6
	6.8	6.3

In addition, employer's National Insurance Contributions for key management personnel in respect of short-term employee benefits were \$0.4m (2024: \$0.5m).

Share-based payments shown above represent the cost to the Group of key management personnel's participation in the Company's share schemes, measured under IFRS 2.

None of the shares awarded to key management personnel vested under the LTIP in 2025 or 2024.

4.3 Finance income

	Year ended 31 December 2025 \$m	Year ended 31 December 2024 \$m
Bank and other interest receivable	4.5	8.5
Other finance income	0.2	0.6
Exchange gain recycled from Other Comprehensive Income	–	0.4
	4.7	9.5

SECTION 4 – INCOME STATEMENT ANALYSIS CONTINUED

4.4 Finance costs

	Year ended 31 December 2025	Year ended 31 December 2024
	\$m	\$m
Loan interest	8.2	12.8
Facility fees amortisation	1.9	0.9
Other interest and finance charges and unwind of discount	3.8	2.8
Exchange loss	1.4	3.9
	15.3	20.4

Loan interest of \$8.2m (2024: \$12.8m) was charged on the Egypt Junior and Senior Debt Facilities.

4.5 Earnings per ordinary share

Basic and diluted earnings per share are calculated using the following measures of profit :

	Year ended 31 December 2025	Year ended 31 December 2024
	\$m	\$m
Profit/(Loss) and diluted profit/(loss) after taxation from continuing operations	16.5	(12.6)
Profit and diluted profit attributable to equity holders of the Parent	19.0	10.6

The following reflects the share data used in the basic and diluted earnings per share computations:

	Number of shares 2025 '000	Number of shares 2024 '000
Weighted average number of shares	70,558	79,557
Less weighted average shares held by ESOP and SIP Trusts	(1,964)	(1,310)
Basic weighted average number of shares	68,594	78,247
Potentially dilutive effect of shares issuable under employee share plans:		
LTIP awards	2,731	–
Unapproved plans	205	–
Deferred bonus plan	172	–
Diluted weighted average number of shares	71,702	78,247
Potentially issuable shares not included above:		
LTIP awards	4,009	–
Number potentially issuable shares	4,009	–

SECTION 5 – TAXATION

This section highlights the Group's taxation policies, including both the accounting policy and wider strategy and governance policies. Details can also be found on deferred tax assets existing at the year end and the current tax credit recorded on Egypt's taxable profits.

Significant accounting judgements in this section:

Recognition of deferred tax liabilities and tax charge on profits from Egypt concessions

Under the Egypt concession agreements, each contractor's share of income tax due on taxable profit for the year is paid on the contractor's behalf by EGPC from their share of production. The tax liability however remains with the contractor to the point of settlement. Therefore, Capricorn recognises deferred tax liabilities on temporary taxable difference where the carrying value of non-current assets exceeds their tax written down values.

Capricorn also records a tax charge in the year for tax that is payable on the Group's share of profits from production. Other income is recorded within gross profit to reflect the sale of additional volumes by EGPC on behalf of the Group to settle the tax liability arising; see note 2.1.

In the current year, deferred tax calculations have been amended to reflect the merged concessions agreement. The new single concession merges eight previous concessions into one, eliminating previous deferred tax liabilities that existed across five concessions where the net book value of assets exceeded the tax written down value. Under the merged concession, a deferred tax assets is instead recorded.

Deferred taxation – recognition of deferred tax assets on Egypt concessions

At the year end, Capricorn recognise deferred tax assets across two concessions, including the merged concession, where available tax losses are expected to be recovered, within a period not exceeding five years, on forecast future taxable profits over which the losses can be utilised.

SECTION 5 – TAXATION CONTINUED

Accounting policy

The total tax charge or credit represents the sum of current tax and deferred tax.

The current tax charge or credit is based on the taxable profit or loss for the year. Taxable profit or loss differs from net profit or loss as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Where there are uncertain tax positions, Capricorn assesses whether it is probable that the position adopted in tax filings will be accepted by the relevant tax authority, with the results of this assessment determining the accounting that follows. If it is not considered probable that the income tax filing position will be accepted by the tax authority, the uncertainty is reflected within the carrying amount of the applicable tax asset or liability by using either the most likely amount or an expected value of the tax treatment, depending on which method is considered to better predict the resolution of the uncertainty, based on the underlying facts and circumstances.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences that exist only where it is probable that taxable profits will be generated against which the carrying value of the deferred tax asset can be recovered.

Deferred tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint operations where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset or liability is not recognised if a temporary difference arises on initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. However, where the recognition of an asset is associated with an interest in a joint operation, which applies to all of Capricorn's intangible exploration/appraisal assets and property, plant & equipment – development/producing asset additions, and Capricorn is not able to control the timing of the reversal of the temporary difference or the temporary difference is expected to reverse in the foreseeable future, a deferred tax asset or liability shall be recognised.

Current and deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

5.1 Tax strategy and governance

The Group's tax strategy is fully aligned with its overarching business objectives and principles and applies to all taxes paid or borne by the Group. Capricorn 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, and seeks to build and maintain open and constructive relationships with all tax authorities. The Group is committed to transparency of tax contributions and other payments to governments. Capricorn reports payments to governments in its Annual Report and Accounts as well as additional voluntary disclosures of taxes paid by the Group.

Capricorn undertakes tax planning that supports the business and reflects commercial and economic activity. The Group's policy is to not enter into any artificial tax avoidance schemes but to build and maintain strong collaborative working relationships with all relevant tax authorities based on transparency and integrity. Capricorn aims for certainty in relation to the tax treatment of all items; however, it is acknowledged that this will not always be possible. In such circumstances Capricorn will seek external advice where appropriate and ensure that the approach adopted in any relevant tax return includes full disclosure of the position taken. Capricorn may also seek to work directly with tax authorities to resolve uncertainties where the tax laws are unclear or complex.

5.2 Tax credit/(charge) on (loss)/profit for the year

Analysis of tax credit/(charge) on (loss)/profit for the year

	Year ended 31 December 2025 \$m	Year ended 31 December 2024 \$m
Current tax charge:		
Overseas corporation tax charge – Egypt	(0.9)	(30.1)
Overseas corporation tax credit – India	–	5.4
Total current tax charge on (loss)/profit	(0.9)	(24.7)
Deferred tax credit/(charge):		
Deferred tax credit/(charge) on intangible/tangible assets – Egypt	22.0	(1.8)
Deferred tax credit/(charge) on (loss)/profit	22.0	(1.8)
Total deferred tax credit/(charge) on (loss)/profit	21.1	(26.5)

The current tax charge in Egypt of \$0.9m (2024: \$30.1m) is settled by EGPC on the Group's behalf.

Factors affecting the tax credit/(charge) for the year

A reconciliation of the income tax credit/(charge) applicable to the (loss)/profit before income tax to the UK statutory rate of income tax is as follows:

	Year ended 31 December 2025 \$m	Year ended 31 December 2024 \$m
Loss/(Profit) before tax	4.6	(13.9)
Loss/(Profit) before tax multiplied by the UK statutory rate of corporation tax of 25% (2024: 25%)	1.1	(3.5)
Effect of:		
Special tax rates and reliefs applying to oil and gas activities in the UK	0.5	2.1
Special tax rates and reliefs applying to oil and gas activities in Egypt	8.1	(5.1)
Temporary differences not recognised	4.3	(7.1)
Egypt tax losses	10.8	–
Permanent items non-deductible	(3.7)	(18.3)
India tax refund not subject to tax	–	5.4
Total tax credit/(charge) on (loss)/profit	21.1	(26.5)

The reconciliation shown above has been based on the average UK statutory rate of corporation tax for 2025 of 25% (2024: 25%).

The applicable UK statutory corporation tax rate applying to North Sea oil and gas activities is currently 40% (2024: 40%). The temporary Energy (Oil and Gas) Profits Levy was increased to 38% on profits arising after 1 November 2024 (substantively enacted November 2024).

SECTION 5 – TAXATION CONTINUED

5.2 Tax credit/(charge) on (loss)/profit for the year continued

Factors affecting tax credit/(charge) for the year continued

The applicable statutory tax rate applying to oil and gas activities in Egypt is currently 40.55% (2024: 40.55%).

The applicable rates have been reflected in these financial statements as appropriate.

The effect of temporary differences not recognised of \$4.3m (2024: \$(7.1)m) includes:

- a \$(0.5)m (2024: \$(2.1)m) movement in the year in respect of the unrecognised deferred tax asset on UK ring-fence corporation tax losses, energy (oil and gas) profits levy losses, supplementary charge tax and oil and gas investment allowances;
- a \$11.2m (2024: \$0.1m) movement in the year in respect of unrecognised deferred tax assets on Egypt oil and gas assets and tax losses;
- a \$(5.7)m (2024: \$(4.7)m) movement in the year in respect of UK tax losses and other temporary differences arising in the year on which no deferred tax asset was recognised; and
- a \$(0.7)m (2024: \$(0.4)m) movement in the year in respect of overseas tax losses and other temporary differences arising in the year on which no deferred tax was recognised.

The effect of permanent items non-deductible of \$3.7m (2024: \$18.3m) includes:

- \$2.2m (2024: \$2.2m) in respect of share-based payment charges;
- \$(3.0)m (2024: \$(4.7)m) predominantly in respect on non-taxable adjustments related to foreign exchange and tax relief on exercised share options;
- \$3.6m (2024: \$17.9m) in respect of costs in Egypt considered non-deductible for tax purposes;
- \$0.9m (2024: \$1.8m) in respect of other permanent items considered non-deductible; and
- no current year impact (2024: \$1.1m) in respect of overseas costs considered non-deductible/taxable.

5.3 Current tax receivable

Capricorn was due a refund of tax previously withheld in India on dividends due to the Group from its past shareholding in Vedanta Limited. The total refund due to the Group was \$5.4m, with \$1.4m received during 2024 and \$4.0m outstanding at 31 December 2024. The remaining refund was received in September 2025.

5.4 Deferred tax assets and liabilities

Reconciliation of movement in deferred tax assets/(liabilities):

	Temporary difference in respect of non- current assets \$m	Losses \$m	Total \$m
Deferred tax asset			
At 1 January 2024	4.3	3.3	7.6
Deferred tax credit through the Income Statement	13.2	(2.5)	10.7
At 31 December 2024	17.5	0.8	18.3
Deferred tax charge through the Income Statement	(7.0)	6.9	(0.1)
At 31 December 2025	10.5	7.7	18.2

Deferred tax liabilities

At 1 January 2024	(9.6)	–	(9.6)
Deferred tax charge through the Income Statement	(12.5)	–	(12.5)
At 31 December 2024	(22.1)	–	(22.1)
Deferred tax credit through the Income Statement	22.1	–	22.1
At 31 December 2025	–	–	–

Deferred tax assets/(liabilities) in Egypt:

	At 31 December 2025 \$m	At 31 December 2024 \$m
Assets	18.2	18.3
Liabilities	–	(22.1)
	18.2	(3.8)

Recognised deferred tax assets

Egypt

Deferred tax assets of \$10.5m (2024: \$17.5m) are recognised in respect of Egypt oil and gas non-current assets temporary differences of \$25.9m (2024: \$43.2m) and Egypt tax losses of \$7.7m (2024: \$0.8m) on concessions where future profits are expected to be available to recover the value of the assets.

At the balance sheet date the Group has \$41.7m (2024: \$69.5m) of temporary differences in respect of Egypt non-current assets and \$0.7m (2024: \$38.9m) of Egypt tax losses, which can be offset against future oil and gas profits in Egypt. No deferred tax asset is recognised in respect of these temporary differences as it is not considered probable that these amounts will be utilised in future periods.

Deferred tax liabilities

Egypt

No deferred tax liabilities are now recognised related to Egypt oil and gas non-current assets (2024: \$22.1m recognised across five concessions in respect of taxable temporary differences of \$54.5m). This reflects the impact of the merged concession agreement.

Unrecognised deferred tax assets

No deferred tax asset is recognised on the following as it is not considered probable that it will be utilised in future periods:

	At 31 December 2025 \$m	At 31 December 2024 \$m
UK RFCT trading losses	254.3	254.7
UK SCT loss	251.9	250.8
UK other ring fence temporary differences	629.1	629.3
UK excess management expenses	464.2	450.9
UK non-trade deficits	100.6	93.2
UK temporary differences on share-based payments	34.0	34.0
Egypt fixed asset temporary differences	17.2	11.8
Egypt ring fence corporation tax trading losses	–	35.6

SECTION 6 – DISCONTINUED OPERATIONS

This section contains details of the profit from discontinued operations in the year, primarily arising on further consideration receivable on the sale of assets in Senegal in 2021 offset by impairment of amounts receivable from Waldorf Production Limited relating to the sale of UK assets, also in 2021.

Significant accounting judgements in this section

Senegal tax assessment

On 14 November 2023, Capricorn received notification of tax assessment raised in Senegal against Woodside Petroleum (“Woodside”). The claim contains two items that Capricorn is responsible for under the agreement for the sale of the assets from Capricorn to Woodside. Capricorn strongly refutes that any tax is due and will robustly defend the Group’s position. At the balance sheet date, no provision has been made in the Financial Statements, with further disclosures of this contingent liability in note 6.3.

6.1 Profit from discontinued operations

Settlement of earnout consideration due

On 2 November 2021, Capricorn completed the sale of its interests in the UK Catcher and Kraken producing assets to Waldorf Production Limited (“Waldorf”).

On 18 December 2023, Capricorn entered into a settlement agreement with Waldorf for the full and final settlement of the remaining earnout consideration due. Under the agreement, Capricorn received an initial payment of \$48.0m in December 2023, with a further \$2.0m received at the end of Q1 2024. An additional payment of \$22.5m was due in early January 2025 and Capricorn were also due to receive a non-operated asset in the UK North Sea. However, due to financial difficulties impacting Waldorf, the \$22.5m has not been received and instead written down to an estimated recoverable value of \$1.5m at 31 December 2024. The transfer of the asset did also not complete and the related long-term receivable was fully impaired in 2024. The Group recorded a combined loss on the settlement of the earnout of \$26.1m in 2024.

During 2025, Capricorn’s legal team have been actively pursuing Waldorf for additional recovery of sums due a revised settlement offer has been tabled, expected to be worth \$4.0m to Capricorn and the receivable has been increased to reflect this expected recovery. Capricorn’s legal costs have also been met by Waldorf.

Senegal deferred consideration

In January 2025, Capricorn received a further \$50.0m consideration relating to the disposal of oil and gas assets in Senegal in 2021. This consideration was dependent on several conditions being met, including the date of first oil and an average oil price above set levels, and these were all achieved by the end of 2024.

A breakdown of the total profit from discontinued operations is as follows:

	Year ended 31 December 2025 \$m	Year ended 31 December 2024 \$m
Operating profit		
Gain on disposal of oil and gas assets	–	50.0
Loss on disposal of a subsidiary	–	(0.7)
Profit/(Loss) on disposal of a financial asset	2.5	(26.1)
Profit before tax from discontinued operations	2.5	23.2
Tax charge	–	–
Profit after tax from discontinued operations	2.5	23.2
	2025	2024
	\$	\$
Earning per share for profit after tax from discontinued operations		
Profit per ordinary share – basic	0.04	0.30
Profit per ordinary share – diluted	0.03	0.30

6.2 Cash flow information for discontinued operations

	Year ended 31 December 2025 \$m	Year ended 31 December 2024 \$m
Net cash flows from investing activities	49.3	2.0
Net increase in cash and cash equivalents	49.3	2.0

In 2025, the Company received a contingent payment of \$50.0m related to Senegal and refunded \$0.7m of proceeds from the disposal of oil and gas assets in Norway. In 2024, \$2.0m was received under the earnout settlement agreement (see note 6.1).

6.3 Discontinued operations – Senegal contingent liability

On 14 November 2023, Capricorn received notification that Woodside had received a notice from the Senegalese Tax Authority. The notice from the Senegalese Tax Authority states that:

- Senegalese registration duty (XOF 14.1 bn) should have been paid on the transfer (in December 2020) by Capricorn to Woodside of its PSC interests offshore Senegal; and
- Senegalese real estate capital gains tax (XOF 9.1 bn including interest and penalties) should have been withheld by Woodside from the price paid to Capricorn in respect of the sale of those PSC interests.

Under the terms of the sale agreement between Capricorn and Woodside, Capricorn is responsible for any registration duty and for any capital gains tax arising in connection with the sale of the PSC interests.

Capricorn's analysis remains that no Senegalese registration duty or capital gains tax is payable, based on analysis at the time of the transaction. Capricorn will continue to vigorously defend its position on this matter, including exercising rights under the sale agreement to participate in the defence of any such claim. Woodside has filed an action with the High Court of Dakar and a request for arbitration with the International Centre of Investment Disputes disputing the tax assessment.

At the balance sheet date Capricorn estimate of the exposure under the registration duty claim has decreased to \$25.7 m with penalties and interest no longer attached to the registration duty claim.

SECTION 7 – CAPITAL STRUCTURE AND OTHER DISCLOSURES

This section includes details of Capricorn’s issued share capital and equity reserves.

Other disclosures include details on the independent auditors’ remuneration. Details on the Group’s policy on the award of non-audit work to the independent auditors can be found in the report of the Audit Committee.

Significant accounting judgements and key estimates and assumptions in this section:

There are no significant accounting judgements or key estimates and assumptions in this section.

7.1 Issued capital and reserves

Called-up share capital

	Number 735/143p ordinary '000	799/122p ordinary '000	735/143p ordinary \$m	799/122p ordinary \$m
Allotted, issued and fully paid ordinary shares				
At 1 January 2024	93,778	–	7.6	–
Share repurchase	(1,840)	(1,595)	(0.2)	(0.1)
Share consolidation	(91,938)	72,153	(7.4)	7.4
At 31 December 2024 and 2025	–	70,558	–	7.3
Share premium				
At 1 January 2024				0.8
Arising on shares issued for employee share options				0.1
At 31 December 2024 and 2025				0.9

The Company does not have a limited amount of authorised share capital.

On 27 April 2023, the Company announced a share buyback programme of up to \$25m, which commenced in May 2023. A total of 10,579,494 shares were repurchased throughout the buyback programme during 2024. The total value of the ordinary shares purchased was £19.8m (\$24.1m), with a \$0.7m reduction in share capital and a reduction of \$1.1m to retained earnings after stamp duty and costs.

On 28 March 2024, Capricorn announced the proposal to return approximately \$50m to shareholders via a special dividend. The return was paid to shareholders on 7 June 2024. The return of cash to shareholders of 43 pence per eligible ordinary share totalled £39.3m. The total return to shareholders, after exchange differences from the date of conversion from US dollar to GBP and associated costs, was \$50.1m. Accompanying the return, the Company undertook a share consolidation which, together with the share repurchases reduced the number of ordinary shares issued to 70.6m at 31 December 2024.

7.1 Issued capital and reserves continued

a) Shares held by ESOP Trust

The cost of shares held by the ESOP Trust at 31 December 2025 was \$5.0m (2024: \$5.0m). The number of shares held by the Trust at 31 December 2025 was 1,685,416 (2024: 1,829,160) and the market value of these shares was £3.3m (\$4.4m) (2024: £5.4m (\$6.7m)). During 2025, the Group purchased 514,022 (2024: 4,339,148) shares at a cost of \$1.8m (2024: \$10.3m). In 2024, 125,743 shares were created on share consolidation.

b) Shares held by SIP Trust

The cost of shares held by the SIP Trust at 31 December 2025 was \$2.6m (2024: \$1.7m). The number of shares held by the Trust at 31 December 2025 was 207,098 (2024: 141,047) and the market value of these shares was £0.4m (\$0.5m) (2024: £0.4m (\$0.5m)). In 2025, the cost of SIP shares purchased was \$0.2m (2024: \$0.6m).

c) Foreign currency translation

Unrealised foreign exchange gains and losses arising on consolidation of non-US dollar functional currency subsidiary undertakings are taken directly to reserves. Foreign exchange differences arising on intra-group loans are not eliminated on consolidation; this reflects the exposure to currency fluctuations where the subsidiaries involved have differing functional currencies. These intra-group loans are not considered to be an investment in a foreign operation.

d) Merger and capital reserves

Capital reserves of \$46.2m (2024: \$46.2m) include amounts arising on various Group acquisitions and transactions and the capital redemption reserve arising from the 2013-2014 share repurchase programme. Capital reserves of \$4.6m, \$0.4m and \$0.3m arose on the share repurchase programme which ran from April to July 2022, May to December 2023 and from January to November 2024 respectively. \$6.1m of capital reserves relates directly to Capricorn Energy PLC, the Company.

7.2 Return of cash to shareholders

In 2024, Capricorn announced the proposed return of approximately \$50m to shareholders via a special dividend. The 2024 return of 43 pence per eligible ordinary share totalled £39.3m and was paid to shareholders on 7 June 2024. After exchange differences and associated costs, the total return was \$50.1m.

No dividends were declared or settled by the Company in 2025.

7.3 Capital management

The objective of the Group's capital management structure is to ensure that there remains sufficient liquidity within the Group to carry out committed work programme requirements. The Group monitors the long-term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility. The Group was subject to biannual forecast liquidity tests as part of the Senior and Junior Debt Facilities, and provided regular liquidity updates to the lenders in advance of the early repayment of the Senior facility in December 2025. The Group complied with the capital requirements of these tests at all times during the current and preceding year, other than a breach for the delayed payment of deferred consideration due on past business combinations which was settled in May 2024. The Board has made clear that no further investment will be made from the Group into the Egypt business, which must generate its own cash flows to fund future work programmes and debt repayments.

Capricorn manages the capital structure and makes adjustments to it in light of changes to economic conditions. To maintain or adjust the capital structure, Capricorn may repurchase shares, make a special dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate. No significant changes were made in the objectives, policies or processes during the year ended 31 December 2025, other than the early repayment of the Senior debt facility noted above.

Capital and net funds, including lease liabilities, was as follows:

	At 31 December 2025 \$m	At 31 December 2024 \$m
Loans and borrowings	40.4	99.3
Lease liabilities	5.6	6.1
Less cash and cash equivalents	(132.7)	(123.4)
Net funds	(86.7)	(18.0)
Equity	373.3	349.3
Capital and net funds	286.6	331.3
Gearing ratio	–	–

SECTION 7 – CAPITAL STRUCTURE AND OTHER DISCLOSURES CONTINUED

7.4 Guarantees

It is normal practice for the Group to issue guarantees in respect of obligations during the ordinary course of business. Guarantees are issued from a number of bilateral unsecured lines.

The Group has provided the following guarantees at 31 December 2025:

- various guarantees for the Group's operational commitments for the current year of \$nil (2024: \$19.8m); and
- Parent company guarantees for the Group's obligations under joint operating agreements and other contracts.

Under the terms of the Junior facility entered into in connection with the Group's Egypt assets, Capricorn Egypt and the Operator, as borrowers, jointly and severally guarantee performance of their obligations to each lender. This includes an undertaking to pay each lender whenever another obligor does not pay any amount, as if it was the principal obligor. As a result, Capricorn Egypt and Capricorn Egypt (Holding) Limited have provided guarantees in respect of the obligations owed to the lenders by Capricorn Egypt and the joint venture counterparty.

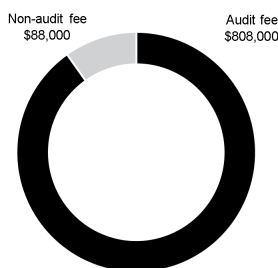
7.5 Auditors' remuneration

	Year ended 31 December 2025 \$000	Year ended 31 December 2024 \$000
Fees payable to the Group's external auditors (including associate firms) for:		
<i>Audit fees:</i>		
Auditing of the Financial Statements of the Group and the Company	595	726
Auditing of the Financial Statements of subsidiaries	213	238
	808	964
<i>Non-audit fees:</i>		
Audit-related assurance services	81	134
Other non-audit services not included above	7	6
	88	140
Total fees	896	1,104

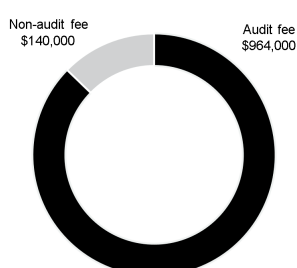
The Group has a policy in place for the award of non-audit work to the auditors which requires Audit Committee approval (see the Audit Committee Report on page 46). Non-audit fees incurred in the year were permissible services under the Financial Reporting Council Ethical Standard, including services required by law and regulations.

The split of audit fees to non-audit fees payable to the auditors is as follows:

2025 Fees to the auditors



2024 Fees to the auditors



COMPANY BALANCE SHEET AS AT 31 DECEMBER 2025

	Note	2025 \$m	2024 \$m
Non-current assets			
Investments in subsidiaries	8.2	383.8	382.8
Long-term intercompany receivables	8.3	4.4	5.1
		388.2	387.9
Current assets			
Cash and cash equivalents	8.4	72.5	76.0
Other receivables	8.5	41.4	7.4
		113.9	83.4
Total assets		502.1	471.3
Current liabilities			
Bank overdraft	8.4	1.7	0.7
Lease liability		1.0	1.0
Trade and other payables	8.6	59.8	76.5
		62.5	78.2
Non-current liabilities			
Lease liability	8.7	4.4	5.1
		4.4	5.1
Total liabilities		66.9	83.3
Net assets		435.2	388.0
Equity			
Called-up share capital	7.1	7.3	7.3
Share premium	7.1	0.9	0.9
Shares held by ESOP/SIP Trusts	7.1a,b	(7.6)	(6.7)
Capital reserves	7.1d	6.1	6.1
Retained earnings:			
At 1 January		380.4	402.4
Profit for the year		47.0	43.9
Other movements in retained earnings		1.1	(65.9)
		428.5	380.4
Total equity		435.2	388.0

The Financial Statements on pages 127 to 135 were approved by the Board of Directors on 25 March 2026 and signed on its behalf by:



Randy Neely
Chief Executive

**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 \$m	2024 \$m
Cash flows from operating activities:			
Profit before taxation		47.0	43.9
Share-based payments charge		0.6	0.7
Reversal of impairment of investment in subsidiary		–	(47.5)
Loan waiver		–	0.3
Finance income		(6.1)	(7.2)
Finance costs		4.6	6.6
Dividends received		(50.0)	–
Other receivables movement		(0.3)	1.0
Trade and other payables movement		0.4	0.1
Net cash used in operating activities		(3.8)	(2.1)
Cash flows from investing activities:			
Loans to group undertakings		(31.6)	–
Dividends received		50.0	–
Repayments of loans to group undertakings		–	73.2
Interest received and other finance income		3.6	4.2
Net cash flows from investing activities		22.0	77.4
Cash flows from financing activities:			
Return of cash to shareholders		–	(50.1)
Share repurchase		–	(7.3)
Other interest and charges		(0.1)	(0.2)
Cost of shares purchased	7.1 a,b	(2.0)	(10.9)
Proceeds from issue of shares		–	0.2
Lease payments		–	(0.9)
Drawdown on financing from group undertakings		–	64.5
Repayment of financing from group undertakings		(20.7)	(43.0)
Net cash flows used in financing activities		(22.8)	(47.7)
Net (decrease)/increase in cash and cash equivalents		(4.6)	27.6
Foreign exchange differences		0.1	(0.1)
Opening cash and cash equivalents at beginning of year		75.3	47.8
Closing cash and cash equivalents including bank overdraft	8.4	70.8	75.3

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Equity share capital and share premium \$m	Shares held by ESOP/ SIP Trusts \$m	Merger and capital reserves \$m	Retained earnings \$m	Total equity \$m
At 1 January 2024	8.4	(6.3)	5.8	402.4	410.3
Profit for the year	–	–	–	43.9	43.9
Total comprehensive income	–	–	–	43.9	43.9
Return of cash to shareholders	–	–	–	(50.1)	(50.1)
Share repurchase	(0.3)	–	0.3	(7.3)	(7.3)
Share-based payments	–	–	–	1.9	1.9
Exercise of employee share options	0.1	0.1	–	–	0.2
Cost of shares purchased	–	(10.9)	–	–	(10.9)
Cost of shares vesting	–	10.4	–	(10.4)	–
At 31 December 2024	8.2	(6.7)	6.1	380.4	388.0
Profit for the year	–	–	–	47.0	47.0
Total comprehensive income	–	–	–	47.0	47.0
Share-based payments	–	–	–	2.2	2.2
Cost of shares purchased	–	(2.0)	–	–	(2.0)
Cost of shares vesting	–	1.1	–	(1.1)	–
At 31 December 2025	8.2	(7.6)	6.1	428.5	435.2

SECTION 8 – NOTES TO THE COMPANY FINANCIAL STATEMENTS

This section contains the notes to the Company Financial Statements.

The issued capital and reserves of the Company are largely consistent with the Capricorn Energy PLC Group Financial Statements, as per note 7.1.

Key estimates and assumptions in this section:

Impairment testing on investments in subsidiaries

The Company's investment in Capricorn Oil Limited has been reviewed for indicators of impairment by comparison against the fair value of intangible exploration/appraisal assets, property, plant & equipment – development/producing assets and working capital, including cash and cash equivalents and intercompany receivables, held within the Capricorn Oil Limited sub-group. The fair value of oil and gas assets is calculated using the same assumptions as noted in section 2. With the significant change in the value of oil and gas assets through the merged concession agreement reflected in the prior year carrying value of investments in subsidiaries, through a reversal of previous impairment, there is no further impairment reversal in the current year.

8.1 Basis of preparation

The Financial Statements of Capricorn Energy PLC have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The Company applies accounting policies consistent with those applied by the Group. To the extent that an accounting policy is relevant to both Group and Company Financial Statements, refer to the Group Financial Statements for disclosure of the accounting policy. Material policies that apply to the Company only are included as appropriate.

Capricorn has used the exemption granted under S408 of the Companies Act 2006 that allows for the non-disclosure of the Income Statement of the Parent company.

8.2 Investments in subsidiaries

Accounting policy

The Company's investments in subsidiaries are carried at cost less provisions resulting from impairment. In testing for impairment the carrying value of the investment is compared to its recoverable amount, being its fair value less costs of disposal. The fair value includes the discounted future net cash flows of oil and gas assets held by the subsidiary, using estimated cash flow projections over the licence period.

Discounted future net cash flows are calculated using an estimated short-term oil price based on the forward curve and long-term oil price of \$65/bbl escalated at 2% per annum (2024: \$65/bbl escalated), escalation for costs of 4.0% (2024: 2.0%) and a discount rate of 15% (2024: 15%). Full details on the assumptions used for valuing oil and gas assets can be found in section 2.

8.2 Investments in subsidiaries continued

	Subsidiary undertakings \$m	Total \$m
Cost		
At 1 January 2024	3,723.2	3,723.2
Additions	1.2	1.2
At 31 December 2024	3,724.4	3,724.4
Additions	1.0	1.0
At 31 December 2025	3,725.4	3,725.4
Impairment		
At 1 January 2024	3,389.1	3,389.1
Reversal of impairment	(47.5)	(47.5)
At 31 December 2024 and 2025	3,341.6	3,341.6
Net book value		
At 31 December 2023	334.1	334.1
At 31 December 2024	382.8	382.8
At 31 December 2025	383.8	383.8

Additions during the year of \$1.0m (2024: \$1.2m) relate to the Company's investment in Capricorn Oil Limited. These represent share awards made by the Company to the employees of Capricorn Energy Holdings Limited (a principal subsidiary of Capricorn Oil Limited).

The carrying value of investments in subsidiaries at 31 December 2025 and 2024 represents the Company's investment in Capricorn Oil Limited. Investments in Capricorn Senegal (Holding) Limited and Capricorn Energy Investments Limited are carried at nominal values. The investment in Cairn UK Holdings Limited was fully impaired in earlier years.

At the year end, investments in subsidiaries were reviewed for indicators of impairment and impairment tests conducted where an indicator of impairment was identified. The recoverable value of the assets of Capricorn Oil Limited used in the impairment test is based on the fair value of the producing assets adjusted by the deferred consideration payment and trade payables and receivables, other long-term receivables, market value of tangible assets held by its subsidiaries, cash and cash equivalents held and inter-company receivables and payables.

At 31 December 2024 previous impairments of the Company's investment in Capricorn Oil Limited were reversed reflecting the increased value of Egypt assets under the proposed merged concession terms that management expected a market participant would consider in determining fair value. A total impairment reversal of \$47.5m was recorded. The effective date of the merged concession agreement was 1 July 2025 and since that date the Egypt business has invested in development drilling, increasing the volumes of booked reserves, creating further headroom in the impairment test. Impairment tests conducted at 31 December 2025 did not identify any impairment. There are no reasonable changes to assumptions that would result in an impairment being recorded, therefore no sensitivity analysis has been provided.

SECTION 8 – NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

8.2 Investments in subsidiaries continued

The Company's subsidiaries during 2025 are set out below. The Company holds or held 100% of the voting rights and beneficial interests in the ordinary shares of the following companies:

Direct holdings

	Business	Country of incorporation	Country of operation	Registered office address
Cairn UK Holdings Limited	Holding company	Scotland	Scotland	50 Lothian Road, Edinburgh, EH3 9BY
Capricorn Energy Investments Limited ¹	Investment	Scotland	Scotland	50 Lothian Road, Edinburgh, EH3 9BY
Capricorn Energy DMCC	Management company	United Arab Emirates	United Arab Emirates	One JLT building, One Business Centre Level 5, Office 5
Capricorn Oil Limited	Holding company	Scotland	Scotland	50 Lothian Road, Edinburgh, EH3 9BY
Capricorn Senegal (Holding) Limited	Holding company	England	Scotland	Connect House 133-137 Alexandra Road, Wimbledon, London, SW19 7JY

Indirect holdings

	Business	Country of incorporation	Country of operation	Registered office address
Agora Oil and Gas (UK) Limited	Exploration	Scotland	UK	50 Lothian Road, Edinburgh, EH3 9BY
Capricorn Americas Limited ²	Holding company	Scotland	Scotland	50 Lothian Road, Edinburgh, EH3 9BY
Capricorn Côte d'Ivoire Limited ³	Exploration	Scotland	Côte d'Ivoire	50 Lothian Road, Edinburgh, EH3 9BY
Capricorn Egypt (Holding) Limited	Holding company	England	UK	Connect House 133-137 Alexandra Road, Wimbledon, London, SW19 7JY
Capricorn Egypt Limited	Exploration	England	Egypt	Connect House 133-137 Alexandra Road, Wimbledon, London, SW19 7JY
Capricorn Energy Holdings Limited	Holding company	Scotland	Scotland	50 Lothian Road, Edinburgh, EH3 9BY
Capricorn Energy Mexico S. de R.L. de C.V.	Exploration	Mexico	Mexico	Avenida Paseo de la Reforma 295, Piso 10, Oficina 1903, Colonia Cuauhtémoc, Mexico
Capricorn Energy UK Limited	Exploration	England	UK	Connect House 133-137 Alexandra Road, Wimbledon, London, SW19 7JY
Capricorn Exploration and Development Company Limited ³	Exploration	Scotland	Morocco	50 Lothian Road, Edinburgh, EH3 9BY
Capricorn Low Carbon Solutions Limited ¹	Carbon trading	England	UK	Connect House 133-137 Alexandra Road, Wimbledon, London, SW19 7JY
Capricorn Mauritania Limited ¹	Exploration	Scotland	Mauritania	50 Lothian Road, Edinburgh, EH3 9BY
Capricorn Nicaragua BV	Exploration	The Netherlands	Non-trading	50 Lothian Road, Edinburgh, EH3 9BY
Capricorn Offshore Exploration Limited ³	Exploration	Scotland	Israel	50 Lothian Road, Edinburgh, EH3 9BY
Capricorn Petroleum Limited ¹	Holding company	Scotland	Scotland	50 Lothian Road, Edinburgh, EH3 9BY
Capricorn Resources Management Limited ¹	Royalty interest	Scotland	Mongolia	50 Lothian Road, Edinburgh, EH3 9BY
Capricorn Senegal Limited	Exploration	Scotland	Senegal	50 Lothian Road, Edinburgh, EH3 9BY
Capricorn Suriname BV	Exploration	The Netherlands	Suriname	50 Lothian Road, Edinburgh, EH3 9BY

(1) Exempt from audit under Section 479a of the Companies Act.

(2) Exempt from audit under Section 480 of the Companies Act.

(3) Dissolved in 2025.

8.3 Long-term intercompany receivables

	At 31 December 2025 \$m	At 31 December 2024 \$m
Long-term intercompany receivables	4.4	5.1
	4.4	5.1

Long-term intercompany receivables include amounts due from Capricorn Energy Holdings Limited of \$4.4m (2024: \$5.1m).

8.4 Cash and cash equivalents

	At 31 December 2025 \$m	At 31 December 2024 \$m
Cash at bank	1.7	3.3
Money market funds	70.8	72.7
Cash and cash equivalents	72.5	76.0
Bank overdraft	(1.7)	(0.7)
Net cash balance for cash flow purposes	70.8	75.3

At 31 December 2025, \$1.7m (2024: \$3.2m) of cash and cash equivalents held by the ESOP Trusts are restricted and not available for immediate ordinary business use. See note 3.1 for details on the placing of surplus funds on deposit and money market funds.

8.5 Other receivables

	At 31 December 2025 \$m	At 31 December 2024 \$m
Other receivables	0.3	0.3
Amounts receivable from subsidiary undertakings	41.1	7.1
	41.4	7.4

In 2025, the Company advanced \$31.6m to its direct subsidiary, Capricorn Oil Limited. Intercompany receivables are interest-bearing and unsecured and repayable on demand.

8.6 Trade and other payables

	At 31 December 2025 \$m	At 31 December 2024 \$m
Trade and other payables	–	0.1
Amounts payable to subsidiary undertakings	59.0	75.4
Accruals	0.8	1.0
	59.8	76.5

In January 2025, the Company repaid a \$20.7m intercompany loan to its subsidiary, Capricorn Oil Limited.

The amounts payable to subsidiary undertakings are interest-bearing and unsecured and repayable on demand and will be settled in cash. No guarantees have been given.

8.7 Financial instruments

Set out below is the comparison by category of carrying amounts and fair values of all the Company's financial instruments that are carried in the financial statements. The fair value of financial assets and liabilities has been calculated by discounting the expected future cash flows at prevailing interest rates.

Financial assets

	At 31 December 2025 \$m	At 31 December 2024 \$m
Carrying amount and fair value		
<i>Financial assets at amortised cost</i>		
Cash and cash equivalents	72.5	76.0
Other receivables – amounts receivable from subsidiary undertakings	41.1	7.1
Other receivables	0.3	0.3
Long-term intercompany receivables	4.4	5.1
	118.3	88.5

For all financial assets held at amortised cost, their carrying amount is considered to be the same as their fair value.

SECTION 8 – NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

8.7 Financial instruments continued

Maturity analysis of financial assets

The expected financial maturity of the Company's financial assets at 31 December 2025 is as follows:

	< 1 year \$m	1-2 years \$m	2-5 years \$m	>5 years \$m
<i>Financial assets at amortised cost</i>				
Cash and cash equivalents	72.5	–	–	–
Other receivables – amounts receivable from subsidiary undertakings	41.1	–	–	–
Other receivables	0.3	–	–	–
Long-term intercompany receivables	–	1.0	2.6	0.8
	113.9	1.0	2.6	0.8

The expected financial maturity of the Company's financial assets at 31 December 2024 was as follows:

	< 1 year \$m	1-2 years \$m	2-5 years \$m	>5 years \$m
<i>Financial assets at amortised cost</i>				
Cash and cash equivalents	76.0	–	–	–
Other receivables – amounts receivable from subsidiary undertakings	7.1	–	–	–
Other receivables – other	0.3	–	–	–
Long-term intercompany receivables	–	1.0	2.7	1.4
	83.4	1.0	2.7	1.4

Financial liabilities

	At 31 December 2025 \$m	At 31 December 2024 \$m
Carrying amount and fair value		
<i>Financial liabilities at amortised cost</i>		
Trade and other payables	–	0.1
Bank overdraft	1.7	0.7
Amounts payable to subsidiary undertakings	59.0	75.4
Accruals	0.8	0.9
Lease liability	5.4	6.1
	66.9	83.2

Maturity analysis of financial liabilities

The expected financial maturity of the Company's financial liabilities at 31 December 2025 is as follows:

	< 1 year \$m	1-2 years \$m	2-5 years \$m	>5 years \$m
<i>Financial liabilities at amortised cost</i>				
Bank overdraft	1.7	–	–	–
Amounts payable to subsidiary undertakings	59.0	–	–	–
Accruals	0.7	–	–	–
Lease liability	1.0	1.0	2.6	0.8
	62.4	1.0	2.6	0.8

The expected financial maturity of the Company's financial liabilities at 31 December 2024 was as follows:

	< 1 year \$m	1-2 years \$m	2-5 years \$m	>5 years \$m
<i>Financial liabilities at amortised cost</i>				
Trade and other payables	0.1	–	–	–
Bank overdraft	0.7	–	–	–
Amounts payable to subsidiary undertakings	75.4	–	–	–
Accruals	0.9	–	–	–
Lease liability	1.0	1.0	2.7	1.4
	78.1	1.0	2.7	1.4

Financial risk management: risk and objectives

The Company's financial risk management policies and objectives are consistent with those of the Group detailed in note 3.9.

The Company is not exposed to material foreign currency exchange rate risk.

8.8 Capital management

Capital and net funds were made up as follows:

	At 31 December 2025 \$m	At 31 December 2024 \$m
Continuing operations		
Amounts payable to subsidiary undertakings	59.0	75.4
Lease liability	5.4	6.1
Less cash and cash equivalents	(70.8)	(75.3)
Net (funds)/debt	(6.4)	6.2
Equity	435.2	388.0
Capital and net funds	428.8	394.2
Gearing ratio	–	1.6%

8.9 Related party transactions

The Company's subsidiaries are listed in note 8.2. The following table provides the Company's balances, which are outstanding with subsidiary undertakings at the balance sheet date:

	At 31 December 2025 \$m	At 31 December 2024 \$m
Amounts payable to subsidiary undertakings	(59.0)	(75.4)
Amounts receivable from subsidiary undertakings	45.5	12.2
	(13.5)	(63.2)

The amounts outstanding are unsecured, repayable on demand and will be settled in cash.

The following table provides the Company's transactions with subsidiary undertakings recorded in the profit for the year:

	Year ended 31 December 2025 \$m	Year ended 31 December 2024 \$m
Amounts invoiced to subsidiaries	0.6	2.6
Amounts invoiced by subsidiaries	0.8	0.2

Directors' remuneration

The remuneration of the Directors of the Company is set out below. Further information about individual Directors' remuneration is provided in the audited section of the Directors' remuneration report on pages 55 to 79.

	Year ended 31 December 2025 \$m	Year ended 31 December 2024 \$m
Emoluments	2.2	1.9
	2.2	1.9

No pension contributions were made on behalf of the Directors in 2025 or 2024.

No LTIP share awards to Directors vested during 2025 or 2024. Share-based payments disclosed above represent the market value at the vesting date of these awards in that year.

Other transactions

During the year, the Company did not make any purchases in the ordinary course of business from an entity under common control (2024: \$nil).

In January 2025, the Company received a dividend payment of \$50.0m from its subsidiary, Capricorn Senegal (Holding) Limited, following receipt of the Senegal contingent consideration payment, see note 6.1.

LICENCE LIST AS AT 31 DECEMBER 2025

Country	Asset name	Licence/Concession	Block(s)	Operator	% CE interest
Egypt	ALAM EL SHAWISH WEST	ALAM EL SHAWISH	AL ASSIL, AL BARQ, AL KARAM, AL MAGD, BAHGA	CHEIRON (20%)	20
Egypt	BADR EL DIN	BADR EL DIN	BED-19, BED-20	CHEIRON (50%)	50
Egypt	BED 2-17	BED 2-17	BED-2, BED-17	CHEIRON (50%)	50
Egypt	BED-3	BED-3	BED-3	CHEIRON (50%)	50
Egypt	NORTH ALAM EL SHAWISH	NORTH ALAM EL SHAWISH	NAES-1	CHEIRON (50%)	50
Egypt	NORTH EAST ABU GHARADIG	NEAG EXTENSION	NEAG-1, NEAG-2, NEAG-3, NEAG-5	CHEIRON (26%)	26
Egypt	NORTH EAST ABU GHARADIG	NEAG TIBA	JG, JD, SHEIBA	CHEIRON (26%)	26
Egypt	NORTH MATRUH	NORTH MATRUH	NORTH MATRUH-1 TEEN	CHEIRON (50%)	50
Egypt	NORTH UM BARAKA	NORTH UM BARAKA	NORTH UM BARAKA, NUMB-1	CHEIRON (50%)	50
Egypt	OBAIYED	OBAIYED	OBAIYED	CHEIRON (50%)	50
Egypt	SITRA	SITRA	SITRA	CHEIRON (50%)	50
Egypt	SOUTH EAST HORUS	SOUTH EAST HORUS	SOUTH EAST HORUS	CHEIRON (50%)	50

GROUP RESERVES AND RESOURCES AS AT 31 DECEMBER 2025

Reserves

The Group 2P reserves increased by 12.9 mmboe during the year from 40.3 mmboe at year end 2024 to 53.2 mmboe at year end 2025 on a working interest basis. This was principally due to Egyptian production of 7.3 mmboe and upward revisions of 20.3 mmboe mainly due to the Merged Concessions modernisation. EGPC pays income taxes on our behalf and the 2P reserves at year end 2025 is 35.6 mmboe on a before tax net entitlement basis.

Group proven plus probable oil and gas reserves (2P)

	Working Interest (WI)			Entitlement Interest (EI)		
	Oil mmbbls	Gas bcf	boe mmboe	Oil mmbbls	Gas bcf	boe mmboe
At 1 January 2025	17.8	125.9	40.3	7.0	48.3	15.6
Additions and Discoveries	0.4	14.3	3.0	0.2	12.6	2.3
Technical revisions	9.3	44.4	17.3	7.2	55.0	17.2
Production	(3.0)	(24.0)	(7.3)	(1.4)	(11.9)	(3.5)
At 31 December 2025	24.5	160.6	53.2	13.0	104.1	31.6

Year end 2025 reserves are based on the Competent Person's Report compiled for Capricorn by GLJ Ltd and prepared in accordance with the latest Society of Petroleum Engineers Petroleum Resources Management System (SPE PRMS) approved definitions of reserves and resources. GLJ based their evaluation on information and data provided by Capricorn.

All 2P reserves are located within the Western Desert assets in Egypt.

Sensitivity analysis with different hydrocarbon and carbon emission prices

Total Group 2P Reserves	WI mmboe	EI mmboe
IEA's World Energy Outlook 2025 Stated Policies Scenario (STEPS)	52.5	28.5
IEA's World Energy Outlook 2025 Current Priorities Scenario (CPS)	53.3	28.6
IEA's World Energy Outlook 2025 Net Zero Emissions by 2050 Scenario (NZE)	47.2	26.0

Subdivision of 2P reserves

%

By country

Egypt	100%
Within 20 lowest ranking countries from Transparency International's Corruption Perception Index	–

Group contingent oil and gas resources (2C development pending and unclarified)

	WI mmboe
At 1 January 2025	21.4
Revisions	60.0
31 December 2025	81.4

Contingent resources are based on the Competent Person's Report compiled for Capricorn by GLJ Ltd and prepared in accordance with the latest SPE PRMS definitions. The year end 2025 contingent resources include the extension of Merged Concessions to the end of 2045. All contingent resources are located within the Western Desert assets in Egypt.

GLOSSARY

The following are the main terms and abbreviations used in this report:

2C	Denotes best estimate scenario of contingent resources	mmboe	Million barrels of oil equivalent
2P	Proved plus probable reserves, denotes best estimate scenario	mscf	Thousand standard cubic feet
AESW	Alam El Shawish West	N/A	Not applicable
AGM	Annual General Meeting	NEAG	North East Abu Gharadig
AQI	Audit Quality Inspection	NPV	Net present value
AR	Accounts receivable	NUMB	North Um Baraka
Bapetco	Badr Petroleum Company	Opex	Operating expenditure
bbl	Barrel of oil	PLC	Public limited company
BCF	Billion cubic feet	PDMR	Person Discharging Managerial Responsibilities
BED	Badr El Din	PSC	Production sharing contract
boe	Barrels of oil equivalent	SECR	Streamlined Energy and Carbon Reporting
boepd	Barrels of oil equivalent per day	SEH	South East Horus
bps	Basis points	SIP	Share incentive plan
Capex	Capital expenditure	SPE PRMS	Society of Petroleum Engineers Petroleum Resource Management System
CCUS	Carbon capture, utilisation and storage	TCFD	Task Force on Climate-related Financial Disclosures
CEO	Chief Executive Officer	tCO ₂ e	Tonnes of carbon dioxide equivalent
CFO	Chief Financial Officer	UN SDGs	United Nations Sustainable Development Goals
CO ₂	Carbon dioxide	WAEP	Weighted average exercise price
COO	Chief Operating Officer	WAGP	Weighted average grant price
DBP	Deferred Bonus Plan	WEF	West El Fayoum
DMA	Double materiality assessment	WI	Working interest
EGP	Egyptian pound		
EGPC	Egyptian General Petroleum Corporation		
EI	Entitlement interest		
ESAS	Employee Share Award Scheme		
ESG	Environmental, Social and Governance		
EVF	Employee Voice Forum		
EVP	Executive Vice President		
FRC	Financial Reporting Council		
FTSE	The Financial Times Stock Exchange		
GBP	British pound sterling		
GHG	Greenhouse gas		
GRI	Global Reporting Initiative		
HSSE	Health, safety, security and environment		
IAS	International Accounting Standards		
IEA	International Energy Agency		
IEA CPS	International Energy Agency's Current Policies Scenario		
IEA STEPS	International Energy Agency's Stated Policies Scenario		
IEA NZE	International Energy Agency's Net Zero Emissions Scenario		
IOGP	The International Association of Oil and Gas Producers		
ISAs	International Standards on Auditing		
ISO	International Organization for Standardization		
IT	Information Technology		
JV	Joint venture		
KPI	Key performance indicator		
LLP	Limited liability partnerships		
LTIF	Lost time injury frequency		
LTIP	Long-term incentive plan		
m	Million		
MENA	Middle East and North Africa		
M&A	Mergers and acquisitions		
mmbo	Million barrels of oil		

COMPANY INFORMATION

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