

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

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