

CHAIR'S STATEMENT

I am honoured to present my first annual report as Chair of Capricorn Energy, having been appointed at the 2024 AGM in May following the departure of Craig van der Laan. I would like to thank Craig for his dedication to transforming the business; he brought invaluable insight and expertise to the role and it was a pleasure to serve on his Board. I would also like to thank Hesham Mekawi following his resignation from the Board in June; his deep experience in the industry and region was vital to Capricorn during its transition period. Finally, we welcomed Sachin Mistry as a Non-Executive Director at the May AGM as a representative of one of Capricorn's largest investors, Palliser Capital.

Consistent delivery and clear strategic direction

Today's Capricorn is a fundamentally different company to that of two years ago. This is undoubtedly due to the team's efforts in delivering the strategic priorities communicated by the Company over the past two years. Capricorn's culture reset was led with a focus on capital returns, resulting in more than \$600m returned to shareholders over the period.

We exited almost all non-core activities in 2024, resulting in minimal spend outside Egypt in the year, and we are on target to achieve an approximate 80% reduction in general and administrative (G&A) costs from 2022 to 2025. We are now in a position to draw a line in the sand and focus on unlocking the highest possible value from our assets in Egypt. Capricorn has a clear strategy and direction for the new business, demonstrated by improved operational and market performance, reflecting our commitment to our shareholders and to Egypt.

Capital discipline and financial stability

Continued capital discipline and cost control now form the foundation of our Company culture and we have made substantial progress in strengthening our balance sheet, providing greater stability for the business. This financial strength underpins our ability to unlock the clear value opportunities in the Company and pursue strategic goals to deliver long-term value to our shareholders.

In H1 2024, the stabilisation of the Egyptian economy improved the regularity of payments on our outstanding receivables position, supporting our strategy to develop a self-sufficient business in Egypt that only invests what it will return. We will continue to monitor future capital expenditure commitments against collection of receivables. Since my appointment, management has dedicated a significant amount of time to improving our knowledge of the producing assets, as well as the working relationships with our partner, Cheiron, and the Egyptian Government and we are already benefiting from improved predictability of operating results.

In the year to 31 December 2024, Capricorn has collected \$135m in receivables, providing us with greater confidence that we will continue to receive payments at regular intervals.

Maximising asset potential through strengthened relationships

Our strategic focus remains on maximising the potential of our assets and deepening our relationships with our partners in Egypt. Through production optimisation and improved concession agreement terms, we aim to enhance the value of our operations.

We also resumed development activity in the region following constructive discussions with the Egyptian General Petroleum Corporation (EGPC) on payments.

CEO Randy Neely, together with Eddie Ok, CFO and Geoff Probert, COO, have brought extensive experience of operating in Egypt, demonstrated by their achievements at TransGlobe Energy, and we are confident in our ability to achieve a successful outcome to our concession agreement negotiations to better reflect current market conditions. We believe this collaborative approach will help increase production and tax receipts for the country and enhance our ability to deliver sustainable value to our shareholders.

Outside Egypt, our objective is to diversify and expand operations while continuing to evaluate M&A prospects in the UK North Sea and MENA region, and exploring new opportunities to enhance shareholder value through strategic investments and partnerships.

Looking ahead

As we move forward, Capricorn remains dedicated to maximising value and to delivering sustainable growth for our shareholders. With a clear strategy spearheaded by improved concession agreement terms, disciplined fiscal approach and strong relationships, alongside a commitment to responsible business practices, we are ensuring that Capricorn is the partner of choice for all stakeholders and is well-positioned for continued success.

Maria Gordon
Chair

27 March 2025

“Capricorn remains dedicated to maximising value and to delivering sustainable growth for our shareholders.”