

27 March 2025

CAPRICORN ENERGY PLC ("Capricorn" or "the Company")
Full Year Results Announcement for the year ended 31 December 2024

Randy Neely, Chief Executive, Capricorn Energy PLC said:

"2024 was a pivotal year for Capricorn during which we continued to improve the operational performance of the Egyptian business and continued our culture of financial discipline, which helped the Company achieve the upper end of production guidance.

A key milestone in unlocking further value in our asset base will be achieved through the amendment to the terms of our concession agreements. In Q3 2024, together with our operating partner Cheiron Oil and Gas Limited ("Cheiron"), Capricorn proposed an amendment to consolidate the eight existing Egyptian concession agreements where we have an equal working interest into a new, single integrated concession agreement. Negotiations have gained real momentum since the Egyptian General Petroleum Corporation ("EGPC") formally convened an investment committee in September 2024 to assess the proposal, with the process expected to complete in 2025. A new concession agreement would include the commercial terms and additional investment that would support increased production and reserves, through enhanced activity levels, and strengthened returns, to the benefit of all parties.

We were pleased to report that the Company received 50m in January 2025 related to our disposal of the Sangomar asset to Woodside Energy ("Woodside"). Capricorn's stated desire to return the 50m payment has been impacted by the requirement to retain cash for any future tax obligations in Senegal related to the divestment, along with Waldorf Production UK's ("Waldorf's") failure to pay Capricorn 22.5m when due in January 2025.

Growth and diversification of operations and cash flows will be a key focus for 2025. Our goal is to ultimately deliver consistent shareholder returns and we are evaluating M&A opportunities in the UK North Sea and MENA region, through a strict set of financial and strategic criteria, to facilitate this. With a solid foundation being established in Egypt, we are well positioned for positive developments this year."

FY 2024 Operational and financial highlights

- Development drilling in Egypt concentrated on a liquids focused strategy
- Revenues of 147m; with an average oil price of 79.3/boe and gas price of 2.9/mscf
- Production costs of 42m, equivalent to 4.8/boe on a WI basis
- 63m capex on Egypt producing assets
- Group net cash of 23m; comprising 123m cash and 100m debt
- WI Egypt oil and gas production of 23,763 boepd at the upper end of guidance of 20,000 - 24,000 boepd, comprising 44% liquids; net entitlement sales volumes 9,737 boepd
- Net cash inflows of 66m from Egypt operations post-capex, including 135m cash receipts
- Egyptian receivables position of 184m with 9m expected credit loss adjustments
- Gross G&A of 24m*
- 57m cash returned to shareholders via a 50m special dividend paid in June 2024 and 7m share buyback completed in November 2024
- Profit of 11m; loss from continuing operations of 12m, profit from discontinued operations of 23m

* Before depreciation and share-based payment charges including 2m legacy costs

2025 Outlook

- Post year end 50m Senegal contingent payment received from Woodside in January 2025
- Production in 2025 is guided in the range of 17-21,000 boepd, 39% of which is forecast to be liquids
- Capex guidance of 85m - 95m
- In 2025 operating costs are forecast to be 5-7/boe

• In 2025 operating costs are forecast to be c. 17000

- Completion of a new concession agreement, consolidating the eight existing concession agreements where we have an equal share with Cheiron into a single, integrated agreement in preparation for final approval by the Egyptian competent authorities. The Alam El Shawish West (AESW) joint venture (20% WI) is also expected to commence negotiations to improve the concession agreement terms in 2025
- Development drilling will continue to focus on the delineation and development of the Abu Roash G (ARG) reservoir in Badr El Din (BED) and the continuing implementation of waterflood. In Q1 2025 two wells will be drilled on the AESW concession, targeting the ARG reservoir
- Exploration drilling in Egypt commenced in February 2025 with the spudding of WEF-1X, the first of up to six wells, fulfilling outstanding commitments on the South East Horus (SEH), West El Fayoum (WEF) and North Um Baraka (NUMB) concessions.
- M&A opportunities in the UK North Sea and MENA region continue to be evaluated in line with our strict set of strategic, financial and returns criteria to diversify and expand our operations
- The Company will continue to pursue the recovery of Waldorf's missed payment of 22.5m and the additional 7m should the Columbus acquisition expire on the long stop date (31 March 2025)
- Post year end 25m Shell contingent payment paid
- Post year end appointed Canaccord Genuity Limited as joint corporate broker

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Presentation

The results presentation slides will be available on the website from 09:00 GMT.

Analyst conference call

You can listen to the results presentation by dialling in to a conference call 5-10 minutes prior to 09:00 GMT using the below dial-in details. Analysts who wish to ask a question should use the conference call facility.

Dial-in Details:

United Kingdom (Local): +44 (0)330 551 0200

Access code: Quote 'Capricorn Full Year' when prompted by the operator.

Webcast

A live webcast of the presentation including Q&A will be held today at 09:00 GMT for investors and analysts and will be available via our website at www.capricornenergy.com or on https://brmedia.news/CNE_FY_24. This will be available for playback after the event.

Corporate overview

2024 was an important year for Capricorn. Following the strategic reset of the business in 2023 to become the cash flow-focused energy producer that we are today, we have made significant progress on delivering our business plan to unlock further value from our assets.

Operational review

Highlights for the year include regular and meaningful cash collections in the first half which, combined with a commitment to a more favourable fiscal environment in Egypt and improved operational alignment with our JV partner, enabled the resumption of investment in June 2024 with a full year total net capex spend of 63m. This included various infrastructure projects and the drilling of 11 development wells, focused on the ARG reservoir in the BED area.

Capricorn and its operating partner, Cheiron, continued to make good progress with the amendment to the terms of its concession agreements with EGPC, with the process expected to complete this year. All Parties have committed to conclude, as soon as possible, negotiations to consolidate the eight existing Egyptian concession agreements in which Capricorn and Cheiron each have a 50% working interest (WI) into a single, new integrated concession agreement, in preparation for final approval by the Egyptian competent authorities. A new integrated concession agreement would include the commercial terms and additional investment that would support increased production, through enhanced activity levels, and strengthened returns.

Full year production was 23.763 boepd (44% liquids), generating revenues of 147m at an average realised oil price of

Our year production was 23,763 boepd (1,170 mscf), generating revenues of 1,111m at an average realised oil price of 79.3/bbl and gas price of 2.9/mscf. Our average total production costs were 4.8/boe. Net cash generated from Egypt oil and gas production was 106m, with overall Group net cash of 23m, comprising 123m cash and 100m debt.

Reserves

Capricorn engaged GLJ Ltd. (GLJ) to undertake an independent oil and gas reserves evaluation on the Company's Egypt assets, to document the 2024 year end reserves position. 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. The highlights of the reserves report are summarised below:

- Relative to year end 2023, 2024 production reduced net entitlement interest reserves by 3.6 mmboe
- Developed reserves additions in 2024 replaced 24% of production with 98% of this addition occurring in the BED area
- 54% of the 2P reserves are categorised as undeveloped
- The net present value (NPV) of future net entitlement revenues, discounted at 15% (NPV15) for the 2P basis is 169m.

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
17.8	7.0	125.9	48.3	40.3	15.6

Upon ratification of the new terms associated with the consolidation of the eight development concessions held equally with Cheiron, Capricorn intends to publish an updated competent persons report to describe the improved impact on the reserves position of these new terms and licence extension. A similar process of concession agreement renegotiation has begun on the nearby AESW block where the Company has a 20% working interest.

Production

WI production in 2024 across the four main concession areas of Obaiyed (Capricorn 50% WI), BED (Capricorn 50% WI), North East Abu Gharadig (Capricorn 26% WI) and AESW (Capricorn 20% WI) averaged 23,763 boepd (44% liquids) for the year, at the upper end of the guidance range for WI production of 20,000 - 24,000 boepd.

Over the year Capricorn focused on improving knowledge of and optimising the producing assets in Egypt with the goal of establishing a better understanding of resource potential and correspondingly forecasting of future production. Working with our operating partner Cheiron, the Company prioritised liquids focused operations in the BED area and efforts continue to actively manage reservoirs with water injection, to add production and reserves. Cash receipts totalled 135m during the year across all concessions.

Development drilling activity is planned to continue in 2025 with a continuation of the strategy that has been taken at BED. In addition, wells will be drilled on the AESW concession, targeting the ARG reservoir. Workovers are an important, cost-efficient mechanism to maintain production and Capricorn will continue to proactively high-grade opportunities, supporting the Operator in prioritising economic projects. Capricorn anticipates that the consolidation of the eight development concessions shared equally with Cheiron will provide a catalyst for increased development activity and work is progressing with the Operator to ensure operational readiness and a comprehensive understanding of the opportunities across the portfolio.

Exploration

Exploration drilling resumed in Q1 2025 with a work programme to fulfil the outstanding commitments on the WEF, SEH and NUMB concessions. The Operator is planning up to six exploration wells in total. The first of these commenced in February with the WEF-1X well. In addition to targeting several conventional objectives the well will also test the emerging Abu Roash unconventional play.

Senegal tax assessment

In November 2023 Capricorn received notice under the sales agreement from the purchaser that it has received an assessment from the Senegal tax authorities relating to operations in Senegal, with two assessments raised that would impact Capricorn. The Company believes that neither claim is valid and is working with the purchaser to defend the Group's position. The purchaser has filed an action with the High Court of Dakar disputing the tax assessment from the Senegalese tax authorities. The purchaser is also preserving its rights under its Host Government Agreement and international treaties in relation to this matter. No provision has been made in the financial statements at the balance sheet date.

UK North Sea contingent payment

Capricorn continues to evaluate options to recover the defaulted final settlement payment of 22.5m payable by Waldorf on 3 January 2025 (which increases to 29.5m should the Columbus acquisition not complete by end Q1 2025). The Company is currently in discussions with Waldorf in the context of the Restructuring Plan proposed by Waldorf.

Outlook

Capricorn continues to work with its partner Cheiron to progress the negotiated terms of an improved concession agreement on those concessions where we have an equal working interest and expect this process to complete in 2025. The AESW joint venture (Capricorn 20% WI) will be pursuing improved concession agreement terms in 2025.

We are continuing to evaluate M&A opportunities in the UK North Sea and MENA region to diversify and expand our operations.

The Company will continue to prioritise shareholder returns where possible. Our stated desire to return the net proceeds received from Woodside to shareholders has been negatively impacted by Waldorf's default in January 2025 as well as the ongoing tax dispute in Senegal.

Principal risks and uncertainties

Managing the Group's key risks, and associated opportunities is essential to Capricorn's long-term success and sustainability. The Group endeavours to deploy capital in such a way that offers an appropriate level of return whilst ensuring the levels of associated political, commercial, and technical risk remain within the defined risk appetite of the Group.

The Group's risk management framework provides a systematic process for the identification and management of the key risks and opportunities which may affect the delivery of the Group's strategic objectives. Key Performance Indicators are set annually to determine the level of risk the Group is willing to accept in the pursuit of these objectives and form a fundamental component of the Group's risk management framework.

Overall responsibility for the system of risk management and internal control and reviewing the effectiveness of such systems rests with the Board. Principal risks, as well as progress against key risk projects, are reviewed at each Board meeting, and at least once a year the Board undertakes a dedicated risk workshop to review the Group's principal risks. This integrated approach to risk management has been and continues to be critical to the delivery of our strategic objectives.

Responding to Changing Risks during 2024

Capricorn has assessed the principal risks and uncertainties at the end of 2024. The principal risks are:

- Increasing EGPC receivables balance
- Volatile oil and gas prices
- Underperformance of Egypt assets
- Failure to replace long-term reserves and resources
- Political and fiscal uncertainties
- Lack of adherence to HSSE policies
- Future challenges and costs as markets transition to net zero

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. The Group is actively looking to grow the asset base and considers potential emerging macroeconomic exposures which could degrade the value of opportunities.

Financial Review

Key production statistics

	Year ended 31 December 2024	Year ended 31 December 2023
Production - net WI share (boepd)	23,763	30,044
Sales volumes - net EI oil (boepd)	3,847	5,367
Sales volume - net EI gas (mscfd)	32,980	38,049
Average price per bbl ()	79.3	81.2
Revenue from production (m)	147	200
Average production costs per boe ()	4.8	5.4

Profit/(Loss) for the Year

	Year ended 31 December 2024 m	Year ended 31 December 2023 m
Profit/(Loss) from the Egypt business operating segment	1	(60)
Loss from other Group continuing operations	(13)	(82)
Profit/(Loss) from discontinued operations	23	(2)
Profit/(Loss) after taxation	11	(144)

Egypt business operating segment results

In Egypt, total revenue was 147m (2023: 200m). 112m (2023: 159m) was generated on sale of liquids with an average price of 79.3 per bbl (2023: 81.2 per bbl) on net entitlement sales volumes of 1,408,300 bbls (2023: 1,959,000 bbls). Gas revenue was 35.2m (2023: 40.8m) from volumes of 12,071,000 mscf (2023: 13,887,800 mscf) at the contracted rate of 2.9/mscf (2023: 2.9/mscf). Additional expected credit loss provisions against revenue receivable led to a charge of 4m (2023: 9m) to the Income Statement.

Cost of sales in the year were 42m (2023: 60m), including inventory movements. Production costs decreased slightly to 4.8 per boe (2023: 5.4 per boe), on working interest production over the year, while depletion charges were 85m (2023: 120m), at a weighted average rate of 25.2 per boe (2023: 22.8 per boe) across the concessions.

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 30m (2023: 54m).

At the balance sheet date, Capricorn and our partner Cheiron were sufficiently advanced in negotiations with EGPC to amend the terms of the concession agreements on the 50:50 concessions in the BED and Obaiyed areas to allow the modified terms and extended field lives to be incorporated into fair value models used for impairment testing, now performed on a single cash generating unit. The increase in value generated through the expected terms of the new concession is sufficient to reverse previously recorded impairment across the Obaiyed concession area. 16m of an impairment reversal was recorded in the year, with a related deferred tax charge of 7m. In the prior year, impairment was recorded on producing assets of 29m and goodwill of 15m. Related deferred tax credits were 67m. Impairment of goodwill does not reverse in subsequent years.

A fair value loss of 5m (2023: 8m) on the mark-to-market valuation of deferred consideration due relating to the 2021 business combination was recorded in the year, increasing the final instalment due under this transaction to the maximum 25m, which was paid in January 2025.

Net finance costs in Egypt of 18m (2023: 17m), includes loan interest and charges and the total tax charge on Egypt operations for the year is 32m (2023: 40m), being the tax gross-up charge of 30m and a deferred tax charge of 2m.

Results from other continuing operations

The loss on other continuing operations of 13m (2023: 82m) includes unsuccessful exploration costs of 6m (2023: 18m) with no further general exploration costs in the year (2023: 16m) as the Group ceased all exploration activity outside Egypt. 5m (2023: 16m) of unsuccessful exploration costs related to Mexico and 1m to historic UK licences (2023: 2m across all other countries). Capricorn continued to monitor opportunities to add producing assets to the portfolio, particularly in the UK and MENA, with costs relating to business development activities absorbed within administration charges in the current year.

Net finance income of 7m (2023: 14m) includes interest earned on cash and cash equivalents of offset by finance charges and foreign exchange losses, the lower values in the current year a reflection of reduced cash on the balance sheet following last year's shareholder returns.

A current tax credit of 5m (2023: nil) was recorded in the year in respect of tax refunds due on tax withheld on dividends due from shares previously held in India. The dividends themselves remain subject to ongoing legal challenge and remain a contingent asset.

General and administrative costs (G&A)

Following the restructuring of Capricorn across 2023, reducing the Group's overhead charge has been a key priority. Gross departmental administration charges of 24m (2023: 79m), excluding non-cash depreciation and amortisation charges and share-based payment charges, include redundancy payments in 2023 of 16m. Once remaining historic legacy contracts end, Capricorn expects to achieve further savings bringing total gross G&A down to the Board's stated target of ~ 20m per year after adjusting for inflation.

Management's estimate of the fair value of the Group's equity instruments is based on the closing bid price of the shares on the London Stock Exchange on 31 December 2024.

Net administration costs were 24m (2023: 62m) after including the non-cash items above and after deducting timewriting recharges to assets. 3m of net administrative costs related to Egypt (2023: 2m) with the remaining 20m (2023: 60m) incurred in the UK.

Discontinued operations

The Group made a profit from discontinued operations of 23m during the year following recognition of 50m Senegal contingent consideration offset by losses of 27m relating to historical transactions in the North Sea. No provision for any possible Senegal tax liability has been recorded.

Settlement of earnout consideration due on disposal of UK Producing assets

Under the 2023 settlement agreement Capricorn was due to receive 22m in January 2025 and Waldorf's 25% WI in the Columbus gas field in the UK North Sea. However, Waldorf's ongoing default on its obligations make it highly unlikely that the 22m will be received in full and Capricorn have reduced this receivable to 2m in the balance sheet, reflecting Waldorf's revised settlement offer. The Columbus transfer is also not expected to complete and the related 7m long-term receivable has been fully impaired. A 26m loss has been recorded in the year (2023: net loss of 2m, being a fair value loss on earnout receivable of 40m and a loss on completion of the settlement agreement of 2m offset by a refund of historic costs of 4m and interest received on earnout payments due of 2m).

Further consideration on Senegal asset sale and ongoing tax assessment

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. As all conditions relating to the payment of this additional consideration had been met by the balance sheet date, the receivable was recorded during the year, generating income of the full 50m.

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. Capricorn's belief is that neither claim is valid and is working with the purchaser to defend the Group's position. No provision has been made in the financial statements at the year end and it is increasingly likely that international arbitration will be required to resolve this disputed assessment.

Net cash outflow for the Year

	m
Opening net cash as at 1 January 2024	76
Dividend paid and share repurchase	(57)
Net cash inflow from Egypt operations ¹	106
Net cash inflow from UK discontinued operations	2
Exploration expenditure - Legacy assets	(1)
Development expenditure - Egypt	(40)
Deferred consideration - Egypt	(25)
Proceeds on disposal of financial asset	3
Administration expenses, corporate assets, and office lease costs	(22)
Net finance costs, equity and other movements	(20)
Tax refund	1
Closing net cash as at 31 December 2024	23

¹ Operating cash flow from Cash Flow Statement of 86m, plus add back of 20m of administrative and other costs reallocated

Cash and cash equivalent balances at 31 December 2024 of 123m (2023: 190m) were offset by borrowings in Egypt of 100m (2023: 114m), excluding prepaid facility fees and accrued interest. Cash held outside of Egypt was 78m (2023: 184m), while the net debt of the Egypt business was 54m (2023: 106m). Capricorn have committed not to inject further cash into the Egypt business, other than to meet committed exploration spend and deferred consideration payments, both covered by Parent Company Guarantee. Loan facilities are non-recourse to the Group's non-Egypt assets. Restricted cash balances of 3m (2023: 5m) and 46m (2023: 5m) exist in the UK and Egypt respectively. Egypt restricted cash may be used to fund non-operated concessions in Egypt and make principal and interest payments on the loan facilities.

Total loan repayments in the year were 14m (2023: 48m). The facilities are subject to bi-annual redetermination processes. During the latest redetermination process, the modelling bank discovered an error in its model that had been present since inception and should have resulted in higher repayments falling due from September 2023 onward. Following positive discussions with lenders to resolve this error, the borrowers agreed to higher than previously modelled repayments falling due on the Senior Facility in Q1 2025, with the remaining amounts repayable across

2025 and 2026 as previously forecast. The higher cash balances held in Egypt at the 2024 year end reflect the expected principal and interest payments due to lenders in Q1 2025. The latest banking model was approved in February 2025 and therefore the balance sheet classification of amounts falling due within and greater than one year do not reflect the latest changes.

Balance Sheet

The Group's net asset position at 31 December 2024 is summarised as follows:

	m
Development assets and goodwill - Egypt	222
Other long-term assets	13
Working capital - non-Egypt	124
Cash and cash equivalents	78
Trade and other receivables and payables, and provisions	46
Working capital - Egypt	31
Trade and other receivables and payables, and inventory	85
Net debt, including total loan liabilities and unamortised facility fees	(54)
Lease liabilities due after one year	(5)
Well abandonment provisions due after one year	(7)
Deferred consideration on business combination	(25)
Net deferred tax liabilities	(4)
Net assets	349

Development assets and goodwill

Over H1 2024, Capricorn did not approve further drilling activity in Egypt until there was an improvement in the receivables positions from EGPC. By the end of February 2024, only one rig was operating, completing pre-approved producing wells, down from a maximum of six during 2023. Receipts of 93m across H1 2024 led to a resumption of a three-rig drilling programme in late June 2024. A further 43m was received in H2 2024.

Reduced additions in 2024 of 63m (2023: 91m) reflect this pause in activity and Capricorn will continue to ensure that future drilling commitments are aligned to ongoing cash collections.

Depletion charges in 2024 of 85m (2023: 120m) are based on booked reserves as at 31 December 2024 and take no account of expected upward revisions following the amendment of terms to the concession agreement. Reserves booked at the year end decreased due to the reclassification of reserves not expected to be extracted within the existing licence term. The impairment reversal of 16m includes a restriction to reflect depletion that would have arisen on a higher cost base in the calculation.

Goodwill remains unchanged from the prior year end at 11m.

Other long-term assets

Non-oil and gas property, plant and equipment and intangible assets at the year end totalled 13m (2023: 15m) which includes 7m (2023: 7m) relating to unamortised carbon credits and 5m (2023: 7m) of leasehold offices held as right-of-use assets. Carbon credits are tested for impairment within the Egypt cash generating unit.

Prior year assets included amounts due from Waldorf which have either been reclassified to current assets and impaired or written off in full as previously noted.

Working capital

Working capital outside of Egypt includes the 50m due in relation to Senegal first oil offset by residual balances from the Group's previous international exploration activities and funding of corporate activities.

Egypt trade receivables at the year end were 175m (2023: 169m), an increase of 6m across the year, net of expected credit loss adjustments. 168m (2023: 143m) of this amount was overdue.

Net working capital liabilities across the Egypt concessions were 100m (2023: 66m), with the increase reflecting a build-up in the payables position at the gross joint venture level as Capricorn preserved cash to ensure debt repayments can be met.

Tax assets and liabilities

Deferred tax assets of 18m (2023: 8m) and deferred tax liabilities of 22m (2023: 10m) are recorded across the concessions in Egypt. 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 agreements, the liability remains with the contractor until the point of settlement, hence the recording of assets and liabilities on the balance sheet.

The non-Egypt current tax receivable of 4m relates to the India tax refunds and is included in working capital above.

Equity movements

Across 2024 Capricorn returned 57m (2023: 560m) to shareholders, 50m (2023: 541m) by way of dividends and 7m (2023: 19m) in share repurchases, bringing the latter programme to an end. The Company undertook share consolidations in conjunction with the payment of these dividends in both years.

Across the year, Capricorn acquired 11m (2023: 20m) of its own shares to meet anticipated share awards to current and past employees. 10m (2023: 28m) of shares vested in the year.

Capricorn Energy PLC

Group Income Statement

For the year ended 31 December 2024

	Note	2024 m	2023 m
Continuing operations			
Revenue	2.1	147.8	201.0
Other income	2.1	30.1	54.1
Cost of sales	2.1	(41.6)	(59.6)
Depletion charge	2.3	(85.1)	(120.4)
Gross profit		51.2	75.1
General exploration costs		(1.1)	(26.9)
Unsuccessful exploration well costs	2.2	(8.9)	(20.5)
Impairment reversal/(Impairment) of property, plant & equipment - development/producing assets	2.3	15.7	(29.1)
Impairment of goodwill		-	(14.6)
Expected credit loss adjustment on revenue receivable		(3.9)	(9.0)
Pre-award costs		-	(1.1)
Other operating income		1.0	0.6
Administrative and other expenses	4.2	(23.9)	(61.9)
Operating profit/(loss)		30.1	(87.4)
Fair value loss - deferred consideration on business combinations	3.4	(5.2)	(8.0)
Other (losses)/gains through profit or loss		(0.1)	0.8
Impairment of an asset held-for-sale		-	(4.0)
Finance income	4.3	9.5	21.8
Finance costs	4.4	(20.4)	(25.3)
Profit/(Loss) before tax from continuing operations		13.9	(102.1)
Taxation			
Tax charge	5.1	(26.5)	(40.5)
Loss from continuing operations		(12.6)	(142.6)
Profit/(loss) from discontinued operations	6.1	23.2	(1.4)
Profit/(Loss) for the year attributable to equity holders of the Parent		10.6	(144.0)
Loss per share for loss from continuing operations:			
Loss per ordinary share - basic and diluted ()	4.5	(0.16)	(0.74)
Profit/(Loss) per share for profit/(loss) attributable to equity holders of the Parent:			
Profit/(Loss) per ordinary share - basic and diluted ()	4.5	0.14	(0.75)

Group Statement of Comprehensive Income

For the year ended 31 December 2024

	2024 m	2023 m
Profit/(Loss) for the year attributable to equity holders of the Parent	10.6	(144.0)

Other comprehensive (expense)/income - items that may be recycled to the Income Statement		
Currency translation differences	(1.2)	5.1
Currency translation differences recycled on liquidation of subsidiaries	(0.4)	-
Other comprehensive (expense)/income for the year	(1.6)	5.1
Total comprehensive income/(expense) for the year attributable to equity holders of the Parent	9.0	(138.9)
Total comprehensive (expense)/income from:		
Continuing operations	(14.2)	(137.5)
Discontinued operations	23.2	(1.4)
	9.0	(138.9)

Capricorn Energy PLC

Group Balance Sheet

As at 31 December 2024

	Note	2024 m	2023 m
Non-current assets			
Intangible exploration/appraisal assets	2.2	-	2.5
Property, plant & equipment - development/producing assets	2.3	210.8	217.6
Goodwill		10.8	10.8
Other property, plant & equipment and intangible assets		13.0	14.5
Other long-term receivables	2.4	-	27.6
Deferred tax asset	5.2	18.3	7.6
		252.9	280.6
Current assets			
Cash and cash equivalents	3.1	123.4	189.5
Inventory		8.0	8.3
Trade and other receivables	3.3	231.4	186.0
Current tax receivables		4.0	-
		366.8	383.8
Asset held-for-sale		-	3.2
Total assets		619.7	667.6
Current liabilities			
Loans and borrowings	3.2	26.4	15.4
Lease liabilities		1.0	1.0
Deferred consideration on business combinations	3.4	25.0	25.0
Trade and other payables	3.5	110.6	82.0
Provisions - well abandonment		0.5	-
		163.5	123.4
Non-current liabilities			
Loans and borrowings	3.2	72.9	96.4
Lease liabilities		5.1	6.4
Provisions - well abandonment		6.8	5.5
Deferred consideration on business combinations	3.4	-	19.8
Deferred tax liabilities	5.2	22.1	9.6
		106.9	137.7
Total liabilities		270.4	261.1
Net assets		349.3	406.5
Equity attributable to equity holders of the Parent			
Called-up share capital		7.3	7.6
Share premium		0.9	0.8
Shares held by ESOP/SIP Trusts		(6.7)	(6.3)
Foreign currency translation		(87.3)	(85.7)
Merger and capital reserves		46.2	45.9
Retained earnings		388.9	444.2
Total equity		349.3	406.5

Capricorn Energy PLC

Group Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 m	2023 m
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Cash flows from operating activities:			
Profit/(Loss) before tax from continuing operations		13.9	(102.1)
Profit/(Loss) before tax from discontinued operations	6.1	23.2	(5.5)
Profit/(Loss) before tax including discontinued operations		37.1	(107.6)
Adjustments for non-cash income and expense and non-operating cash flows:			
Other income - tax entitlement volumes		(30.1)	(54.1)
Unsuccessful exploration well costs		8.9	20.5
Depreciation, depletion and amortisation		86.8	127.1
Impairment of goodwill		-	14.6
(Reversal of impairment)/Impairment of property, plant & equipment - development/producing assets		(15.7)	29.1
Expected credit loss adjustment on revenue receivable		3.9	9.0
Share-based payments charge		1.9	2.5
Fair value loss - deferred consideration on business combinations		5.2	8.0
Other losses/(gains) through profit or loss		0.1	(0.8)
Loss/(Gain) on financial assets at fair value through profit or loss - discontinued operations		-	10.4
Impairment of an asset held-for-sale		-	4.0
Loss on disposal of a financial asset - discontinued operations		26.1	1.7
Loss on disposal of a subsidiary - discontinued operations		0.7	-
Gain on disposal of oil and gas asset - discontinued operations		(50.0)	-
Finance income		(9.5)	(21.8)
Finance costs		20.4	25.3
Adjustments to operating cash flows for movements in current assets and liabilities:			
Inventory movement		0.3	(0.2)
Trade and other receivables movement	3.3	(9.1)	(69.0)
Trade and other payables movement	3.5	9.1	(38.6)
Net cash flows from/(used in) operating activities		86.1	(39.9)
Cash flows from investing activities:			
Expenditure on intangible exploration/appraisal assets		(1.0)	(16.4)
Expenditure on property, plant & equipment - development/producing assets		(39.7)	(44.2)
Expenditure on other property, plant & equipment and intangible assets		(0.9)	(0.3)
Deferred consideration received - discontinued operations		2.0	182.4
Deferred consideration paid on business combination		(25.0)	(25.0)
Proceeds on disposal of financial assets		3.1	-
Tax refund received on investing activities		1.4	-
Interest received and other finance income		8.8	24.3
Net cash flows (used in)/from investing activities		(51.3)	120.8
Cash flows from financing activities:			
Repayment of borrowings	3.2	(13.5)	(48.3)
Lease payments		(0.9)	(2.2)
Dividends paid		(50.1)	(542.1)
Share repurchase		(7.3)	(18.9)
Other interest and charges		(14.8)	(16.0)
Proceeds from issue of shares		0.2	0.8
Cost of shares purchased		(10.9)	(19.5)
Net cash flows used in financing activities		(97.3)	(646.2)
Net decrease in cash and cash equivalents		(62.5)	(565.3)
Opening cash and cash equivalents at beginning of year		189.5	756.8
Foreign exchange differences		(3.6)	(2.0)
Closing cash and cash equivalents	3.1	123.4	189.5

Capricorn Energy PLC

Group Statement of Changes in Equity

For the year ended 31 December 2024

	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 2023	503.4	(15.3)	(90.8)	45.5	678.8	1,121.6
Loss for the year	-	-	-	-	(144.0)	(144.0)
Currency translation difference	-	-	5.1	-	-	5.1
Total comprehensive expense	-	-	5.1	-	(144.0)	(138.9)
Dividends paid	-	-	-	-	(541.1)	(541.1)
Share repurchase	(0.4)	-	-	0.4	(18.9)	(18.9)
Share-based payments	-	-	-	-	2.5	2.5
Exercise of employee share options	0.8	-	-	-	-	0.8
Share premium cancelled	(495.4)	-	-	-	495.4	-
Cost of shares purchased	-	(19.5)	-	-	-	(19.5)
Cost of shares vesting	-	28.5	-	-	(28.5)	-
At 31 December 2023	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

Section 1 - Basis of preparation

1.1 Material accounting policies

a) Basis of preparation

The Consolidated Financial Statements of Capricorn Energy PLC ("Capricorn" or "the Group") for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 27 March 2025. 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 has 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.

There are no new standards or amendments issued by the International Accounting Standards Board and endorsed under the Companies Act, which have yet to be adopted by the Group that will materially impact the Group's Financial Statements.

c) Annual report and accounts

Full accounts are due to be made available on the Company's website in April 2025 and will be available at the Company's registered office, 50 Lothian Road, Edinburgh, EH3 9BY. The Annual General Meeting is due to be held on Thursday 22 May 2025 at 10am.

Section 1 - Basis of preparation (continued)

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 2026.

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 Limited, the Egypt asset-holding subsidiary and the remaining Capricorn Energy PLC Group. Capricorn Egypt is a party to the Junior and Senior borrowing facilities entered in connection with the Group's Egypt assets, however these facilities are non-recourse to the rest of the Capricorn Group. At the year end and at the date of this report, events of default exist on the facilities.

Group cash flow forecasts have been run on base-case and downside assumptions. Base case assumptions include committed exploration costs for which a parent company guarantee has been issued and forecast administrative costs. A downside scenario includes an increase to administrative costs, a tax settlement payable in Senegal and additional payments coming due under joint and several obligations. Scenarios run exclude future returns to shareholders. For Egypt cash flows, along with base-case assumptions, a downside scenario run modelled a return to lower oil prices, with an oil price of 65/bbl over the first six months of 2025 falling to 60/bbl thereafter, a 20% 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 40/bbl at the end of Q1 2025 with a recovery to 50/bbl by the end of 2026. All Egypt cash-flow forecasts assume that the lenders do not enforce current events of default and seek immediate repayment of the facility.

Under both Group scenarios Capricorn continue to operate as a going concern with sufficient cash balances, allowing the Group to meet its current and contracted commitments outside Egypt as and when they fall due for a period of at least 12 months from the date of signing these Financial Statements.

In addition, Capricorn Egypt Limited is forecast to have sufficient resources to meet its contractual obligations as they fall due across all three scenarios, though headroom is limited at certain points across the going concern period. If any unforeseen changes in assumptions were to adversely impact the subsidiary, and with no further injection of funds from the parent, it may not be able to meet all debt repayments that fall due in the period which could result in lenders taking control of the assets. While the assets would then be heavily impaired to expected recoverable amounts, the remaining Capricorn Energy PLC Group would be unaffected and would continue as a going concern.

Further, under the terms of the borrowing facilities, Capricorn Egypt Limited jointly and severally guarantee the performance of the obligations of the joint venture counterparty. Should the counterparty fail to meet its repayment obligations, the lender could enforce this guarantee, though other routes to recovery would be more likely. Though considered remote, a default by the counterparty could also result in the lenders assuming control of the Egypt subsidiary to recover amounts due. Again, the remaining Capricorn Energy PLC Group would be unaffected and would continue as a going concern.

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.

Section 2 - Oil and gas assets and operations

2.1 Gross profit: revenue and cost of sales

	Year ended 31 December 2024 m	Year ended 31 December 2023 m
Oil sales	111.6	159.1
Gas sales	35.2	40.8
Revenue from oil and gas sales	146.8	199.9
Royalty income	1.0	1.1
Total revenue	147.8	201.0
Other Income - Tax entitlement volumes	30.1	54.1
Other Income	30.1	54.1
Production costs and inventory movements	(41.6)	(59.6)
Cost of sales	(41.6)	(59.6)
Depletion (note 2.3)	(85.1)	(120.4)
Gross profit	51.2	75.1

Revenue

Capricorn recognised oil and gas revenue on eight 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.

Oil and gas revenue in Egypt for the year ended 31 December 2024 was 146.8m (2023: 199.9m), from net entitlement production of 3.6 mmbob (2023: 4.4 mmbob) of which ~39% (2023: ~45%) was liquids. Oil sales averaged 79.3/boe (2023: 81.2/boe) and

with gas sales at 2.9/mcf (2023: 2.9/mcf). Other income represents tax paid on Capricorn's behalf by EGPC - see section 5.

Production costs over the period were 41.6m (2023: 59.6m), or 4.8/boe (2023: 5.4/boe) (on a working interest (WI) basis).

Section 2 - Oil and gas assets and operations (continued)

2.2 Intangible exploration/appraisal assets

	Egypt m	Other countries m	Total m
Cost			
At 1 January 2023	-	1.0	1.0
Additions	5.1	16.9	22.0
Unsuccessful exploration costs	(2.6)	(17.9)	(20.5)
At 31 December 2023	2.5	-	2.5
Additions	-	6.4	6.4
Unsuccessful exploration costs	(2.5)	(6.4)	(8.9)
At 31 December 2024	-	-	-
Net book value			
At 31 December 2021	-	1.0	1.0
At 31 December 2023	2.5	-	2.5
At 31 December 2024	-	-	-

Additions to intangible exploration/appraisal assets were funded through cash and working capital, including increased provisions for well abandonment costs.

Egypt

Unsuccessful exploration costs of 2.5m relate to work performed on well locations that are no longer expected to be drilled.

Other countries

Additions of 6.4m (2023: 16.9m) relate to an increase of 1.7m (2023: 1.9m) on estimated historic UK well abandonment costs, and 4.7m (2023: 15.0m) 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.

Section 2 - Oil and gas assets and operations (continued)

2.3 Property, plant & equipment - development/producing assets

	Egypt m
Cost	
At 1 January 2023	480.9
Additions	91.3
At 31 December 2023	572.2
Additions	62.6
At 31 December 2024	634.8
Accumulated depletion and impairment	
At 1 January 2023	205.1
Depletion charge	120.4
Impairment	29.1
At 31 December 2023	354.6
Depletion charge	85.1
Reversal of impairment	(15.7)
At 31 December 2024	424.0
Net book value	
At 31 December 2022	275.8
At 31 December 2023	217.6
At 31 December 2024	210.8

Egypt

Additions have been funded through cash and working capital wholly within the Egypt business. Capricorn continue to align capital investment in the Egypt assets with payments received against the outstanding trade receivables balance. Additions in the year predominantly relate to the costs of producing wells drilled. Only one well completed in the first half of the year as Capricorn paused investment pending collection of receivables due from EGPC. Drilling recommenced on 29 June 2024 and a further 12 wells were completed before the end of the year, with a further well that spudded on 18 December completing in January 2025. All but one of the wells was drilled in the BED concession, with the other drilled in the AESW concession.

Depletion of 85.1m (2023: 120.4m) 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 reserve estimates used in the calculation.

Impairment review

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 PSC 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 have been performed.

At 31 December 2023, indicators of impairment were identified where a pause in development drilling activity had resulted in downgrades to reserves volumes booked, with previously booked reserves no longer expected to be recovered within the licence term. Subsequent impairment tests identified impairment of 29.1m.

Section 2 - Oil and gas assets and operations (continued)

2.4 Other long-term receivables

	At 31 December 2024 m	At 31 December 2023 m
Other long-term receivable	-	7.0
Deferred consideration	-	20.6
	-	27.6

Under the earnout consideration settlement agreement with Waldorf, Capricorn agreed for part-settlement of consideration due through the receipt of Waldorf's 25% WI non-operated interest in the UK Columbus gas field, subject to approval from the North Sea Transition Authority ("NSTA"). The settlement agreement provided that a 7.0m payment to Capricorn would be due should the transfer not receive NSTA approval, and this sum was recorded as an other long-term receivable in the prior year. With Waldorf's liquidity issues and proposed restructuring, NSTA approval of the transfer is not expected and, as recovery of the cash alternate appears highly unlikely, the receivable has been impaired in full. The 20.6m of deferred consideration due at 31 December 2023, also relating to the Waldorf settlement agreement, were reclassified as current assets during the year where amounts due were further impaired.

Section 3 - Working capital, financial instruments and long-term liabilities

3.1 Cash and cash equivalents

	At 31 December 2024 m	At 31 December 2023 m
Cash at bank	16.2	12.8
Bank deposit less than three months	-	20.0
Money market funds	107.2	156.7
	123.4	189.5

At 31 December 2024, 48.7m (2023: 10.6m) of cash and cash equivalents are restricted and not available for immediate ordinary business use. This includes 45.5m (2023: 5.6m) of cash and cash equivalents in Egypt.

3.2 Loans and borrowings

	Year ended 31 December 2024 m	Year ended 31 December 2023 m
Reconciliation of opening and closing liabilities to cash flow movements:		
Opening liabilities	111.8	158.6
Loan repayments disclosed in the Cash Flow Statement:		
Senior Debt Facility	(13.5)	(48.3)
Non-cash movements:		
Accrued debt facility interest	0.1	0.6
Amortisation of debt arrangement fees	0.9	0.9
Closing liabilities	99.3	111.8
Amounts due less than one year	26.4	15.4
Amount due greater than one year	72.9	96.4
Closing liabilities	99.3	111.8

Capricorn Egypt Debt Facilities

In September 2021, Capricorn Egypt Limited entered into a 325.0m Senior Debt Facility and an 80.0m Junior Debt Facility jointly with Cheiron, the joint operation partner in Egypt, to finance the acquisition of the Egyptian Western Desert portfolio. The facility commitments are split 50:50 with Cheiron. Facility commitments began amortising in September 2022 and the maximum drawdown available to Capricorn at 31 December 2024 was 60.1m (2023: 73.6m) for the Senior Debt Facility and 40.0m (2023: 40.0m) for the Junior Debt Facility. All drawings in the year were denominated in US dollars.

With effect from 1 July 2023, the Secured Overnight Financing Rate (SOFR) replaced LIBOR as the benchmark for calculating interest on the two facilities. Interest on debt drawn is charged at the appropriate SOFR for the currency drawn plus an applicable margin. The Senior Debt Facility remains subject to biannual redeterminations, has a market standard suite of covenants, including biannual liquidity tests, and is cross-guaranteed by the Group companies party to the facility, including Cheiron. Capricorn has provided no guarantee outside the subsidiary holding the Egypt assets.

At 31 December 2024, the borrowers have agreed a rollover of the debt, giving the Group the ability to defer settlement of the loan in accordance with the last approved banking model. Capricorn and Cheiron were seeking a waiver from the lenders for events of default under the facilities that had occurred previously together with approval of the latest banking model and redetermination.

In conjunction with the waiver request, a revised banking model was approved in February 2025 on completion of the latest redetermination process and increases the principal amounts repayable by Capricorn under the Senior Facility to 42.6m in 2025, with the balance of 17.6m due over the period from 1 January 2026 to end of September 2026. The Junior Facility is forecast to be repayable across 2026 and 2027. The increase in the principal repayment in 2025 corrects an error identified in the banking model, which was used to determine previous payment profiles and the allocation between current and long-term liabilities at the year end.

Section 3 - Working capital, financial instruments and long-term liabilities (continued)

3.3 Trade and other receivables

	At 31 December 2024 m	At 31 December 2023 m
Trade receivables	175.4	168.5
Other receivables	54.1	11.0
Prepayments	0.8	1.5
Joint operation receivables	1.1	5.0
	231.4	186.0

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. At 31 December 2024, the expected credit loss adjustment offsetting receivables is 8.7m (2023: 9.0m). 4.2m of prior year expected credit loss adjustments were offset against historic invoices where no further recovery is expected leaving a net charge of 3.9m to the Income Statement in the year.

Trade receivables are initially recorded at fair value, adjusting for expected credit losses, and subsequently measured at amortised cost. 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 54.1m (2023: 11.0m) includes 50.0m of contingent consideration due from Woodside (see note 6.1 for details) (2023: nil), interventure receivables of 0.6m (2023: 1.4m), VAT recoverable in the UK of 0.1m (2023: UK and Mexico 3.6m), money market interest receivable of 0.9m (2023: 0.6m) and the earnout settlement receivable of 1.5m (2023: 2.0).

Reconciliation of opening and closing receivables to operating cash flow movements:	Year ended 31 December 2024 m	Year ended 31 December 2023 m
Opening trade and other receivables	186.0	142.5
Closing trade and other receivables	(231.4)	(186.0)
Increase in trade and other receivables	(45.4)	(43.5)
Foreign exchange	(1.4)	(1.2)
Senegal consideration receivable	50.0	-
Decrease in joint operation receivables relating to investing activities	(7.7)	(18.5)
Decrease in other receivables relating to investing activities	(4.4)	(4.2)
Decrease in prepayments relating to investing activities	-	(2.2)
Increase/(Decrease) in prepayments and other receivables relating to financing activities	0.3	(1.4)
Trade and other receivables movement on earnout settlement	(0.5)	2.0
Trade and other receivables cash flow movement	(9.1)	(69.0)

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.

Section 3 - Working capital, financial instruments and long-term liabilities (continued)

3.4 Financial liabilities at fair value through profit or loss

	At 31 December 2024 m	At 31 December 2023 m
Financial liabilities		
Non-current liabilities		
Financial liabilities at fair value through profit or loss - deferred consideration on business combination	-	19.8
	-	19.8
Current liabilities		
Financial liabilities at fair value through profit or loss - deferred consideration on business combination	25.0	25.0
	25.0	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 current year end. A maximum 50.0m is due for each year, split 50:50 between Capricorn and Cheiron, with both parties joint and severally guaranteeing settlement by the other, where the average oil price exceeds 75/bbl. The full 25.0m was payable in respect of 2023 and 2024 and settled in May 2024 and January 2025 respectively. No further amounts are due to Shell from Capricorn though the Group remain joint and severally liable were Cheiron to default on their remaining payment due.

During the year, the Group made a loss of 5.2m (2023: 8.0m) on fair value movements increasing the financial liability to the full 25.0m due.

3.5 Trade and other payables

	At 31 December 2024 m	At 31 December 2023 m
Trade payables	0.1	0.3
Other taxation and social security	0.6	0.5
Accruals and other payables	6.3	7.9
Joint operation payables	103.6	73.3

Joint operation payables include 13.7m (2023: 6.4m) and 89.9m (2023: 66.9m) relating to exploration/appraisal asset and development/producing asset costs respectively. 99.6m relates to the Group's operations in Egypt

	At 31 December 2024 m	At 31 December 2023 m
Reconciliation of opening and closing payables to operating cash flow movements:		
Opening trade and other payables	(82.0)	(84.9)
Closing trade and other payables	110.6	82.0
Increase/(Decrease) in trade and other payables	28.6	(2.9)
Foreign exchange	(0.5)	1.6
Decrease in trade payables relating to investing activities	-	0.7
Increase in joint operation payables relating to investing activities	(18.2)	(38.1)
Increase in accruals and other payables relating to investing activities	(0.7)	-
(Increase)/Decrease in accruals and other payables relating to financing activities	(0.1)	0.1
Trade and other payables movement recorded in operating cash flows	9.1	(38.6)

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 4 - Income Statement analysis

4.1 Segmental analysis

The segment results for the year ended 31 December 2024 are as follows:

	Egypt m	Mexico m	Other countries 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)	(4.7)	(1.7)	-	(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)	(0.3)	(0.5)	(18.8)	(22.2)
Operating profit/(loss)	55.5	(5.1)	(2.2)	(18.1)	30.1
Fair value loss - deferred consideration	(5.2)	-	-	-	(5.2)
Other (losses)/gains 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)	(1.1)	(0.2)	1.1	(5.8)
Profit/(Loss) before tax from continuing operations	32.8	(6.1)	(2.4)	(10.4)	13.9
Tax charge	(31.9)	-	-	5.4	(26.5)
Profit/(Loss) for the year from continuing operations	0.9	(6.1)	(2.4)	(5.0)	(12.6)
Profit from discontinued operations	-	-	-	23.2	23.2
Profit/(Loss) attributable to equity holders of the Parent	0.9	(6.1)	(2.4)	18.2	10.6
Balances as at 31 December 2024:					
Capital expenditure	62.6	-	-	0.9	63.5
Total assets	469.5	1.6	7.5	141.1	619.7
Total liabilities	246.9	4.3	7.5	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.

Section 4 - Income Statement analysis (continued)

4.1 Segmental analysis (continued)

The segment results for the year ended 31 December 2023 are as follows:

	Egypt m	Mexico m	Other countries m	Other Capricorn Energy Group m	Total m
Revenue	199.9	-	-	1.1	201.0
Other income	54.1	-	-	-	54.1
Cost of sales	(59.6)	-	-	-	(59.6)
Depletion charges	(120.4)	-	-	-	(120.4)
Gross profit	74.0	-	-	1.1	75.1
Pre-award costs	(0.7)	-	-	(0.4)	(1.1)
General exploration costs	(10.4)	(10.3)	(6.2)	-	(26.9)
Unsuccessful exploration costs	(2.6)	(16.0)	(1.9)	-	(20.5)
Impairment of property, plant & equipment - development/producing assets	(29.1)	-	-	-	(29.1)
Impairment of goodwill	(14.6)	-	-	-	(14.6)
Expected credit loss adjustment on revenue receivable	(9.0)	-	-	-	(9.0)
Other operating income	-	-	-	0.6	0.6
Depreciation - purchased assets	-	-	-	(0.2)	(0.2)
Amortisation - right-of-use assets	(0.3)	-	-	(2.3)	(2.6)
Amortisation of other intangible assets	-	(0.3)	-	(3.6)	(3.9)
Other administrative expenses	(1.9)	(2.9)	(0.1)	(50.3)	(55.2)
Operating profit/(loss)	5.4	(29.5)	(8.2)	(55.1)	(87.4)
Fair value loss - deferred consideration	(8.0)	-	-	-	(8.0)
Gain on financial assets at fair value through profit or loss	-	-	-	0.8	0.8
Impairment of an asset held-for-sale	-	-	-	(4.0)	(4.0)
Interest income	0.4	-	0.1	19.9	20.4
Interest expense	(15.0)	-	-	(0.5)	(15.5)
Other net finance (expense)/income	(2.7)	1.7	(0.5)	(6.9)	(8.4)
Loss before tax from continuing operations	(19.9)	(27.8)	(8.6)	(45.8)	(102.1)
Tax charge	(40.5)	-	-	-	(40.5)
Loss for the year from continuing operations	(60.4)	(27.8)	(8.6)	(45.8)	(142.6)
Loss from discontinued operations	-	-	-	(1.4)	(1.4)
Loss attributable to equity holders of the Parent	(60.4)	(27.8)	(8.6)	(47.2)	(144.0)
Balances as at 31 December 2023:					
Capital expenditure	96.4	15.0	1.9	1.9	115.2
Total assets	426.8	8.6	29.8	202.4	667.6
Total liabilities	237.2	5.2	5.9	12.8	261.1
Non-current assets	232.0	0.2	27.6	13.2	273.0

Revenue in the Egypt segment contains revenue generated from eight concessions in the Western Desert, onshore The Arab Republic of Egypt. 93.1% (187.1m) 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)

4.2 Administrative and other expenses

	Year ended 31 December 2024 m	Year ended 31 December 2023 m
Administrative expenses	23.9	55.0
Other expenses - corporate transactions	-	6.9
	23.9	61.9

In 2023, the corporate transactions are costs of 6.9m related to corporate transactions subsequently terminated.

4.3 Finance income

	Year ended 31 December 2024 m	Year ended 31 December 2023 m
Bank and other interest receivable	8.5	21.8

Other finance income	0.6	-
Exchange gain recycled from Other Comprehensive Income	0.4	-
	9.5	21.8

4.4 Finance costs

	Year ended 31 December 2024 m	Year ended 31 December 2023 m
Loan interest	12.8	15.0
Facility fees amortisation	0.9	0.9
Other interest and finance charges and unwind of discount	2.8	1.7
Exchange loss	3.9	7.7
	20.4	25.3

Loan interest of 12.8m (2023: 15.0m) 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 (loss)/profit:

	Year ended 31 December 2024 m	Year ended 31 December 2023 m
Loss and diluted loss after taxation from continuing operations	(12.6)	(142.6)
Profit/(Loss) and diluted profit/(loss) attributable to equity holders of the Parent	10.6	(144.0)

The following reflects the share data used in the basic and diluted earnings per share computations:

	Number of shares 2024 '000	Number of shares 2023 '000
Weighted average number of shares	79,557	196,128
Less weighted average shares held by ESOP and SIP Trusts	(1,310)	(2,777)
Basic and diluted weighted average number of shares	78,247	193,351

Section 5 - Taxation

5.1 Tax charge on profit/(loss) for the year

Analysis of tax charge on profit/(loss) for the year

	Year ended 31 December 2024 m	Year ended 31 December 2023 m
Current tax charge:		
Overseas corporation tax charge - Egypt	30.1	54.1
Overseas corporation tax credit - India	(5.4)	-
Total current tax charge on profit/(loss) from continuing operations	24.7	54.1
Deferred tax charge/(credit):		
Deferred tax charge/(credit) on intangible/tangible assets - Egypt	1.8	(12.3)
Deferred tax credit on non-current assets - Egypt - adjustment	-	(1.4)
Deferred tax charge/(credit) from continuing operations	1.8	(13.7)
Total tax charge on loss from continuing operations	26.5	40.5
UK deferred tax credit	-	(4.1)
Total deferred tax credit on loss from discontinued operations	-	(4.1)

The current tax charge in Egypt of 30.1m (2023: 54.1m) is settled by EGPC on the Group's behalf.

Factors affecting the tax charge for the year

A reconciliation of the income tax charge applicable to the profit/(loss) before income tax to the UK statutory rate of income tax is as follows:

	Year ended 31 December 2024 m	Year ended 31 December 2023 m
Profit/(Loss) before tax from continuing operations	13.9	(102.1)
Profit/(Loss) before tax multiplied by the UK statutory rate of corporation tax of 25% (2023: 23.52%)	3.5	(20.7)
Effect of:		
Special tax rates and reliefs applying to oil and gas activities in the UK	(2.1)	(1.1)
Special tax rates and reliefs applying to oil and gas activities in Egypt	5.1	13.4
Temporary differences not recognised	7.1	23.5

Permanent items non-deductible	18.4	14.3
India tax refund not subject to tax	(5.4)	-
Group relief surrendered against profits/gains arising in discontinued operations	-	11.1
Total tax charge on profit/(loss) from continuing operations	26.5	40.5

The reconciliation shown above has been based on the average UK statutory rate of corporation tax for 2024 of 25% (2023: 23.52%). The Finance Act 2023 was enacted on 11 July 2023 and increased the UK main rate of corporation tax from 19% to 25% with effect from 1 April 2023.

The applicable UK statutory corporation tax rate applying to North Sea oil and gas activities is currently 40% (2023: 40%). The temporary Energy (Oil and Gas) Profits Levy was increased to 35% from 1 January 2023 (substantively enacted in November 2022) and further increased to 38% on profits arising after 1 November 2024 (substantively enacted November 2024).

Section 5 - Taxation (continued)

5.2 Deferred tax assets and liabilities

Reconciliation of movement in deferred tax assets/(liabilities):

	Temporary difference in respect of non-current assets m	Losses (restated) m	Other temporary differences m	Total m
Deferred tax assets				
At 1 January 2023	8.7	-	-	8.7
Deferred tax credit through the Income Statement - continuing operations	(4.4)	3.3	-	(1.1)
At 31 December 2023	4.3	3.3	-	7.6
Deferred tax charge through the Income Statement - continuing operations	13.2	(2.5)	-	10.7
At 31 December 2024	17.5	0.8	-	18.3
Deferred tax liabilities				
At 1 January 2023	(24.3)	9.1	(13.2)	(28.4)
Deferred tax (charge)/credit through the Income Statement - continuing operations	14.8	-	-	14.8
Deferred tax (charge)/credit through the Income Statement - discontinued operations	-	(9.1)	13.2	4.1
At 31 December 2023	(9.6)	-	-	(9.6)
Deferred tax credit through the Income Statement - continuing operations	(12.5)	-	-	(12.5)
At 31 December 2024	(22.1)	-	-	(22.1)

Prior year comparatives have been restated to correctly disclose the deferred tax impact of temporary differences in respect of noncurrent assets from the deferred tax impact of tax losses. There is no change to the net deferred tax asset or liability recognised at 31 December 2023.

Deferred tax assets/(liabilities) in Egypt:

	As at 31 December 2024 m	As at 31 December 2023 m
Assets	18.3	7.6
Liabilities	(22.1)	(9.6)
	(3.8)	(2.0)

Recognised deferred tax assets Egypt

Deferred tax assets of 28.3m (2023: 7.6m) are recognised in respect of Egypt oil and gas non-current assets temporary differences of 32.6m (2023 restated: 10.6m) offset by Egypt tax losses of 2.0m (2023 restated: 8.1m) on four concessions where future profits are expected to be available to recover the value of the assets.

At the balance sheet date the Group has 69.5m (2023: 33.0m) of temporary differences in respect of Egypt non-current assets and 38.9m (2023: 38.6m) 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

Deferred tax liabilities of 12.9m (2023: 9.6m) are recognised across five concessions in respect of taxable temporary differences of 54.5m (2023: 39.7m) related to Egypt oil and gas non-current assets. No tax losses are available to offset these taxable temporary differences.

Section 5 - Taxation (continued)

5.2 Deferred tax assets and liabilities (continued)

UK

Previously a deferred tax liability of 4.1m was recognised in respect of earnout consideration due in relation to the disposal of UK oil and gas producing assets. Following settlement of the earnout in 2023 (see note 6.1) the chargeable gain arising was fully sheltered by available tax losses and no tax charge arose. The deferred tax liability therefore reversed in full.

Unrecognised deferred tax assets

No deferred tax asset has been recognised on the following as it is not considered probable that it will be utilised in future periods:

	At 31 December 2024 m	At 31 December 2023 m
UK RFCT trading losses	254.7	244.6
UK SCT loss	250.8	253.1
UK other ring fence temporary differences	629.3	626.4
UK excess management expenses	450.9	414.6
UK non-trade deficits	93.2	79.6
UK temporary differences on share-based payments	34.0	34.0
UK disallowed tax interest expenses	-	11.3
Egypt fixed asset temporary differences	11.8	20.9
Egypt ring fence corporation tax trading losses	35.6	29.7

Section 6 - Discontinued operations

6.1 Profit/(Loss) 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").

Consideration under the agreement included contingent consideration ('earnout consideration') dependent on oil prices from 2021 to the end of 2025 and minimum production levels being achieved. The first annual payment of earnout consideration of 75.8m due on 2021 production was received in 2022. The second annual payment of 134.4m due on 2022 production was settled in March 2023.

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 Waldorf's 25% non-operated VI in the Columbus gas field, subject to the necessary approvals. However, due to financial difficulties impacting Waldorf, the 22.5m has not been received and instead written down to an estimated recoverable value of only 1.5m. The transfer of the Columbus asset is also not expected to complete and the related long-term receivable fully impaired.

At the date of the settlement agreement, the fair value of the earnout was 79.3m, a fall of 10.4m across the year, reflecting oil price movements. With combined proceeds from the settlement agreement of 77.6m, after adjusting for expected credit losses of 1.9m, the Group recorded a loss on the settlement of the earnout of 1.7m 2023 and 26.1m in 2024.

A breakdown of the total profit from discontinued operations is as follows:

	Year ended 31 December 2024 m	Year ended 31 December 2023 m
Cost of sales		
Cost of sales - recovery of production costs	-	4.3
Operating profit	-	4.3
Gain on disposal of oil and gas assets	50.0	-
Loss on disposal of a subsidiary	(0.7)	-
Loss on financial asset at fair value through profit or loss - earnout consideration	-	(10.4)
Loss on disposal of a financial asset	(26.1)	(1.7)
Finance income	-	2.3
Profit/(loss) before tax from discontinued operations	23.2	(5.5)
Tax credit	-	4.1
Profit/(loss) after tax from discontinued operations	23.2	(1.4)
Earnings per share for profit/(loss) from discontinued operations	2024	2023
Profit/(Loss) per ordinary share - basic and diluted ()	0.30	(0.01)

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 dependant 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 2024.

An audit of the Kraken and Catcher joint operations for the period from January 2019 to December 2020 resulted in a refund of production costs from the operator of 4.3m, which was credited to discontinued operations in 2023.

The fair value loss in 2023 was recognised on changes in the valuation of earnout consideration receivable prior to the December 2023 settlement agreement.

Section 6 - Discontinued operations (continued)

6.2 Cash flow information for discontinued operations

	Year ended 31 December 2024 m	Year ended 31 December 2023 m
Net cash flows from operating activities	-	4.3
Net cash flows from investing activities	2.0	184.7
Net increase in cash and cash equivalents	2.0	189.0

The 2022 earnout of 134.4m and related interest payment of 2.3m were received in March 2023. In December 2023, a further settlement of 48.0m was received following the settlement with Waldorf. In 2024, a further 2.0m was received under the terms of the settlement agreement.

6.4 Discontinued operations - Senegal contingent liability

On 14 November 2024, Capricorn received notification that Woodside Energy ("Woodside") had received a notice from the Senegalese Tax Authority. The notice from the Senegalese Tax Authority states that:

- Senegalese registration duty (29.0m including interest and penalties) 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 (14.5m 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.

Glossary

bbl	barrels of oil
boe	barrels of oil equivalent
boepd	barrels of oil equivalent per day
G&A	general and administrative expenses
m	million
MENA	Middle East and North Africa
mmbo	million barrels of oil
mmboe	million barrels of oil equivalent
mscf	thousand standard cubic feet
WI	working interest

About Capricorn Energy PLC

Capricorn is a cash flow-focused energy producer, with an attractive portfolio of onshore exploration, development and production assets in the Egyptian Western Desert.

For further information, visit www.capricornenergy.com.

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