Financial Statements

Contents

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 2024 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 (the "Annual Report"), which comprise: the Group Balance Sheet and Company Balance Sheet as at 31 December 2024; the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Statements of Cash Flows and the Group and Company Statements 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 in Edinburgh supported by a team in Egypt.

Overview

Audit scope

- We conducted audit work on 11 components. 2 of these components were subject to a full scope audit, the remaining 9 were subject to specified scope. All audit work performed to support the group audit report was performed by the group engagement team in the UK. Our audit scope covered 97.7% of total assets.

Key audit matters

- Valuation of Expected Credit Loss ("ECL") of EGPC receivable (group)
- Valuation of Goodwill and Production assets (group)
- Valuation of Investments in subsidiaries (parent)

Materiality

- Overall group materiality: US$6,197,000 (2023: US$6,675,000) based on 1% of Total Assets.
- Overall company materiality: US$4,713,000 (2023: US$4,178,000) based on 1% of Total Assets.
- Performance materiality: US$4,647,000 (2023: US$5,006,000) (group) and US$3,534,000 (2023: US$3,113,000) (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.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation of Expected Credit Loss ("ECL") of EGPC receivable (group) Under IFRS 9, a lifetime expected credit loss should be assessed when there are trade receivables with a significant increase in credit risk since initial recognition. Lifetime ECL's are the expected credit losses that result from all possible default events over the expected life of the financial instrument. EGPC net receivables totalled $175.4m as of 31 December 2024 (2023: $168.5m). Although the gross amount has increased throughout the year, Capricorn has been receiving cash payments throughout the period. Management's ECL is based on the sovereign risk overview default rating for the Arab Republic of Egypt which has been applied to the outstanding receivables based on the months outstanding. Management has assessed that the expected credit loss for the EGPC trade receivables at 31/12/2024 is $8.7m. This is an area of audit focus given the value of the balance of receivables outstanding and the estimates involved in determining the ECL under IFRS 9. Refer to note 3.5 of the financial statements.	In our audit of the accounts receivable and ECL balances we have: – Held discussions with management and the revenue team to understand the current position of the receivable including the status of recovering amounts outstanding; – Obtained management's ECL calculation and confirmed the methodology is in line with IFRS 9; – Verified that the sovereign debt rating used by management in their ECL calculation was consistent with publicly available market data on the credit rating of Egypt; – Validated the aging profile of the receivable, and cash received during the period, and concluded that the 12-month credit default risk rating, pro-rated for amounts overdue by more than 12 months, is appropriate; – Recalculated the expected ECL using the IFRS 9 methodology; and – Evaluated the financial statement disclosure. Based on our procedures, we concluded that the ECL and related disclosures were appropriate.
Valuation of Goodwill and Production assets (group) Goodwill of $25.4m arose on the acquisition of the Western Desert assets in Egypt in 2021, which was impaired to $10.8m in the prior year. Under IAS 36 Goodwill is required to be tested for impairment annually, and management performed this test as at 31 December 2024. The carrying value of oil & gas production assets at 31 December 2024 was $210.8m (2023: $217.6m). Under IAS 36, where there is an impairment trigger, non-current production assets must be evaluated for impairment. Management has determined that the significant progress made during 2024 on negotiating the revised Production Sharing Contract ('PSC') terms in Egypt resulting in revised field life and commercial terms are an indicator that previous impairments may be reversed. 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, there was an impairment reversal of $15.7m to producing assets recognised in the current year. Based upon the discounted cash flow projections used by management, there was no impairment to goodwill in the current year. This is an area of audit focus given the value of the goodwill and production assets and the judgements and estimates made by management in their impairment assessment. Refer to notes 2.3, 2.4 and 2.8 to the financial statements.	In auditing the valuation of Goodwill and Production assets for the year ended 31 December 2024, we have performed the following procedures: – Validated the reserves estimates prepared by management's experts (both internal and external). We evaluated management's experts for competence and objectivity; – Discussed reserves estimates with management's experts to assess any key judgements or differences between the internal and external experts. Where there were differences, we sought explanations for these; – Understood the source of management's forecast oil and gas production, validated to reserves data and assessed Capricorn's previous ability to forecast oil and gas production figures; – Compared the timing of cash receipts for the sale of hydrocarbons to the recent history of recovery and considering other forward-looking factors; – Evaluated the reasonableness of opex and capex assumptions by comparing expected future operating and capital costs to current and past performance and other sources of evidence; – Benchmarked assumptions including comparing the commodity price, inflation and discount rates used to expected ranges prepared by our own Valuation experts; – Assessed the composition of each CGU based on the requirements of IAS 36, including the change in CGUs in the year; – Validated the mathematical accuracy and integrity of the model and agreed the net book values to Capricorn's books and records; – 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 results of management's sensitivity analysis, and performed our own sensitivities; and; – Assessed the disclosures in the financial statements. Based on the procedures performed, we determined that the valuation of Goodwill and Production assets and related disclosures were appropriate.

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

Key audit matter	How our audit addressed the key audit matter
Valuation of Investments in subsidiaries (parent) The carrying value of investments in the company balance sheet is $382.8m. 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 an impairment reversal should be recognised in relation to the company's investment in Capricorn Oil Limited reflecting an increase in the recoverable amount of the underlying assets. Management has determined that the significant progress made during 2024 on negotiating the revised Production Sharing Contract ('PSC') terms in Egypt resulting in revised field life and commercial terms are an indicator that previous impairments may be reversed. This resulted in an impairment reversal of $47.5m in 2024. 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 undertook 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, including considering the impact on underlying fair value of the group's producing assets; – Validated the mathematical accuracy and integrity of the model and agreed the net book value of assets and liabilities into the Company's books and records; and – Evaluated the disclosure in the financial statements. Based on the procedures performed, we concluded that the valuation of investments in subsidiaries was appropriate.

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.

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 9 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 goodwill and producing asset impairment tests. 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$6,197,000 (2023: US$6,675,000).	US$4,713,000 (2023: US$4,178,000).
How we determined it	1% of Total Assets	1% of Total Assets
Rationale for benchmark applied	We believe that total assets 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$400,000 and US$5,887,000. 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% (2023: 75%) of overall materiality, amounting to US$4,647,000 (2023: US$5,006,000) for the group financial statements and US$3,534,000 (2023: US$3,113,000) 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$309,000 (group audit) (2023: US$333,750) and US$235,000 (company audit) (2023: US$208,000) 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, base case forecasts and downside scenarios, and 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 and 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;
- Assessing management's consideration of the terms and conditions of group's debt facility relating to its assets in Egypt, including the non-recourse nature of the debt to the parent company and the Capricorn group outside of Egypt, as well as the impact of cross guarantee clauses contained within the Group's debt facility and and in relation to contractual arrangements relating to the contingent consideration due on the purchase of the assets in Egypt;
- Assessing management's severe but plausible downside scenario to understand the impact of changes in cash flow on the resources available to the group;
- Assessing management's consideration of ongoing Senegal tax claim, including reviewing contractual and legal documentation;
- Assessing the mathematical accuracy of management's model; 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.

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

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 2024 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.

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.

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.

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 and tax legislation. 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 manual 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

Following the recommendation of the Audit Committee, we were appointed by the members on 23 May 2013 to audit the financial statements for the year ended 31 December 2013 and subsequent financial periods. The period of total uninterrupted engagement is 12 years, covering the years ended 31 December 2013 to 31 December 2024.

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
27 March 2025

GROUP INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 $m	2023 $m
Continuing operations			
Revenue	2.1	**147.8**	201.0
Other income	2.1	**30.1**	54.1
Cost of sales	2.1	**(41.6)**	(59.6)
Depletion charge	2.3	**(85.1)**	(120.4)
Gross profit		**51.2**	75.1
Pre-award costs		**–**	(1.1)
General exploration costs		**(1.1)**	(26.9)
Unsuccessful exploration well costs	2.2	**(8.9)**	(20.5)
Reversal of impairment/(Impairment) of property, plant & equipment – development/producing assets	2.3	**15.7**	(29.1)
Impairment of goodwill	2.4	**–**	(14.6)
Expected credit loss adjustment on revenue receivable	3.5	**(3.9)**	(9.0)
Other operating income		**1.0**	0.6
Administrative and other expenses	4.2	**(23.9)**	(61.9)
Operating profit/(loss)		**30.1**	(87.4)
Fair value loss – deferred consideration on business combination	3.6	**(5.2)**	(8.0)
Other (losses)/gains through profit or loss	3.10	**(0.1)**	0.8
Impairment of an asset held-for-sale	3.10	**–**	(4.0)
Finance income	4.4	**9.5**	21.8
Finance costs	4.5	**(20.4)**	(25.3)
Profit/(Loss) before tax from continuing operations		**13.9**	(102.1)
Taxation			
Tax charge	5.2	**(26.5)**	(40.5)
Loss from continuing operations		**(12.6)**	(142.6)
Profit/(Loss) from discontinued operations	6.1	**23.2**	(1.4)
Profit/(Loss) for the year attributable to equity holders of the Parent		**10.6**	(144.0)
Loss per share for loss from continuing operations:			
Loss per ordinary share – basic and diluted ($)	4.6	**(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 ($)	4.6	**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)

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	2.4	**10.8**	10.8
Other property, plant & equipment and intangible assets	2.5	**13.0**	14.5
Other long-term receivable	2.6	**–**	27.6
Deferred tax asset	5.4	**18.3**	7.6
		252.9	280.6
Current assets			
Cash and cash equivalents	3.1	**123.4**	189.5
Inventory	3.4	**8.0**	8.3
Trade and other receivables	3.5	**231.4**	186.0
Current tax receivable	5.3	**4.0**	–
		366.8	383.8
Asset held-for-sale	3.10	**–**	3.2
Total assets		**619.7**	667.6
Current liabilities			
Provisions – well abandonment	2.7	**0.5**	–
Loans and borrowings	3.2	**26.4**	15.4
Lease liabilities	3.3	**1.0**	1.0
Deferred consideration on business combinations	3.6	**25.0**	25.0
Trade and other payables	3.7	**110.6**	82.0
		163.5	123.4
Non-current liabilities			
Provisions – well abandonment	2.7	**6.8**	5.5
Loans and borrowings	3.2	**72.9**	96.4
Lease liabilities	3.3	**5.1**	6.4
Deferred consideration on business combinations	3.6	**–**	19.8
Deferred tax liabilities	5.4	**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	7.1	**7.3**	7.6
Share premium	7.1	**0.9**	0.8
Shares held by ESOP/SIP Trusts	7.1a,b	**(6.7)**	(6.3)
Foreign currency translation	7.1c	**(87.3)**	(85.7)
Merger and capital reserves	7.1d	**46.2**	45.9
Retained earnings		**388.9**	444.2
Total equity		**349.3**	406.5

The Financial Statements on pages 77 to 114 were approved by the Board of Directors on 27 March 2025 and signed on its behalf by:

Randy Neely
Chief Executive

GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	**2024 $m**	2023 $m
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 combination		**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	3.5	**(9.1)**	(69.0)
Trade and other payables movement	3.7	**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	3.10	**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	3.3	**(0.9)**	(2.2)
Dividends paid	7.2	**(50.1)**	(542.1)
Share repurchase	7.1	**(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	7.1a,b	**(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

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 differences	–	–	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

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 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) 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 124.

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 2024	**YTD average 2024**	Closing 2023	YTD average 2023
GBP	**0.799**	**0.782**	0.785	0.804

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 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 facility.

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 on page 16.

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 reversal of impairment at the year end.

Key estimates and assumptions in this section:
Cash generating units for impairment testing
Capricorn's impairment test is performed across the BED and Obaiyed concessions areas as a single cash-generating unit (CGU). This change from previous years reflects the proposed merger of the eight current concession areas into one single concession, discussed further below.

Reversal of impairment
At the year end, Capricorn reviews its assets for indicators of impairment, or an indicator that previous impairments may be reversed. At the end of 2024, Capricorn and its joint venture partner were in advanced negotiations with EGPC on revised terms to the concessions owned 50:50 between Capricorn and Cheiron in the BED and Obaiyed areas. Negotiation on the key terms concluded in February 2025 with the aim of receiving formal ratification by the summer of 2025. Revised terms of the new merged concession include a significant extension to the field life and improved cost oil and profit oil terms for the contractors, revised gas prices and a bonus payment to be made to EGPC. These improved commercial terms and additional commercial reserve volumes due to licence extensions which, given the advanced stage of negotiations at the year end, would be considered by a market participant determining a fair value, indicate that impairment charged in previous years on the Obaiyed concession may have reversed. Subsequent tests performed confirmed a full reversal of impairment, after adjusting for depletion charges.

Reserve estimates for depletion calculations reflect the commercial terms in place at the year end and are not adjusted for the expected increases in reserves that will arise on formal ratification of the merged concession. Tax barrels are excluded from depletion calculations.

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 tests and 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 revised concession terms agreements agreed with EGPC and expected to be formally ratified in the summer of 2025 where applicable. These valuations represent a level 3 estimate of fair value. This fair value estimate is materially different from the value in use estimates of the assets, calculated on the economic field life and reserve estimates that existed at the year end on the current economic terms.

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 (2023: $65/bbl) escalated at 2% per annum;
- Egypt price differentials to base oil prices;
- proved and probable reserves estimates and production profiles, based on internal estimates under revised concession terms;
- timing of collection of revenues assumed to be nine months from date of production;
- cost profiles for future costs escalated at 4.0% per annum (2023: 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% (2023: 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 reserve volumes. Sensitivities performed on alternate carbon cost assumptions did not have a significant impact on the fair values of the assets in Egypt.

Capricorn's models have no residual value attributed to producing assets as at the end of the economic field life title passes to the Egyptian Government. There are therefore no decommissioning assets or liabilities to record. 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 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 mmboe (2023: 4.4 mmboe) of which ~39% (2023: ~45%) was liquids. Oil sales averaged $79.3/boe (2023: $81.2/boe) and with gas sales at $2.9/mscf (2023: $2.9/mscf). 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, 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 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 2022	–	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.

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 reserve 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 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 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 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.

2.4 Goodwill

	Egypt $m
At 1 January 2023	25.4
Impairment	(14.6)
At 31 December 2023 and 2024	**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 2024 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.

An impairment of $14.6m was recorded in 2023 as a result of reserves downgrades at the year end. IAS 36 prohibits reversal of impairment of goodwill in subsequent years.

2.5 Other property, plant & equipment and intangible assets

	Carbon credits $m	Intangible assets $m	Property, plant & equipment $m	Right-of-use assets – leasehold property (restated) $m	**Total (restated) $m**
Cost					
At 1 January 2023	6.8	41.3	10.8	12.8	71.7
Additions	–	1.9	0.3	15.5	17.7
Disposals	–	(32.8)	(11.2)	(21.5)	(65.5)
Foreign exchange	–	1.8	0.4	0.8	3.0
At 31 December 2023	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**
Accumulated depreciation and amortisation					
At 1 January 2023	–	38.7	10.6	8.3	57.6
Charge for the year	–	3.9	0.2	2.6	6.7
Disposals	–	(32.7)	(11.2)	(10.5)	(54.4)
Foreign exchange	–	1.7	0.4	0.4	2.5
At 31 December 2023	–	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**
Net book value					
At 31 December 2022	6.8	2.6	0.2	4.5	14.1
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**

Prior year comparatives for right-of-use assets have been restated to reflect the disposal of fully amortised office leases for the previous head office in Edinburgh and satellite office in London. Additional disposals of $9.8m have been recorded. The closing net book value of right-of-use assets at 31 December 2023 is unchanged. In 2023, the total additions of $15.5m in right-of-use assets related to office lease contracts in the UK for the Edinburgh head office. One lease entered into during 2023 was subsequently cancelled leading to a further disposal of $9.5m, bringing total restated disposals to $21.5m.

Intangible assets disposals in 2024 and 2023 relate to fully amortised, historic software costs written off including the Group's legacy ERP system which was replaced in the current 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, in order to achieve its net zero targets. For more details see the TCFD Report, on pages 23 to 30. 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.

2.6 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. See note 6.1 for further details.

SECTION 2 – OIL AND GAS ASSETS, OPERATIONS AND OTHER NON-CURRENT ASSETS CONTINUED

2.7 Provisions – well abandonment

	Total $m
At 1 January 2023	3.4
Change in estimate	1.9
Unwinding of discount	0.1
Well abandonment expenses paid	(0.2)
Foreign exchange	0.3
At 31 December 2023	5.5
Change in estimate	**1.7**
Unwinding of discount	**0.3**
Foreign exchange	**(0.2)**
At 31 December 2024	**7.3**
Amounts due less than one year	**0.5**
Amounts due greater than one year	**6.8**
At 31 December 2024	**7.3**

Well abandonment provisions at 31 December 2024 represent the present value of costs related to the abandonment of two wells on the Tybalt P1632 licence in the UK.

In 2024, the abandonment work plan was updated resulting in increases to the abandonment provision of $1.7m (2023: $1.9m).

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, with a cost escalation of 2.0% for 2024 and 3.0% for 2025-2027 years (2023: 4.0%) and a discount rate of 4.1% (2023: 3.4%) per annum. The reasonableness of these assumptions is reviewed at each reporting date to take into account any material changes required.

2.8 Capital commitments

	At 31 December 2024 $m	At 31 December 2023 $m
Oil and gas expenditure:		
Intangible exploration/appraisal assets	**7.6**	7.9
Contracted for	**7.6**	7.9

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.

The capital commitments for intangible exploration/appraisal assets of $7.6m (2023: $7.9m) relate to remaining licence commitments in Egypt.

At 31 December 2024 and 31 December 2023, no capital commitments for property, plant & equipment – development/producing assets are recorded as operator budgets are still to be agreed and approved.

There were no short-term lease commitments at the 2024 balance sheet date (2023: $nil).

SECTION 3 – WORKING CAPITAL, FINANCIAL INSTRUMENTS AND LONG-TERM LIABILITIES

This section includes detail on the Group's loan facilities, 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.

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. 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 2023 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 an 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

Reconciliation of opening and closing liabilities to cash flow movements:	**Year ended 31 December 2024 $m**	Year ended 31 December 2023 $m
Opening liabilities	**111.8**	158.6
Loan repayments in the year disclosed in the statement of Cash Flows		
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
Amounts 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.

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 instalments 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.

Reconciliation of opening and closing liabilities to cash flow movements:	At 31 December 2024 $m	At 31 December 2023 $m
Opening liabilities	**7.4**	4.3
Lease payments in the year disclosed in the statement of Cash Flows as financing cash flows		
Total lease payments	**(0.9)**	(2.2)
Non-cash movements:		
Lease additions	**–**	15.5
Lease disposal	**–**	(9.5)
Lease termination	**–**	(1.6)
Lease adjustment	**(0.7)**	–
Lease interest charges	**0.4**	0.5
Foreign exchange	**(0.1)**	0.4
Closing lease liabilities	**6.1**	7.4
Amounts due less than one year	**1.0**	1.0
Amounts due greater than one year	**5.1**	6.4
Total lease liabilities	**6.1**	7.4

As at 31 December 2024, the balance of $6.1m (2023: $7.4m) wholly relates to office lease costs in the UK and Egypt. Additions of $15.5m in 2023 relate to new office lease liabilities in the UK.

During 2023, Capricorn's lease of two floors for the head office on Lothian Road, Edinburgh expired. The Group had previously entered into lease agreements for two floors in new office premises in Edinburgh, but following the Board's strategic review, plans to move into those new offices were cancelled. Capricorn reached agreement to cancel the lease of one floor in 2023 and to sub-lease the remaining floor in early 2024. The remaining floor has a lease term of 15 years with a break clause after 10 years. The Group subsequently entered into a lease agreement for new premises on a different floor within the Lothian Road building. This lease is for an initial three years with the option to extend for a further two.

As at 31 December 2024, 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 Cheiron. 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.

	31 December 2024 $m	31 December 2023 $m
Spare parts – Egypt concessions	**8.0**	8.3

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 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 further consideration due on the past sale of assets in Senegal (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, after impairment (2023: $2.0) (see note 6.1).

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.

3.6 Financial liabilities at fair value through profit or loss

Financial liabilities	At 31 December 2024 $m	At 31 December 2023 $m
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 where the average oil price exceeds $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 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.

3.7 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 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
	110.6	82.0

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.

Reconciliation of opening and closing payables to operating cash flow movements:	Year ended 31 December 2024 $m	Year ended 31 December 2023 $m
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 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

Carrying amount and fair value	**At 31 December 2024 $m**	At 31 December 2023 $m
Financial assets at amortised cost		
Other long-term receivable – deferred consideration	**–**	20.6
Cash and cash equivalents	**123.4**	189.5
Trade receivables	**175.4**	168.5
Other receivables	**54.1**	11.0
Joint operation receivables (excluding VAT)	**1.1**	3.2
	354.0	392.8

In 2023, the fair value of other long-term receivables held at amortised cost relating to deferred consideration does not materially differ from its carrying value.

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 2024 or 2023 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

Carrying amount and fair value	**At 31 December 2024 $m**	At 31 December 2023 $m
Financial liabilities at amortised cost		
Trade payables	**0.1**	0.3
Accruals and other payables	**6.3**	7.9
Joint operation payables	**103.6**	73.3
Lease liabilities	**6.1**	7.4
Loans and borrowings	**99.3**	111.8
Financial liabilities at fair value		
Deferred consideration on business combinations	**25.0**	44.8
	240.4	245.5

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 2024 is as follows:

	<1 year $m	**1–2 years $m**	**2–5 years $m**	**>5 years $m**
Financial liabilities at amortised cost				
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**	**–**
Financial liabilities at fair value				
Deferred consideration on business combinations	**25.0**	**–**	**–**	**–**
	169.9	**48.0**	**42.8**	**1.4**

3.8 Financial instruments continued

Financial liabilities continued

The expected financial maturity of the Group's financial liabilities at 31 December 2023 was as follows:

	<1 year $m	1–2 years $m	2–5 years $m	>5 years $m
Financial liabilities at amortised cost				
Trade payables	0.3	–	–	–
Accruals and other payables	7.9	–	–	–
Joint operation payables	73.3	–	–	–
Lease liabilities	1.0	1.3	3.3	1.8
Loans and borrowings	27.1	33.9	84.9	–
Financial liabilities at fair value				
Deferred consideration on business combinations	25.0	19.8	–	–
	134.6	55.0	88.2	1.8

Fair value

	At 31 December 2024 $m	At 31 December 2023 $m
Liabilities measured at fair value – Level 2		
Financial liabilities at fair value		
Deferred consideration on business combinations	**25.0**	43.8
Liabilities measured at fair value – Level 3		
Financial liabilities at fair value		
Deferred consideration on business combinations	**–**	1.0
	25.0	44.8

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 Energy PLC, 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 dependant on uncertain payment schedules from EGPC. Further details are noted in the Viability Statement provided on page 16. Details of the Group's debt facilities can be found in note 3.2. The Group is subject to biannual forecast liquidity tests as part of the facility agreements.

Future liquidity of the Egypt business is dependent upon the timing of payments from EGPC to address the overdue receivables position. The Group preserve 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, trade and other receivables and joint operation 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 2024, the Group had investments with 10 counterparties (2023: 14) to ensure no concentration of counterparty investment risk. At 31 December 2023 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 $: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 2024		At 31 December 2023	
	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 $	**(7.6)**	**(0.9)**	(8.1)	(1.0)
10% decrease in GBP to $	**7.6**	**0.9**	8.1	1.0

3.10 Asset held-for-sale

Previously, Capricorn invested INR508,089,142 ($6.9m) into a non-listed trust in India. The asset was recorded as a non-current financial asset and measured at fair value. During 2023, an agreement to sell the investment resulted in reclassification of the asset from a financial asset at fair value through profit or loss to an asset held-for-sale.

At 1 January 2023, the investment had a fair value of $6.5m, which subsequently increased to $7.2m at the date of reclassification giving rise to a fair value gain in the year of $0.8m, offset by an exchange loss of $0.1m. On reclassification to an asset held-for-sale an impairment of $4.0m was recorded.

In March 2024, the sale completed and Capricorn received £2.4m ($3.1m) resulting a loss on sale of investment of $0.1m through the Income Statement in 2024.

	Total $m
Cost as at 1 January 2023	6.5
Fair value gain	0.8
Exchange loss	(0.1)
Impairment	(4.0)
As at 31 December 2023	3.2
Cash received	**(3.1)**
Loss on sale of investment	**(0.1)**
At at 31 December 2024	**–**

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 have 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 4.3 (b).

4.1 Segmental analysis

Operating segments
Capricorn had two reportable operating segments during 2024 relating to its operations in Egypt and Mexico. "Other countries" combine costs relating to legacy assets in Mauritania and Suriname and ongoing new venture activities in the UK.

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.

Geographical information: non-current assets	At 31 December 2024 $m	At 31 December 2023 $m
Egypt	**221.8**	232.0
Mexico	**–**	0.2
Other countries	**–**	27.6
Other Capricorn Energy Group	**12.8**	13.2
Total non-current assets	**234.6**	273.0

4.1 Segmental analysis continued

Operating segments continued

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

Operating segments continued

The segment results for the year ended 31 December 2023 were 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 the segments were carried out on an arm's length basis.

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 costs of $6.9m related to corporate transactions that were subsequently terminated.

4.3 Employee benefits: staff costs, share-based payments and Directors' emoluments

a) Staff costs

	Year ended 31 December 2024 $m	Year ended 31 December 2023 $m
Wages and salaries	**9.6**	18.4
Social security costs	**1.9**	0.5
Redundancy costs	**0.3**	16.5
Other pension costs	**0.4**	1.9
Share-based payments	**1.9**	2.5
	14.1	39.8

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	
Continuing operations:	**Monthly average 2024**	Monthly average 2023
UK	**28**	90
Egypt	**16**	22
Mexico	**1**	5
	45	117

SECTION 4 – INCOME STATEMENT ANALYSIS CONTINUED

4.3 Employee benefits: staff costs, share-based payments and Directors' emoluments continued

b) Share-based payments

Income Statement charge

	Year ended 31 December 2024 $m	Year ended 31 December 2023 $m
Included within gross staff costs (continuing operations):		
SIP	**0.4**	2.1
LTIP	**1.4**	(0.1)
Employee share scheme	**0.1**	0.5
	1.9	2.5

In 2023, a reversal of prior year charges of $2.4m was recorded against LTIP share-based payment charges, relating to two former Directors who left the business in 2023, forfeiting their awards.

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 2024			Year ended 31 December 2023		
	WAFV £	**WAGP/ WAEP £**	**Number of shares**	WAFV £	WAGP/ WAEP £	Number of shares
SIP – free shares	**1.69**	**1.69**	**59,696**	1.72	1.72	87,990
SIP – matching shares	**2.07**	**2.07**	**30,786**	2.11	2.11	190,212
LTIP	**0.78**	**1.75**	**2,412,942**	0.99	1.86	1,483,771
Deferred bonus	**1.75**	**1.75**	**37,164**	–	–	–
Employee share scheme	**–**	**–**	**–**	2.48	1.87	228,175
			2,540,588			1,990,148

The awards existing under the LTIP with the WAGP are as follows:

	2024		2023	
	Number of shares	**WAGP £**	Number of shares	WAGP £
At 1 January	**11,784,135**	**1.79**	27,386,242	1.72
Granted during the year	**2,412,942**	**1.75**	1,483,771	1.86
Exercised during the year	**(3,043,566)**	**1.64**	(4,734,541)	1.84
Lapsed during the year	**(4,523,413)**	**1.81**	(12,351,337)	1.61
At 31 December	**6,630,098**	**1.82**	11,784,135	1.79

The weighted average remaining contractual life of outstanding awards under the LTIP at 31 December 2024 was 1.2 years (2023: 0.6 year). Included in the above are 210,303 of exercisable LTIP awards (2023: 757,365). 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:

	2024		2023	
	Number of shares	**WAGP/WAEP £**	Number of shares	WAGP/WAEP £
At 1 January	**2,037,947**	**1.90**	7,423,248	1.79
Consolidation of shares	**(37,191)**	**1.84**	(912,177)	1.82
Granted during the year	**127,646**	**1.74**	506,377	2.21
Exercised during the year	**(385,689)**	**1.69**	(3,853,745)	1.75
Lapsed during the year	**(1,032,085)**	**1.82**	(1,125,756)	1.88
At 31 December	**710,628**	**1.90**	2,037,947	1.90

The weighted average remaining contractual life of outstanding awards under all other schemes at 31 December 2024 was 7.2 years (2023: 6.6 years). Included in the above are 14,552 of exercisable employee share awards (ESAS) (2023: 278,927) and exercisable share options of nil (2023: 197,122). No exercise price is payable in respect of ESAS.

4.3 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 Energy PLC LTIP scheme awards and the ESAS share awards were calculated using a Monte Carlo model.

Capricorn Energy PLC 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 £1.90 (2023: £2.10).

For awards issued prior to 2023, vesting percentage is by reference to the market performance of the Company's TSR compared with a group of peer companies. Vesting percentages for LTIPs can be above 100%. For the ESAS, 100% vesting occurs if the Company's TSR is in excess of the median of the comparator group, otherwise the ESAS will lapse in full.

In 2023, following the Company's restructure, it was recognised that relative TSR is a more common measure in the market, however, it was considered at that time not to be an appropriate measure of success. The Company awarded two types of LTIP shares to all employees and senior executives and no ESAS shares were awarded in 2023 and 2024. It was determined that the vesting of the 2023 and 2024 LTIP award would be 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 $2.56 (2023: $2.56)	0%
$3.70 or higher (2023: $3.68)	100%
Between $2.56 and $3.70 (2023: $2.56 and $3.68)	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 $2.22 (2023: $2.23)	0%
$2.56 or higher (2023: $2.56)	100%
Between $2.22 and $2.56 (2023: $2.23 and $2.56)	0%–100% on a straight-line basis

Fair value of the awards using Monte Carlo simulation model	2024 $	2023 $
Senior Executive award	**0.77**	1.05
Staff award	**1.32**	1.50

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 53 to 66. 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 2024 $m	Year ended 31 December 2023 $m
Short-term employee benefits	**5.6**	6.0
Post-employment benefits	**0.1**	2.7
Share-based payments	**0.6**	0.5
	6.3	9.2

In addition, employer's National Insurance Contributions for key management personnel in respect of short-term employee benefits were $0.5m (2023: $0.2m).

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.

During 2024, none (2023: 1,244,941) of the shares awarded to key management personnel vested under the LTIP. In February 2023, 228,175 shares were awarded under the ESAS to an individual within key management personnel under a stand-alone agreement; 153,159 shares lapsed in July 2023; the remaining of 75,016 shares were exercised at £1.87 in July 2023.

SECTION 4 – INCOME STATEMENT ANALYSIS CONTINUED

4.4 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

4.5 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.

4.6 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

The share repurchase programme and share consolidation reduced the weighted average number of shares in 2024 (see note 7.1). 2023 weighted average number of shares have not been adjusted, on the basis that the share consolidation is considered to be in substance a share repurchase at fair value.

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 liabilities and deferred tax assets existing at the year end and the current tax charge 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.

Deferred taxation – recognition of deferred tax assets on Egypt concessions

At the year-end, Capricorn recognise deferred tax assets across four concessions 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. Future taxable profits forecasts are based on existing concession terms in Egypt.

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.

SECTION 5 – TAXATION CONTINUED

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 and supports the Extractive Industries Transparency Initiative. 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, for example where transactions are complex or there is a lack of maturity in the tax regime in the relevant jurisdiction in which the Group is operating. 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 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 profit/(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	**18.3**	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).

5.2 Tax charge on profit/(loss) for the year continued

Factors affecting tax charge for the year continued

The applicable statutory tax rate applying to oil and gas activities in Egypt is currently 40.55% (2023: 40.55%).

The applicable rates have been reflected in these financial statements as appropriate.

The effect of temporary differences not recognised of $7.1m (2023: $23.5m) includes:
- a $2.1m (2023: $0.7m) 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 $(0.1)m (2023: $17.6m) movement in the year in respect of unrecognised deferred tax assets on Egypt oil and gas assets and tax losses;
- a $4.7m (2023: $(0.2)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 $0.4m (2023: $4.9m) 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 $18.3m (2023: $14.3m) includes:
- $2.2m (2023: $2.2m) in respect of share-based payment charges;
- $(4.7)m (2023: $(3.5)m) predominantly in respect on non-taxable adjustments related to foreign exchange and tax relief on exercised share options;
- $17.9m (2023: $10.8m) in respect of costs in Egypt considered non-deductible for tax purposes;
- $1.1m (2023: $(1.7)m) in respect of overseas costs considered non-deductible/taxable; and
- $1.8m (2023: $6.4m) in respect of other permanent items considered non-deductible.

5.3 Current tax receivable

Capricorn are 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 is $5.4m, with $1.4m received during the year and $4.0m outstanding at the year end. Recovery is expected within the next 12 months.

5.4 Deferred tax assets and liabilities

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

	Temporary difference in respect of non-current assets (restated) $m	Losses (restated) $m	Other temporary differences $m	**Total $m**
Deferred tax assets				
At 1 January 2023	8.7	–	–	8.7
Deferred tax charge through the Income Statement – continuing operations	(4.4)	3.3	–	(1.1)
At 31 December 2023	4.3	3.3	–	7.6
Deferred tax credit 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 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 charge 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 non-current assets from the deferred tax impact of tax losses within Egypt deferred tax assets. 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)

SECTION 5 – TAXATION CONTINUED

5.4 Deferred tax assets and liabilities continued

Recognised deferred tax assets

Egypt

Deferred tax assets of $18.3m (2023: $7.6m) are recognised in respect of Egypt oil and gas non-current assets temporary differences of $43.2m (2023 restated: $10.6m) and 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 $22.1m (2023: $9.6m) are recognised across five concessions in respect of taxable temporary differences of $54.5m (2023: $23.6m) related to Egypt oil and gas non-current assets. No tax losses are available to offset these taxable temporary differences.

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 is 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

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, with a total claim of $43.5m including interest and penalties. 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/(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 WI 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)

	2024 $	2023 $
Earnings per share for profit/(loss) from discontinued operations		
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 (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 ($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.

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 21/13p ordinary '000	Number 490/143p ordinary '000	Number 735/143p ordinary '000	799/122p ordinary '000	21/13p ordinary $m	490/143p ordinary $m	735/143p ordinary $m	799/122p ordinary $m
Allotted, issued and fully paid ordinary shares								
At 1 January 2023	315,072	–	–	–	8.0	–	–	–
Share consolidation – 15 May 2023	(315,072)	148,534	–	–	(8.0)	8.0	–	–
Share repurchase	–	(5,697)	–	–	–	(0.3)	–	–
Share consolidation – 5 October 2023	–	(142,837)	95,225	–	–	(7.7)	7.7	–
Share repurchase	–	–	(1,447)	–	–	–	(0.1)	–
At 31 December 2023	–	–	93,778	–	–	–	7.6	–
Share repurchase	–	–	(1,840)	–	–	–	(0.2)	–
Share consolidation – 24 May 2024	–	–	(91,938)	72,153	–	–	(7.4)	7.4
Share repurchase	–	–	–	(1,595)	–	–	–	(0.1)
At 31 December 2024	**–**	**–**	**–**	**70,558**	**–**	**–**	**–**	**7.3**

Share premium	2024 $m
At 1 January 2023	495.4
Share premium cancellation	(495.4)
Arising on shares issued for employee share options	0.8
At 31 December 2023	0.8
Arising on shares issued for employee share options	**0.1**
At 31 December 2024	**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 3,435,774 shares were repurchased throughout 2024 (2023: 7,143,720). The total value of the ordinary shares purchased was £5.6m ($7.2m) (2023: £14.2m ($16.9m)), with a $0.3m (2023: $0.4m) reduction in share capital and a reduction of $0.1m (2023: $1.0m) 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.

During 2023, the Company paid dividends to shareholders of approximately $450m and $100m to shareholders in May and October respectively (see note 7.2). The US dollar amounts were converted into GBP ahead of each dividend. Exchange movements from the date of conversion to the date of payment reduced the US dollar equivalent of the dividends to $541.1m. Accompanying each return, the Company undertook a share consolidation which, together with the share repurchases reduced the number of ordinary shares issued to 93.8m at 31 December 2023.

The share premium cancellation of $495.4m was confirmed by the Court of Session on 27 January 2023 and consequently registered with the Registrar of Companies on 31 January 2023.

a) Shares held by ESOP Trust

The cost of shares held by the ESOP Trust at 31 December 2024 was $5.0m (2023: $5.1m). The number of shares held by the Trust at 31 December 2024 was 1,829,160 (2023: 1,008,584) and the market value of these shares was £5.4m ($6.7m) (2023: £1.7m ($2.2m)). During 2024, the Group purchased 4,339,148 (2023: 7,364,197) shares at a cost of $10.3m (2023: $20.4m). During 2024, 125,743 shares were created on share consolidation (2023: 1,856,663).

During 2023, the Group sold 404,973 shares at price of $0.9m; 4,159,174 shares vested and 25,000 shares were transferred from the ESOP Trust to the SIP Trust.

SECTION 7 – CAPITAL STRUCTURE AND OTHER DISCLOSURES CONTINUED

7.1 Issued capital and reserves continued

b) Shares held by SIP Trust

The cost of shares held by the SIP Trust at 31 December 2024 was $1.7m (2023: $1.2m). The number of shares held by the Trust at 31 December 2024 was 141,047 (2023: 124,693) and the market value of these shares was £0.4m ($0.5m) (2023: £0.2m ($0.3m)). In 2024, the cost of SIP shares purchased was $0.6m (2023: $nil).

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 (2023: $45.9m) 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 (2023: $568m) 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.

In 2023, a first return of cash to shareholders of 115 pence per eligible ordinary share totalling £359.1m was paid to shareholders on 15 May 2023. A second return of cash to shareholders of 56 pence per eligible ordinary share totalling £79.3m was paid to shareholders on 20 October 2023. The total return to shareholders, after exchange differences and associated costs, was $560.0m

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 is subject to biannual forecast liquidity tests as part of the Senior and Junior Debt Facilities. The Group has complied with the capital requirements of these tests at all times during the 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 2024, other than the funding of the Egypt business noted above.

Capital and net funds, including lease liabilities, was as follows:

	At 31 December 2024 $m	At 31 December 2023 $m
Loans and borrowings	**99.3**	111.8
Lease liabilities	**6.1**	7.4
Less cash and cash equivalents	**(123.4)**	(189.5)
Net funds	**(18.0)**	(70.3)
Equity	**349.3**	406.5
Capital and net funds	**331.3**	336.2
Gearing ratio	**–**	–

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 2024:

- various guarantees for the Group's operational commitments for the current year of $19.8m (2023: $27.6m); and
- Parent company guarantees for the Group's obligations under joint operating agreements and other contracts.

Under the terms of the facilities entered into in connection with the Group's Egypt assets, Capricorn Egypt Limited and Cheiron Oil & Gas Limited, 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 Limited 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, Cheiron. A similar joint and several arrangement covers the deferred consideration due to Shell.

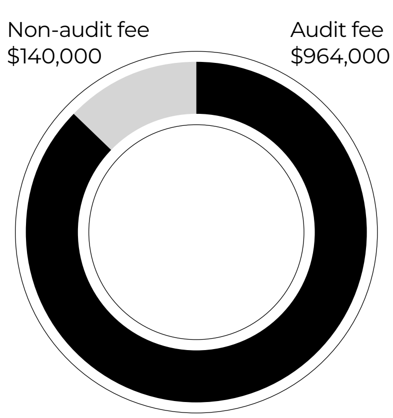
7.5 Auditors' remuneration

	Year ended 31 December 2024 $'000	Year ended 31 December 2023 $'000
Fees payable to the Group's external auditors (including associate firms) for:		
Audit fees:		
Auditing of the Financial Statements of the Group and the Company	**726**	485
Auditing of the Financial Statements of subsidiaries	**238**	261
	964	746
Non-audit fees:		
Audit-related assurance services	**134**	141
Other assurance services relating to corporate finance transactions	**–**	629
Other non-audit services not included above	**6**	–
	140	770
Total fees	**1,104**	1,516

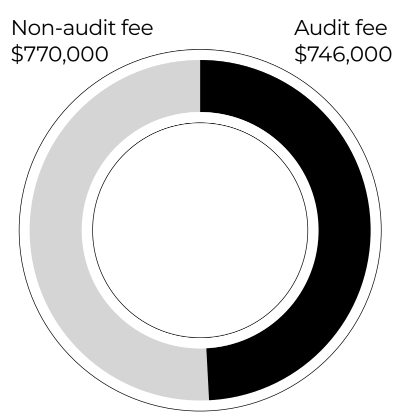
The Group has a policy in place for the award of non-audit work to the auditors which requires Audit Committee approval (see the Audit Committee Report on page 44). Non-audit fees incurred in the year were permissible services under the Financial Reporting Council Ethical Standard, including services required by law and regulations.

The split of audit fees to non-audit fees payable to the auditors is as follows:

2024 Fees to the auditors



2023 Fees to the auditors



COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	**2024 $m**	2023 (restated) $m
Non-current assets			
Investments in subsidiaries	8.2	**382.8**	334.1
Long-term intercompany receivables	8.3	**5.1**	5.7
		387.9	339.8
Current assets			
Cash and cash equivalents	8.4	**76.0**	48.0
Other receivables	8.5	**7.4**	78.0
		83.4	126.0
Total assets		**471.3**	465.8
Current liabilities			
Bank overdraft	8.4	**0.7**	0.2
Lease liability		**1.0**	0.6
Trade and other payables	8.6	**76.5**	49.0
		78.2	49.8
Non-current liabilities			
Lease liability	8.7	**5.1**	5.7
		5.1	5.7
Total liabilities		**83.3**	55.5
Net assets		**388.0**	410.3
Equity			
Called-up share capital	7.1	**7.3**	7.6
Share premium	7.1	**0.9**	0.8
Shares held by ESOP/SIP Trusts	7.1a,b	**(6.7)**	(6.3)
Capital reserves	7.1d	**6.1**	5.8
Retained earnings:			
At 1 January		**402.4**	753.7
Profit/(Loss) for the year		**43.9**	(260.7)
Other movements in retained earnings		**(65.9)**	(90.6)
		380.4	402.4
Total equity		**388.0**	410.3

The Financial Statements on pages 115 to 123 were approved by the Board of Directors on 27 March 2025 and signed on its behalf by:

Randy Neely
Chief Executive

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 $m	2023 (restated) $m
Cash flows from operating activities:			
Profit/(Loss) before taxation		**43.9**	(260.7)
Share-based payments charge/(reversal)		**0.7**	(2.2)
(Reversal of impairment)/Impairment of investment in subsidiary		**(47.5)**	268.3
Loan waiver		**0.3**	–
Finance income		**(7.2)**	(26.6)
Finance costs		**6.6**	1.1
Provision against receivable		**–**	4.4
Other receivables movement		**1.0**	0.4
Trade and other payables movement		**0.1**	(2.0)
Net cash used in operating activities		**(2.1)**	(17.3)
Cash flows from investing activities:			
Loans to group undertakings		**–**	(617.5)
Repayments of loans to group undertakings		**73.2**	577.1
Interest received and other finance income		**4.2**	9.6
Net cash flows from/(used in) investing activities		**77.4**	(30.8)
Cash flows from financing activities:			
Return of cash to shareholders		**(50.1)**	(542.1)
Share repurchase		**(7.3)**	(18.9)
Other interest and charges		**(0.2)**	(0.3)
Cost of shares purchased	7.1a,b	**(10.9)**	(19.5)
Proceeds from issue of shares		**0.2**	0.8
Lease payments		**(0.9)**	(1.2)
Drawdown on financing from group undertakings		**64.5**	48.0
Repayment of financing from group undertakings		**(43.0)**	–
Net cash flows used in financing activities		**(47.7)**	(533.2)
Net increase/(decrease) in cash and cash equivalents		**27.6**	(581.3)
Foreign exchange differences		**(0.1)**	(1.0)
Opening cash and cash equivalents at beginning of year		**47.8**	630.1
Closing cash and cash equivalents including bank overdraft	8.4	**75.3**	47.8

COMPANY 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	Merger and capital reserves $m	Retained earnings $m	**Total equity $m**
At 1 January 2023	503.4	(15.3)	5.4	753.7	1,247.2
Loss for the year	–	–	–	(260.7)	(260.7)
Total comprehensive expense	–	–	–	(260.7)	(260.7)
Return of cash to shareholders	–	–	–	(541.1)	(541.1)
Share premium cancelled	(495.4)	–	–	495.4	–
Share-based payments	–	–	–	2.5	2.5
Exercise of employee share options	0.8	–	–	–	0.8
Share repurchase	(0.4)	–	0.4	(18.9)	(18.9)
Cost of shares purchased	–	(19.5)	–	–	(19.5)
Cost of shares vesting	–	28.5	–	(28.5)	–
At 31 December 2023	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-based payments	–	–	–	1.9	**1.9**
Exercise of employee share options	0.1	0.1	–	–	**0.2**
Share repurchase	(0.3)	–	0.3	(7.3)	**(7.3)**
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**

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:
Reversal of impairment on investments in subsidiaries
The Company's investment in Capricorn Oil Limited has been reviewed for indicators of impairment and impairment reversal 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, other than noted below, and includes the valuation of the Egypt business based on expected terms resulting from the concession modernisation discussions. Given that production from the Egypt concessions immediately adds to the net assets of the subsidiary through an increase in receivables, the nine month delay to collections assumption has been removed in testing the investment in subsidiary for impairment.

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.

Restatement of comparatives
Prior year comparative information in the Company Balance Sheet and Cash Flow Statement has been restated to separately disclose amounts receivable and payable to subsidiary undertakings. In the Balance Sheet, a net $29.8m receivable was previously disclosed within trade and other receivables (note 8.5) which is now presented as a current receivable of $77.8m and a current payable of $48.0m within trade and other receivables (note 8.5) and trade and other payables (note 8.6) respectively. Movements in the 2023 cash flow statement have also been updated to reflect inflows and outflows relating to intercompany loans and these have been reclassified from investing to financing activities where appropriate. The volume of cash moved between Capricorn Energy PLC and its subsidiary Capricorn Oil Limited reflects the loaning of funds from the Company to its subsidiary to be placed on deposit before returning to the parent prior to the return of cash to shareholders. The net amounts previously disclosed within investing cash inflows of $7.6m is now presented as $617.5m cash outflows and $577.1m cash inflows in investing activities and $48.0m cash inflows within financing activities.

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 (2023: $60/bbl unescalated), escalation for costs of 4.0% (2023: 3.0%) and a discount rate of 15% (2023: 15%). Full details on the assumptions used for valuing oil and gas assets can be found in section 2.

SECTION 8 – NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

8.2 Investments in subsidiaries continued

	Subsidiary undertakings $m	**Total $m**
Cost		
At 1 January 2023	3,718.6	3,718.6
Additions	4.6	4.6
At 31 December 2023	3,723.2	3,723.2
Additions	1.2	**1.2**
At 31 December 2024	**3,724.4**	**3,724.4**
Impairment		
At 1 January 2023	3,120.8	3,120.8
Impairment charge	268.3	268.3
At 31 December 2023	3,389.1	3,389.1
Reversal of impairment	(47.5)	**(47.5)**
At 31 December 2024	**3,341.6**	**3,341.6**
Net book value		
At 31 December 2022	597.8	597.8
At 31 December 2023	334.1	334.1
At 31 December 2024	**382.8**	**382.8**

Additions during the year of $1.2m (2023: $4.6m) 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 2024 and 2023 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 reversal and impairment tests conducted where an indicator of impairment reversal 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 revised concession terms that management expect a market participant would consider in determining fair value. A total impairment reversal of $47.5m was recorded.

At 31 December 2023, the Company's investment in Capricorn Oil Limited was impaired to reflect the fair value or value in use of the underlying assets of the Capricorn Oil Group. In 2023, a charge of $268.3m was made to the Company's Income Statement.

8.2 Investments in subsidiaries continued

The Company's subsidiaries as at the balance sheet date are set out below. The Company holds 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	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.

SECTION 8 – NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

8.3 Long-term intercompany receivables

	At 31 December 2024 $m	At 31 December 2023 $m
Long-term intercompany receivables	**5.1**	5.7
	5.1	5.7

Long-term intercompany receivables include amounts due from Capricorn Energy Holdings Limited of $5.1m (2023: $5.7m).

8.4 Cash and cash equivalents

	At 31 December 2024 $m	At 31 December 2023 $m
Cash at bank	**3.3**	–
Money market funds	**72.7**	48.0
Cash and cash equivalent	**76.0**	48.0
Bank overdraft	**(0.7)**	(0.2)
Net cash balance for cash flow purposes	**75.3**	47.8

At 31 December 2024, $3.2m (2023: $5.0m) of cash and cash equivalents 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 2024 $m	At 31 December 2023 (restated) $m
Other receivables	**0.3**	1.1
Amounts receivable from subsidiary undertakings	**7.1**	76.9
	7.4	78.0

8.6 Trade and other payables

	At 31 December 2024 $m	At 31 December 2023 (restated) $m
Trade and other payables	**0.1**	0.1
Amounts payable to subsidiary undertakings	**75.4**	48.0
Accruals	**1.0**	0.9
	76.5	49.0

The amounts payable to subsidiary undertakings are 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

Carrying amount and fair value	**At 31 December 2024 $m**	At 31 December 2023 (restated) $m
Financial assets at amortised cost		
Cash and cash equivalents	**76.0**	48.0
Other receivables – amounts receivable from subsidiary undertakings	**7.1**	76.9
Other receivables	**0.3**	1.1
Long-term intercompany receivables	**5.1**	5.7
	88.5	131.7

For all financial assets held at amortised cost, their carrying amount is considered to be the same as their fair value.

8.7 Financial instruments continued

Maturity analysis of financial assets

The expected financial maturity of the Company's financial assets at 31 December 2024 is as follows:

	<1 year $m	**1–2 years $m**	**2–5 years $m**	**>5 years $m**
Financial assets at amortised cost				
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**

The expected financial maturity of the Company's financial assets at 31 December 2023 was as follows:

	<1 year (restated) $m	1–2 years $m	2–5 years $m	>5 years $m
Financial assets at amortised cost				
Cash and cash equivalents	48.0	–	–	–
Other receivables – amounts receivable from subsidiary undertakings	76.9	–	–	–
Other receivables – other	1.1	–	–	–
Long-term intercompany receivables	–	1.0	2.9	1.8
	126.0	1.0	2.9	1.8

Financial liabilities

Carrying amount and fair value	**At 31 December 2024 $m**	At 31 December 2023 (restated) $m
Financial liabilities at amortised cost		
Trade and other payables	**0.1**	0.1
Bank overdraft	**0.7**	0.2
Amounts payables to subsidiary undertakings	**75.4**	48.0
Accruals	**0.9**	0.7
Lease liability	**6.1**	6.3
	83.2	55.5

Maturity analysis of financial liabilities

The expected financial maturity of the Company's financial liabilities at 31 December 2024 is as follows:

	<1 year $m	**1–2 years $m**	**2–5 years $m**	**>5 years $m**
Financial liabilities at amortised cost				
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**

The expected financial maturity of the Company's financial liabilities at 31 December 2023 was as follows:

	<1 year (restated) $m	1–2 years $m	2–5 years $m	>5 years $m
Financial liabilities at amortised cost				
Trade and other payables	0.1	–	–	–
Bank overdraft	0.2	–	–	–
Amounts payable to subsidiary undertakings	48.0	–	–	–
Accruals	0.7	–	–	–
Lease liability	0.6	1.0	3.0	1.7
	49.6	1.0	3.0	1.7

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.

SECTION 8 – NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

8.8 Capital management

Capital and net debt/(funds) were made up as follows:

	At 31 December 2024 $m	At 31 December 2023 (restated) $m
Continuing operations		
Amounts payable to subsidiary undertakings	**75.4**	48.0
Lease liability	**6.1**	6.3
Less cash and cash equivalents	**(75.3)**	(47.8)
Net debt	**6.2**	6.5
Equity	**388.0**	410.3
Capital and net funds	**394.2**	416.8
Gearing ratio	**1.6%**	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 2024 $m	At 31 December 2023 (restated) $m
Amounts payable to subsidiary undertakings	**(75.4)**	(48.0)
Amounts receivable from subsidiary undertakings	**12.2**	82.6
	(63.2)	34.6

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 loss for the year:

	Year ended 31 December 2024 $m	Year ended 31 December 2023 $m
Amounts invoiced to subsidiaries	**2.6**	1.1
Amounts invoiced by subsidiaries	**0.2**	4.1

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 53 to 66.

	Year ended 31 December 2024 $m	Year ended 31 December 2023 $m
Emoluments	**1.9**	2.1
Share-based payments	**–**	0.1
	1.9	2.2

Pension contributions of $0.1m (2023: $0.1m) were made on behalf of Directors in 2024.

No LTIP share awards to Directors vested during 2024 or 2023. Share-based payments disclosed above represent the market value at the vesting date of these awards in that year.

A stand-alone agreement and 228,175 shares were awarded to a Director in February 2023; 153,159 shares lapsed in July 2023, the remaining of 75,016 shares were exercised at £1.87 in July 2023.

Other transactions

During the year, the Company did not make any purchases in the ordinary course of business from an entity under common control (2023: $nil).