



Positioned for growth

An aerial photograph of an offshore oil rig deck, showing various pieces of equipment, pipes, and structural elements. The deck is painted in shades of teal and blue. The background is a dark, textured blue, possibly representing the sea or sky.

2025
ANNUAL
REPORT
& ACCOUNTS

www.pharos.energy

WHO WE ARE

Pharos Energy is an independent energy company listed on the main market of the London Stock Exchange focused on delivering sustainable growth and returns to stakeholders, with a portfolio of production, development and exploration assets in Vietnam and Egypt.

Led by an experienced team, Pharos is a cash generative business with a robust balance sheet and an established platform to deliver both organic growth and inorganic opportunities.

Our purpose is to provide energy to support the development and prosperity of the countries, communities and families wherever we work, in line with recognised social and environmental practices.



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GOVERNANCE

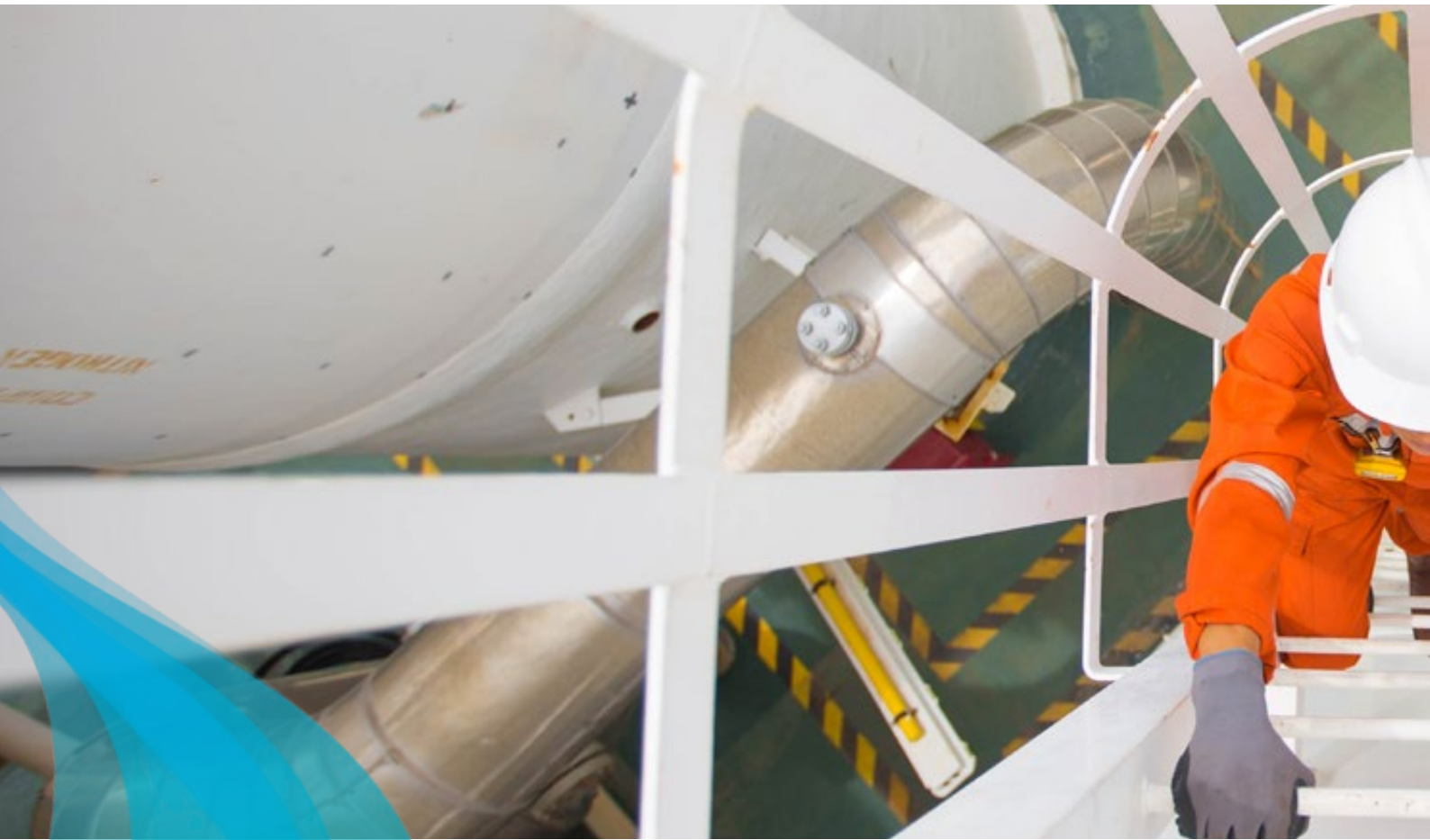
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STRATEGIC REPORT

Focused strategy delivering results



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PHAROS AT A GLANCE

Driven by energy, committed to excellence

2025 KEY FIGURES



LISTED ON LONDON STOCK EXCHANGE

1997

COUNTRIES OF OPERATION

2ACREAGE KM²**11,256**

GLOBAL EMPLOYEES

32

BLOCKS

6

OIL & GAS FIELDS

14

2025 GROUP HIGHLIGHTS

CASH OPERATING COSTS *
(\$/boe)**\$19.39/boe**

(2024: \$17.80/boe)



CASH AND CASH EQUIVALENTS (\$m)

\$40.2m

(2024: \$16.5m)



OPERATING CASH FLOW (\$m)

\$55.6m

(2024: \$54.0m)



REVENUE (\$m)

\$114.6m

(no hedging gain or loss realised)

(2024: \$136.1m, prior to hedging loss of \$0.1m)



RETURN TO SHAREHOLDERS

\$6.5m

(or 1.210p per share)

(2024: \$5.9m)

AVERAGE NET PRODUCTION
(boepd)**5,398 boepd**

(2024: 5,801 boepd)

WHERE WE OPERATE

Portfolio with growth potential

Our assets deliver stable production and robust cash flows. We have a diversified mix of onshore and offshore producing, development and exploration assets in two countries – Vietnam and Egypt – both of which have great potential to create more value.



VIETNAM (D,P,E)

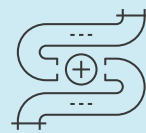
EGYPT (D,P,E)



2025 Average Production (net)

4,095 boepd

(2024: 4,361 boepd)



2025 Average Production (net)

1,303 bopd

(2024: 1,440 bopd)

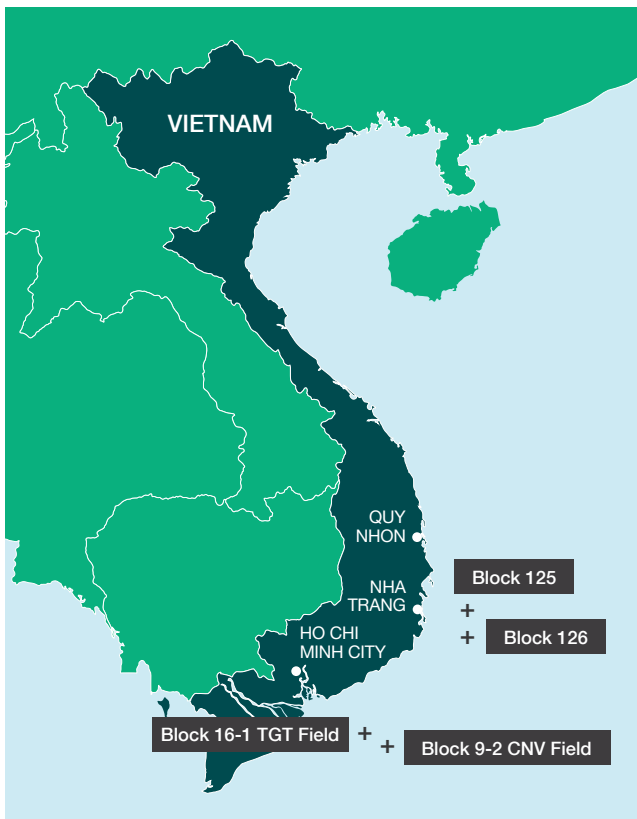
We have valuable and long-established producing fields in Vietnam, with the first discovery in 2004 and first oil production in 2008. Oil and gas production is from two fields (Te Giac Trang in Block 16-1 and Ca Ngu Vang in Block 9-2) in the Cuu Long basin.

We have high quality onshore, low-cost oil production operations, development and exploration assets in Egypt.

There is further potential for organic growth from a basin-opening frontier play with a number of potentially world class prospects and leads already identified in two exploration blocks in the Phu Khanh basin (Blocks 125 & 126).

Pharos holds a 45% working interest share in the El Fayum Concession in the Western Desert, with IPR Lake Qarun, part of the international integrated energy business IPR Energy Group, holding the remaining 55% working interest. The El Fayum Concession produces oil from 10 fields and is located 80 km southwest of Cairo. It is operated by Petrosilah, a 50/50 joint stock company between the contractor parties (being IPR Lake Qarun and Pharos) and the Egyptian General Petroleum Corporation (EGPC).

Pharos also holds a 45% working interest share in the North Beni Suef (NBS) Concession in Egypt, which is located immediately south of the El Fayum Concession. The first development lease on the NBS Concession was awarded in September 2023 and oil production started in December 2023. IPR Lake Qarun operates and holds the remaining 55% working interest in the NBS Concession.



D: Development P: Production E: Exploration

OUR STRATEGY AND PURPOSE

A focused strategy to fulfil our purpose

Our strategy has positioned the business for long-term value creation, whilst building on a track record of 20+ years of shareholder returns.



Our Purpose

Our purpose is to provide energy to support the development and prosperity of the countries, communities and families wherever we work, in line with recognised social and environmental practices.

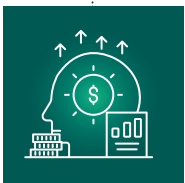


Our Strategy

We are committed to deliver long-term, sustainable value for all our stakeholders through regular cash returns to shareholders and investment in our assets to generate growth, underpinned by robust cash flow and a resilient balance sheet.

We invest in a balance of near-term potential and longer-term value, with the aim of enhancing value creation for all stakeholders.

To achieve this, we focus on maximising reserves from existing producing oil and gas fields, such as oil from our El Fayum and North Beni Suef concessions in Egypt and oil and gas from TGT and CNV fields in Vietnam, through flexible capital investment across oil and gas price cycles to unlock reserves upside and improve operating performance. This is complemented by organic growth activity through further extensions to the lifespan of existing producing assets, and exploration offshore Vietnam on Blocks 125 & 126 and onshore Egypt on both the El Fayum and North Beni Suef concessions, to unlock longer-term value.



Our Stakeholders

To our investors:

Creating and returning value to shareholders through a combination of annual dividends and organic and inorganic growth.

To our host countries:

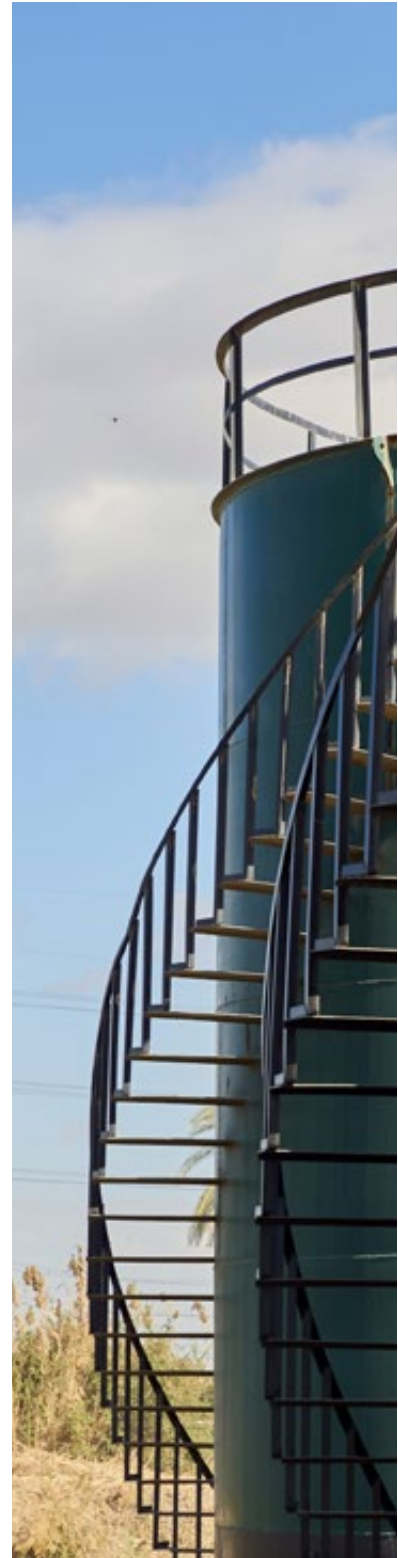
Creating shared prosperity and helping countries use oil and gas revenues to promote sustainable, inclusive economic development, manage the impact of climate change and achieve their COP and other domestic and international commitments.

To our people:

Providing an inclusive and diverse workplace, empowering people with differing backgrounds, skills, and experiences to do meaningful work based on the Pharos Way principles of safety and care, energy and challenge, openness and integrity, empowerment and accountability, and pragmatism and focus.

To all stakeholders:

Engaging and dealing with stakeholders in a transparent and constructive manner in accordance with applicable local and international laws and otherwise aspiring to the highest ethical standards of business conduct.



OUR STRATEGIC OBJECTIVES

Our Strategic Objectives

Strong balance sheet

Protecting balance sheet strength is fundamental to our business model. Costs and the balance sheet are actively managed through maintaining positive operational cash flow combined with a focused approach to capital allocation, an effective hedging programme and, where appropriate, a mix of debt instruments in place and a modest gearing level.

Financial discipline

Capital discipline and financial stability have always been key to the Group and continue to underpin the business. The Board and senior management team maintain a clear focus on our capital allocation goals: to balance consistent returns to shareholders with investment in our assets to generate production growth and cash flow, while preserving the resilience of the balance sheet.

Rigorous approach to cost control

We focus on our cost base wherever we are. We have kept a rigorous approach to drive down costs and created a lean Board and organisational structure suitable for the future. This positions us well to thrive throughout the commodity price cycle.

Sustain shareholder returns

Our goal is to deliver a combination of regular cash returns plus growth potential for shareholders. We aim to maximise value per share for all shareholders, and we are not chasing scale for its own sake. We are committed to delivering value on all sides of the equation.

Operational safety, efficiency, and production growth

The health and safety of the Group's workforce is the highest priority for Pharos. We apply our expertise locally with operational teams in each region, working closely with partners and joint operating companies to maintain our safety record, achieve operational efficiency, and grow production. We encourage dialogue and co-operation between the different business assets to ensure new ideas and solutions are shared. Our stable operational performance in 2025 has established a firm foundation for future growth and supports the delivery of our strategy.



Mutually beneficial partnerships

The operational successes the Company has had over the years would not have been possible if not for the supportive relationships we have with our valued partners and stakeholders. Our assets are operated predominantly through JOCs, but we are actively involved in JOC management and work collaboratively with our partners to identify areas of mutual sustainable benefits. A combination of long-standing in-country presence and focus on building relationships with both host governments and regulatory authorities has cultivated many successes for the Group, our partners, the JOCs and the local economies. We also maintain good relationships with our valued lenders to ensure financial stability in times of uncertainties.

Diversified portfolio

Over the past years, we have built a distinctive portfolio in the energy regions of Asia and MENA that diversifies our risk while providing multiple organic growth opportunities and value-adding activities that have potential to generate near-term free cash flow.

Transparency in sustainability

Sustainability is a key value in our business. We made a formal commitment to achieve Net Zero on our Scope 1 (direct) and Scope 2 (indirect) GHG emissions from all our current and future assets by no later than 2050, and published a Net Zero Roadmap (the 'Roadmap') in December 2023 with interim emission reduction targets and decarbonisation levers to achieve our climate target. An updated version of the Roadmap can be found on pages 96 to 99. We recognise that the journey to Net Zero and a more sustainable future will not be simple nor straightforward, but we remain committed to transparency in our reporting and to keeping stakeholders updated on our progress.

OUR INVESTMENT CASE

Our investment case



OUR INVESTMENT CASE - CONTINUED

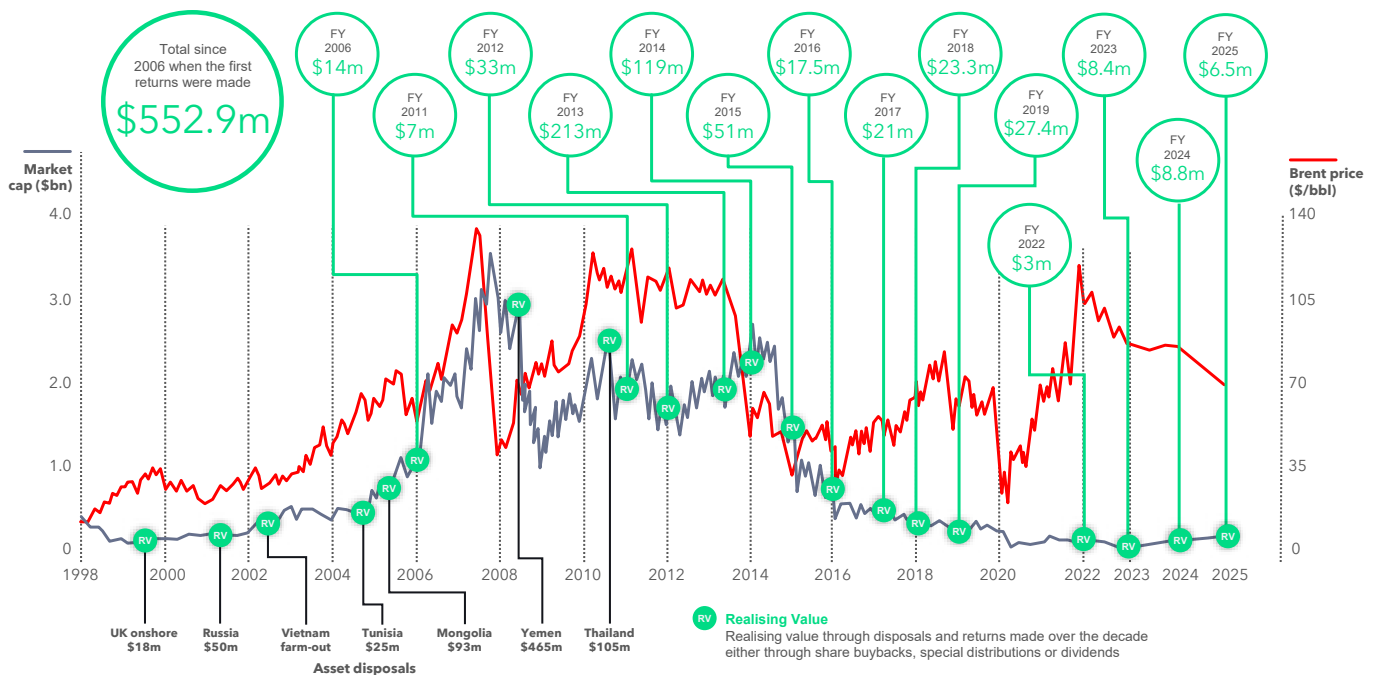
1. Capital discipline in our DNA

We have a culture of careful financial management, capital allocation and capital return.

We exhibit capital discipline through a focus on cost management, a part of our DNA, underpinned and enhanced by our commitment to regular returns to shareholders. Capital allocation decisions are taken to make investments where they will generate risk-adjusted full-cycle returns, with a focus on near term cash generation. We use our expertise:



A commitment to shareholder returns remains a core element of our overall allocation framework. We aim to create value per share, not chasing scale for its own sake. It is this approach that has allowed us to return significant amounts of capital to shareholders since 2006. As at year end 2025, we are proud to have returned \$552.9m to shareholders, through a combination of dividends and share buybacks.



OUR INVESTMENT CASE - CONTINUED

2. Quality assets with growth potential

Over the past years, we have built a portfolio in the energy regions of Asia and MENA. Our high-quality assets deliver stable production and robust cash flow, with a range of near-term organic growth opportunities ranging from low-cost, low-risk onshore producing assets to basin-opening world-class potential offshore exploration.



Vietnam

High net-back producing assets with further significant exploration potential

NET 2025
PRODUCTION

4,095
boepd

(2024: 4,361 boepd)

2P RESERVES AS AT
YEAR END 2025

7.2
mmboe

(2024: 8.9 mmboe)

BLOCKS IN VIETNAM

4

YEARS ACTIVE
IN VIETNAM

25+

The Group's current producing interests in Vietnam, the Te Giac Trang (TGT) and Ca Ngu Vang (CNV) fields in the Cuu Long basin off the southern coast, together, are amongst Vietnam's largest oil producers. Following the approval of the five-year licence extensions to the TGT and CNV fields to December 2031 and December 2032, respectively, the Company began its six-well infill and appraisal drilling programme in October 2025. This fully funded drilling campaign, expected to be completed by mid-2026, is the most significant investment in our Vietnamese assets since the initial development and is expected to deliver up to a 20% increase in Vietnam production volumes, as well as derisk additional development opportunities. Two rigs are running in parallel, and all wells can be brought immediately onto production utilising existing facilities.

We have further potential for growth from two deep-water basin-opening exploration positions in Blocks 125 & 126 in the Phu Khanh basin off the eastern coast of Vietnam. In July 2023, Pharos published an independent report by ERCE on Blocks 125 & 126 in Vietnam, which estimates prospective oil resources with an aggregated gross unrisks Mean of 13,328 MMstb, covering Prospects and Leads already identified. The report supports Pharos' internal assessments and paves the way for further work to develop new Leads and mature Leads to Prospects. In June 2025, Pharos received approval for the two-year extension of the Production Sharing Contract for Blocks 125 & 126, extending the Exploration Period to November 2027. This approval reflects the Government's continued support and allows Pharos to retain optionality for the prospect as we progress active

discussions with potential farm-in partners and rig contractors ahead of drilling the commitment well on this basin-opening play. Detailed drilling engineering studies for the proposed well on Prospect A are completed, and long lead items are now in place. All work done to date highlights the scale of the potential in these blocks and underscores our commitment to pursue this exciting opportunity whilst investing in near term production growth in our core producing assets, TGT and CNV, in Vietnam.

Upcoming catalysts in 2026

- **TGT & CNV:** Continuation of six-well drilling programme currently underway; expected to finish by mid-2026
- The four infill wells in the programme will maintain production at 2025 levels. Successes at the two appraisal wells, TGT-18X and CNV-5X, could deliver up to a 20% increase in Vietnam production volumes and derisk additional development opportunities
- **Blocks 125 & 126:** formal farm-out process ongoing with discussions at advanced stage; further updates expected by mid-2026

[Read More](#) | Operational Review page 31.

OUR INVESTMENT CASE - CONTINUED



Egypt

Onshore, low cost drilling path to grow production with proven exploration upside



NET 2025 PRODUCTION

1,303 bopd

(2024: 1,440 bopd)



2P RESERVES AS AT YEAR END 2025

11.2 mmboe

(2024: 12.4 mmboe)



DEVELOPMENT LEASES UNDER THE CONSOLIDATED EL FAYUM & NBS CONCESSIONS

12



PHAROS WORKING INTEREST

45%

The Group's Egyptian assets, El Fayum and North Beni Suef Concessions, were acquired in April 2019 and farmed down to IPR in March 2022. In September 2025, Pharos announced it has received approval from EGPC's Executive Board for the consolidation of the two concessions into a new consolidated concession agreement (the "Consolidated Concession"). Pharos retains a 45% working interest in the Consolidated Concession, with IPR Lake Qarun Company ("IPR") continuing as operator with a 55% working interest. In addition to the 12 development leases of the EF and NBS concessions, the Consolidated Concession will include three new exploration areas.

The new Consolidated Concession is a significant milestone for our Egyptian business. It unlocks substantial value by improving certain fiscal terms such as Profit Oil and Cost Oil, extending the duration of the licenses by up to 20 years, and committing the Contractor parties (Pharos Group and IPR) to additional work programmes to deliver production growth. While the Consolidated Concession is subject to customary approvals and to Egyptian Parliamentary ratification, which is expected to take place in 2026, the new set of terms was effective from 5 October 2025 following the approval from EGPC, and the six-well drilling programme is expected to commence in late March 2026. Additionally, Pharos was pleased to end the year with a \$20m payment from EGPC, doubling our year-end 2025 cash balance and reducing our outstanding receivables balance from EGPC to \$7.4m (before expected credit loss of \$0.1m), its lowest level since December 2021.

Our operational and financial achievements in Egypt in 2025 provide the Group with significant operational momentum going into 2026. Nevertheless, the Group continues to monitor its balance sheet strength and progress in the payment of its receivable balance to manage capital allocation for further growth.

Catalysts in 2026

- Preparations underway for the agreed work programme of six wells expected to commence in late March 2026
- Parliamentary ratification of the consolidated Concession Agreement expected in 2026



[Read More](#) | Operational Review page 31.

OUR INVESTMENT CASE - CONTINUED

3. Operational capability

Amidst ongoing global uncertainty, Pharos continues to deliver consistent operational results, thanks to the efforts of our teams, of our partners and of the local JOCs, who have managed to navigate the macroeconomic challenges without compromising our operational capability.

Long operational history in Asia-MENA

Our history with Vietnam since 1996 has been a success story both for the company and the country. As at 2025, Pharos has invested over \$1.4 billion in the exploration, appraisal and development of oil and gas projects located offshore Vietnam since inception, making Pharos one of the largest British investors in the country. In Egypt, Pharos, together with IPR, have long-standing in-country presence and relationships with the Egyptian government and regulatory authorities, which position them well to support the expansion of operational activity needed to develop the resource base.

Our long operational history provides a strong foundation for our future work programmes to manage both the cash generation and the growth potential of our assets, and to deliver on our strategy.

Excellent safety record

The health and safety of the Group's workforce is the highest priority for Pharos. We are proud to report an exceptional safety record of zero lost time injuries and zero fatal incidents in our Egyptian assets in 2025, and in our Vietnam assets since our operational inception in 1996. This is thanks to the JOCs' consistent effort to provide and champion workers' health, safety and well-being.

Read More
Corporate Responsibility Report page 59.



OUR INVESTMENT CASE - CONTINUED

4. Diverse and inclusive workforce

Greater diversity and inclusivity helps bring deeper understanding of people. Led by the 5 Pharos Guiding Principles of ‘Safety and Care’, ‘Energy and Challenge’, ‘Openness and Integrity’, ‘Empowerment and Capability’, and ‘Pragmatism and Focus’, we have demonstrated our commitment to maintaining and building a culture of diversity and inclusion.

Diversity in all dimensions

We operate in a global industry, and it is vitally important to ensure that we benefit from the diverse perspectives that people can bring. For this reason, equality, diversity and inclusion sit at the heart of our recruitment, development and promotion processes. Across all of our assets, we acknowledge diversity in all its dimensions and welcome people with differing backgrounds, skills, nationalities, gender and experiences to help us deliver our business strategy of long-term sustainable growth. As at year end 2025, the Board has three female directors out of six, with both executive positions held by women. We recruit talents from diverse backgrounds across our entire organisation.

Regional knowledge and experience

We apply our expertise locally with operational teams in each region, working closely with partners and JOCs. We encourage dialogue and co-operation between the different business assets to ensure the sharing of knowledge and new ideas. We are committed to providing meaningful opportunities for training and capacity building in host countries. We have maintained a gender-neutral recruitment process and, wherever possible, we first look to fill any vacancy internally with a local candidate in London, Vietnam or Egypt.



Most notably our global team comprised

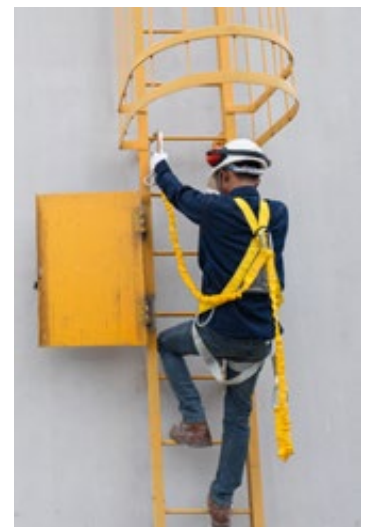


10
nationalities



of which women
accounted for
50%

Our Group Code of Business Conduct and Ethics, associated policies and the Pharos Guiding Principles commit us to providing a workplace free of discrimination where all employees can fulfil their potential based on merit and ability, and we will continue to align our Company with this ethos.



Read More

Corporate Responsibility Report page 59.

BUSINESS MODEL

How our business model creates sustainable value

We are building a business focused on generating sustainable returns. We look to grow Pharos through the responsible management of our current portfolio and careful selection of opportunities, particularly those with near-term low-cost development and exploration assets with transformative potential within Asia and MENA.

VALUE INPUTS

Our people

- Extensive industry experience
- Technical expertise and commercial acumen
- Relationship-driven
- Diverse and inclusive workforce

VALUE INPUTS

Our assets

- Assets delivering stable production and robust cash flows
- Low-cost onshore drilling in Egypt
- Mature, short payback in Vietnam
- Basin-opening frontier offshore exploration in Vietnam and proven exploration upside in Egypt

VALUE INPUTS

Our capital

- Rigorous approach to cost
- Disciplined capital allocation process, including returns to shareholders dividend policy
- Debt-free balance sheet
- Low breakeven oil price in Vietnam
- Investment in M&A opportunities



Assess

We assess opportunities which offer near-term cash generation and longer term growth. We generate opportunities from within our existing asset base and balance the value of investing in the business with the value of returns to shareholders.



Invest

Our investment programme will continue to be allocated over our asset base in a disciplined manner to drive further growth and deliver sustainable returns for our stakeholders. We maintain a culture of prudent financial management, capital allocation, and capital returns.



Develop & Produce

Our production increases through the development of existing discovered resources. We seek to maximise margins through optimising production at low operating costs. We are committed to responsible and safe operations at all times.

VALUE OUTPUTS

Organic growth opportunities

- Development of existing discovered resources
- World class exploration prospects and leads in Blocks 125 & 126 in Vietnam
- Conventional and unconventional and exploration potential

VALUE OUTPUTS

Stakeholders

- Regular shareholder returns
- Net Asset Value (NAV) per share growth
- In-country economic contribution and social investment
- Local capability training, local employment & trusted partnerships

VALUE OUTPUTS

Growth metrics

- Safe and responsible operations
- Development of Egyptian resources through onshore, low cost, in-fill drilling
- Continued development of Vietnam producing assets through licence extensions and revised field development plans
- Farm-in partner to support the funding of a commitment well and develop the full potential of Blocks 125 & 126 in Vietnam

Pharos Energy takes a pragmatic approach to delivering growth and enhancing value.



CHAIR'S STATEMENT

Strengthened business positioned for growth

I am pleased to present my first statement as Non-Executive Chair of Pharos Energy, having been appointed in June 2025 following John Martin's resignation from the Board at the 2025 AGM. I would like to thank John for his years of dedication and hard work in guiding Pharos through challenging times, and wish him well in his retirement.



JOÃO SARAIVA E SILVA
Non-Executive Chair



A year of achievements

Since joining Pharos, I have been consistently impressed by the strength of the underlying business - a high-quality asset base delivering stable production and robust cash flows, a dedicated and highly motivated workforce, and a healthy balance sheet.

The operational and financial milestones achieved during 2025 are a testament to the Company's culture of capital discipline and commitment to shareholder value. In Vietnam, we are pleased to have commenced the six-well drilling campaign on TGT and CNV, the most significant investment into these assets since their original development, designed to drive production growth from both fields in 2026 and beyond. On Blocks 125 & 126, approval of the two-year extension to the PSC Exploration Period in June is very welcome progress as we continue discussions with potential farm-in partners in a structured process. In Egypt, we were pleased to receive approval from EGPC for the consolidation of our two existing concessions, with development lease extensions for up to 20 years and improved fiscal terms providing an attractive investment framework for both Pharos and our partner IPR. Most notably, I am delighted we ended the year with a \$20 million payment from EGPC, doubling our year-end cash balance and reducing our outstanding receivable balance to \$7.4m, its lowest level since December 2021.

CHAIR'S STATEMENT - CONTINUED



Open dialogues and effective governance

I would like to thank our shareholders for their continued support and trust in Pharos. The Board maintains a strong commitment to high standards of governance through transparent, collaborative, and constructive dialogues with all our stakeholders. During the year, I met with our joint operating partners and government stakeholders, including EGPC, IPR, the Egyptian Minister of Petroleum and Natural Resources, and have been greatly encouraged by the open and receptive discussions. Their continued engagement and support were instrumental in delivering our key achievements this year, including approval of the consolidation of our concessions in Egypt, material reduction in our receivable balance with EGPC, the two-year licence extension on Blocks 125 & 126 and the commencement of the significant appraisal and infill drilling programme on TGT and CNV. Their support and confidence in Pharos underscore the strength of our relationships and reflect the shared recognition of Pharos' long-term commitment to the regions.

Sustainability at Pharos

Sustainability is embedded within our culture and remains integral to how Pharos operates our business. During the year, we continued to reduce our emissions by improving the efficiency of our operations and ensuring we have robust GHG and HSE monitoring systems and processes across all assets. We are on track to achieve our Net Zero interim target of 5% emission reduction at year end 2026 compared to the 2021 baseline, and we look forward to updating the market in due course.

Equally important is our commitment to the communities in which we work. Our aim is to be a positive presence and add value in everything we do, and charitable initiatives have been a part of the Company's culture since its inception. Throughout the year, Pharos contributed to the local communities through donations to support community development, social welfare, healthcare, and infrastructure programmes in areas where we operate. We believe these efforts will not only deliver meaningful social impact to our host communities, but also reinforce a strong sense of purpose and motivation among our global workforce.

Outlook

We entered 2026 as a strengthened business, with a resilient balance sheet, a quality asset base underpinned by safe and responsible operations, and a portfolio of exciting catalysts to pursue growth. We look forward to concluding our Vietnam drilling programme safely in mid-2026, and preparation with partners for the agreed work programme under the new consolidated concession in Egypt is underway, further strengthening our operational base. In parallel, we are progressing our discussions with potential farm-in partners on Blocks 125 & 126 and stepping up our efforts to identify opportunities beyond our existing portfolio, dedicating resources to ensure we are active participants in the market.

Our focus on both organic and inorganic growth will continue to be guided by capital discipline. The Board maintains a clear commitment to our capital allocation goals: to balance returns to shareholders with investment in our assets to generate growth, while preserving the resilience of the balance sheet.

On behalf of the Board, I would like to thank the Pharos team for their commitment and delivery throughout the year. I am also grateful to shareholders for their trust, and our partners, suppliers, and advisors for their support. The Board looks to the future with great confidence in our ability to deliver growth and value in 2026 and beyond.

JOÃO SARAIVA E SILVA
Non-Executive Chair

MARKET OVERVIEW

Understanding today's energy landscape



Economics and Political

The global oil and gas market in 2025 was defined by a supply surplus and low prices. World oil production reached record highs, averaging 105 to 108 million barrels per day, driven by strong output from both OPEC+ and non-OPEC+ producers, notably the U.S., Brazil, and Guyana. U.S. crude production maintained its global leadership. However, demand growth was modest, rising by 700–830 kb/d due to economic headwinds, improved energy efficiency and the continued rise of electric vehicles especially in OECD countries.

Geopolitical volatility continued to reshape the market landscape. The ongoing Russia-Ukraine conflict persistently shifted trade flows with Russian oil exports to Europe replaced by increased shipments to Asia, while Russian gas deliveries to Europe collapsed to just c.12% of pre-war levels. Europe responded by increasing LNG imports, primarily from the U.S., and diversifying crude sources, accelerating its energy transition and reducing dependency on Russian hydrocarbons.

Tensions in the Middle East, particularly the Israel-Gaza conflict, heightened supply security concerns, principally around key maritime chokepoints like the Strait of Hormuz and the Red Sea. Houthi attacks in the Red Sea disrupted shipping, forcing rerouting and raising freight costs, while Iranian threats underscored the region's strategic importance. However, proactive measures by Gulf producers, alternative export routes, and robust spare capacity prevented major supply disruptions.^{1 2}

At the same time, U.S. policy under President Trump's administration intensified sanctions and adopted a more protectionist stance contributing to global trade tensions and increased market uncertainty. The U.S. played a key role in enforcing sanctions and supporting alternative energy flows, reinforcing its influence over global energy markets.³

From a macroeconomic perspective, 2025 was characterised by persistent geopolitical tensions and policy unpredictability which weighed on business confidence and trade. Despite this, global growth remained resilient, with GDP expanding by around 1.34% in the UK.⁴ However, this growth was slower than in previous years, reflecting the drag from trade frictions and elevated risk aversion.

Financial markets navigated this challenging environment with remarkable strength. The S&P 500 finished up 16.4% for the year, marking its third consecutive year of double-digit gains.⁵ Key drivers included earnings growth, enthusiasm for artificial intelligence, and multiple interest rate cuts by the Federal Reserve, which helped support valuations and investor sentiment. The energy sector delivered a c.7.9% total return but lagged the broader market due to lower oil prices and ongoing geopolitical tensions.^{6 7}

Moving into 2026, the first quarter of the year was relatively stable until the joint US and Israeli military action, with surprise airstrikes on multiple sites and cities across Iran, began on 26 February 2026, initiating an ongoing conflict. Disruptions to Middle Eastern supplies due to attacks on the region's oil infrastructure and the cessation of tanker traffic through the Strait of Hormuz sent Brent futures soaring, trading within a whisker of \$120/bbl. As a result, global economic growth projections for 2026 are under consideration as the long-term effects of this conflict are currently unknown.⁸

1 <https://www.congress.gov/crs-product/R45281#:~:text=Conflict%20in%20June%202025,through%20the%20Strait%20of>

2 <https://www.rystadenergy.com/news/chokepoints-under-pressure-fragile-lifelines-global-energy>

3 <https://www.iea.org/reports/oil-market-report-march-2025>

4 <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpfirstquarterlyestimateuk/octobertodecember2025>

5 <https://www.cnbc.com/2025/12/30/stock-market-today-live-updates.html>

6 <https://www.forbes.com/sites/rpapier/2026/01/11/energy-stocks-enter-2026-on-uneven-ground-after-a-surprising-2025/>

7 <https://www.forbes.com/sites/rpapier/2026/01/11/energy-stocks-enter-2026-on-uneven-ground-after-a-surprising-2025/>

8 <https://www.iea.org/reports/oil-market-report-march-2026>

MARKET OVERVIEW - CONTINUED

Oil Price

Oil markets were less volatile in 2025 than 2024, marked by a slow decline due to oversupply and an uncertain market environment. Tighter sanctions on Russian and Iranian oil and severe winter weather caused prices to peak at the beginning of the year past \$80/bbl, but the U.S. tariffs, weakening global demand for oil and the unwinding of OPEC+ voluntary restrictions caused prices to tumble through the first half of the year. Notable price fluctuations included a spike in June due to escalating tensions between Israel and Iran, the downward trend continued through the latter half of the year due to supply surplus and geopolitical pessimism. Brent crude traded in a narrow range of \$63-\$79/bbl on a monthly average basis, averaging \$69/bbl for the year, c.\$12/bbl less than 2024, marking a c.15% decrease year on year.^{1 2}

Month-by-month oil prices reflected the interplay of sanctions, trade tensions, OPEC+ policy shifts and regional conflicts. After peaking in January, prices fell to a four-year low of just above \$60/bbl in early May with a price decline in February and early March of c.\$7/bbl due to a combination of weakening global demand outlooks and escalating trade tensions, followed by further declines of around \$10/bbl in March and early April amid Trump's reciprocal tariff announcement and fears of a recession. This was compounded by some OPEC+ members' decision to accelerate the unwinding of voluntary production cuts. Prices fell by another \$10/bbl over April into May amid U.S. tariff escalation and increased OPEC+ oil production hikes, but eased after the U.S. reached trade deals with the UK and China in May. Prices briefly rebounded in July due to geopolitical tensions in the Middle East, but resumed their decline in early August as OPEC+ announced plans to fully unwind its output cuts by September. Oil prices waned in September and October due to expected supply surplus, decreasing optimism that a near-term Russia-Ukraine peace deal would be reached, and fresh sanctions against Russia and Iran. Global oil supply increased while oil demand

growth remained modest in the final two months of the year, which resulted in Brent dropping below \$61/bbl on the last day of the year.³

Due to the initiation of the US/Israel/Iran conflict in February 2026, Brent prices were extremely volatile in 1Q. The ultimate impact on oil and gas markets and the broader economy from the conflict will depend not only on the intensity of military attacks and any damage to energy assets, but also, crucially, on the duration of disruptions to shipping through the Strait of Hormuz.

Egypt

In 2025, Egypt's economy stabilised, inflation and interest rates continued to fall, with the devaluation of its currency prompting an increase in exports and a surge in tourism. The country had faced high inflation in recent years but has seen improvements over the last two years and particularly in 2025. Signs of economic recovery are also reflected in recent growth projections of 4.6% for the fiscal year, an increase from 3.7% in 2024.^{4 5}

Since the Ras El Hekma deal in February 2024, where an Abu Dhabi sovereign fund agreed to invest \$35 billion, of which \$24 billion was paid in cash to the Egyptian Government, and the pivotal IMF \$8 billion loan (Extended Fund Facility, or 'EFF') to Egypt in March of the same year, Egypt was able to start mitigating the country's foreign exchange currency shortage⁶. In 2025, the IMF completed its fourth review of Egypt's reform programme as part of the loan conditions, and distributed a further \$1.2bn as a part of the \$8bn loan.⁷ On 22 December 2025, the IMF announced they had reached an agreement on the fifth and sixth reviews under the EFF arrangement, which could unlock approximately \$2.5 billion disbursement, along with the first review under the Resilience and Sustainability Facility (RSF), which would trigger additional disbursement.⁸ In early January, the disbursement by the European Union of the second €1 billion tranche of their €5 billion support package was also announced. In October 2025,

S&P Global upgraded Egypt's rating to 'B' from 'B-' due to the country's improving growth outlook and balance of payments.⁹

While Egypt's business climate improved, the country continues to navigate a complex political landscape. Egypt played a crucial role in mediation talks in the region, such as de-escalating Israel's military campaign in southern Lebanon, and hosted the emergency Arab summit in March 2025 and the Sharm-El-Sheikh Peace Summit focusing on the same issue in October 2025.¹⁰ Despite complexities in the region, the country's geopolitical relevance makes Egypt an attractive destination for multilateral foreign investment and the country's continued economic recovery provides a strong foundation for further growth.¹¹

1 <https://www.eia.gov/todayinenergy/detail.php?id=66944>

2 <https://www.eia.gov/outlooks/steo/>

3 All data sourced from the IEA monthly market reports: <https://www.iea.org/analysis?type=report>

4 <https://www.bloomberg.com/quote/EGCPOY:IND>

5 <https://www.reuters.com/world/africa/egypts-economy-seen-growing-46-202526-inflation-eases-2025-10-20/>

6 <https://www.reuters.com/world/africa/imf-reaches-staff-level-agreement-egypts-fifth-sixth-loan-programme-reviews-2025-12-23/>

7 <https://www.aljazeera.com/economy/2025/12/5/egypts-economy-stabilises-but-poverty-challenges-persist>

8 <https://www.imf.org/en/news/articles/2025/12/22/pr25441-egypt-imf-staff-reaches-sla-on-5th-and-6th-review-under-eff-and-1st-rev-under-the-rsf>

9 <https://www.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3456845>

10 <https://www.chathamhouse.org/2025/12/egypts-foreign-policy-will-remain-too-little-too-late-2026>

11 <https://www.washingtoninstitute.org/policy-analysis/egypts-economy-amidst-regional-conflicts>

MARKET OVERVIEW - CONTINUED

Vietnam

In 2025, the Vietnamese economy demonstrated resilience, achieving GDP growth of 8.2% (to the third quarter of 2025), up from 7.09% the previous year.¹ Despite facing external challenges such as one of the highest levies imposed by the Trump administration in April, and several adverse weather events, Vietnam adapted and outperformed many of its neighbours.^{2 3}

Donald Trump announced a 46% tariff on Vietnam on 2 April, the fifth highest rate in his reciprocal tariffs package. The tariffs showed no immediate disruption, and Vietnam, one of the top exporters to the United States, became the third country after the UK and China to swiftly reach an agreement to impose a reduced levy of 20% on Vietnamese goods.⁴ The potential risk imposed by the initial tariff, which was compounded by Vietnam's recovery from extensive damage from several floods in 2024 and the year prior, demonstrated the country's resilience during the period. In 2025, foreign direct investment (FDI) rose by 9% to over \$27.6 billion, reaffirming Vietnam's standing as a favoured destination for foreign capital.⁵

Looking ahead to 2026, Vietnam's GDP growth is projected to be around 6.2%, despite weaker external demand curbing exports.⁶ Vietnam maintained its position as the strongest performing economy in Southeast Asia by the third quarter, with investment flows and strong production activity reflecting the country's growth momentum despite ongoing trade challenges.⁷



E&P Merger & Acquisition activity

In 2025, global M&A activity in the upstream oil and gas sector was muted, with the overall value of deals coming to \$13.77bn, the lowest in over 10 years.⁸ The London market still saw a few major deals despite the slower environment, including the consolidation of Eni UK's North Sea assets with Ithaca Energy, a deal valued at c.\$993 million.⁹ UK-listed E&P companies pursued strategic consolidations and asset portfolio balancing, such as EnQuest's acquisition of Harbour Energy's Vietnam assets.¹⁰

Net Zero

2025 was the third warmest year on record. The global average temperature for the year was 14.97 °C, 0.59°C above the 1991-2020 average.¹¹ Greenhouse gases related to fossil fuel production were projected to have risen by 1.1% in 2025, reaching a record high.¹²

Despite the growing adoption of net zero targets, it is estimated that the emissions trajectories of the world's listed companies in aggregate would take the world to 2.7°C.¹³ Progress towards net zero faced new challenges this year, as Europe's oil majors, including BP and Shell, retreated from their climate commitments and renewed their focus on oil and gas production, while companies outside the industry also decreased climate commitments. Despite geopolitical fragmentation, clean energy spending reached new records. Global total energy investment in 2025 reached \$2.3 trillion, up 8% from 2024.¹⁴

For more information on the impact of climate change on the long-term oil prices and demand, please see page 57 of the Viability Statement.

¹ https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/12/oecd-economic-outlook-volume-2025-issue-2_413f7d0a/9f653ca1-en.pdf

² <https://www.bloomberg.com/opinion/articles/2025-12-14/vietnam-won-t-let-go-of-the-global-economy>

³ <https://www.bloomberg.com/news/newsletters/2025-11-27/vietnam-s-weak-flood-defenses-overwhelmed-by-storms>

⁴ <https://www.chathamhouse.org/2025/07/vietnams-tariff-deal-trump-reflects-balancing-act-between-us-and-china>

⁵ [https://www.reuters.com/world/asia-pacific/vietnams-annual-growth-reaches-8-trade-surplus-with-us-hits-record-despite-2026-01-05/#:~:text=The%20Reuters%20Daily%20Briefing%20newsletter.record%20figure%20of%20\\$241.95%20billion.](https://www.reuters.com/world/asia-pacific/vietnams-annual-growth-reaches-8-trade-surplus-with-us-hits-record-despite-2026-01-05/#:~:text=The%20Reuters%20Daily%20Briefing%20newsletter.record%20figure%20of%20$241.95%20billion.)

⁶ https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/12/oecd-economic-outlook-volume-2025-issue-2_413f7d0a/9f653ca1-en.pdf

⁷ <https://www.mckinsey.com/featured-insights/future-of-asia/southeast-asia-quarterly-economic-review>

⁸ S&P Capital IQ, Upstream M&A Data 2025

⁹ <https://www.reuters.com/markets/deals/eni-hold-387-ithaca-energy-following-completion-uk-asset-sale-2024-10-03/>

¹⁰ <https://www.deloitte.com/uk/en/Industries/energy/analysis/uk-upstream-independents.html>

¹¹ <https://climate.copernicus.eu/copernicus-2025-was-third-hottest-year-record#:~:text=Global%20temperature,2024%20and%200.01%C2%BAC%20above%202023>

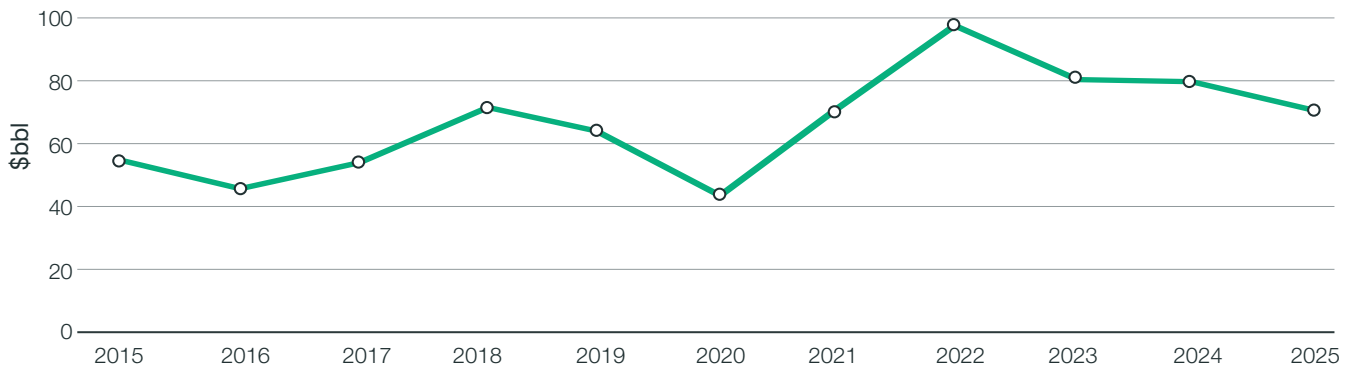
¹² <https://globalcarbonbudget.org/fossil-fuel-co2-emissions-hit-record-high-in-2025/>

¹³ <https://www.msci-institute.com/wp-content/uploads/2025/11/MSCI-Transition-Finance-Tracker-Q3-2025-201125.pdf>

¹⁴ <https://about.bnef.com/insights/clean-energy/bloombergnef-finds-global-energy-transition-investment-reached-record-2-3-trillion-in-2025-up-8-from-2024/>

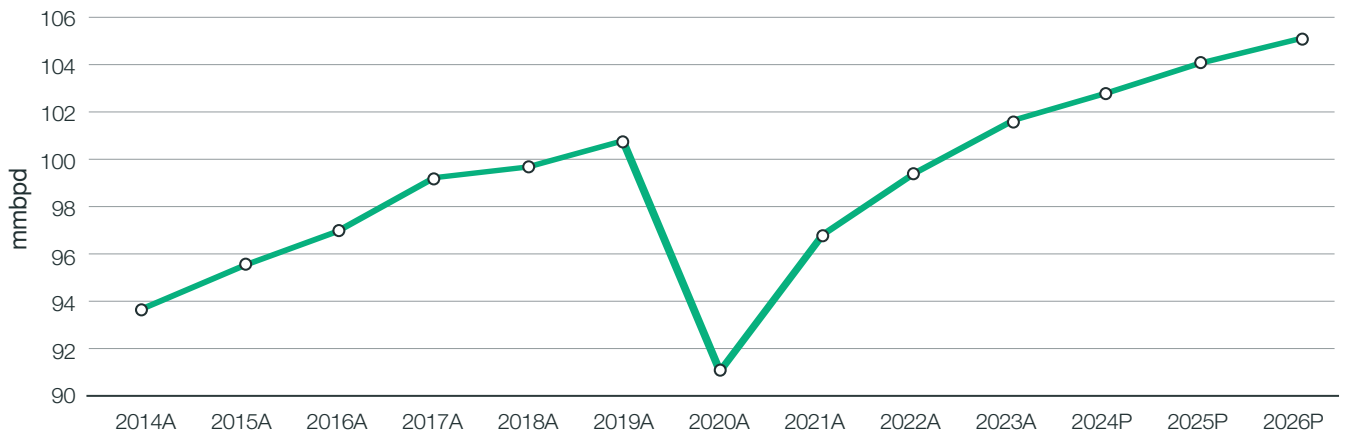
MARKET OVERVIEW - CONTINUED

Brent crude 2015-2025 (\$bbl)



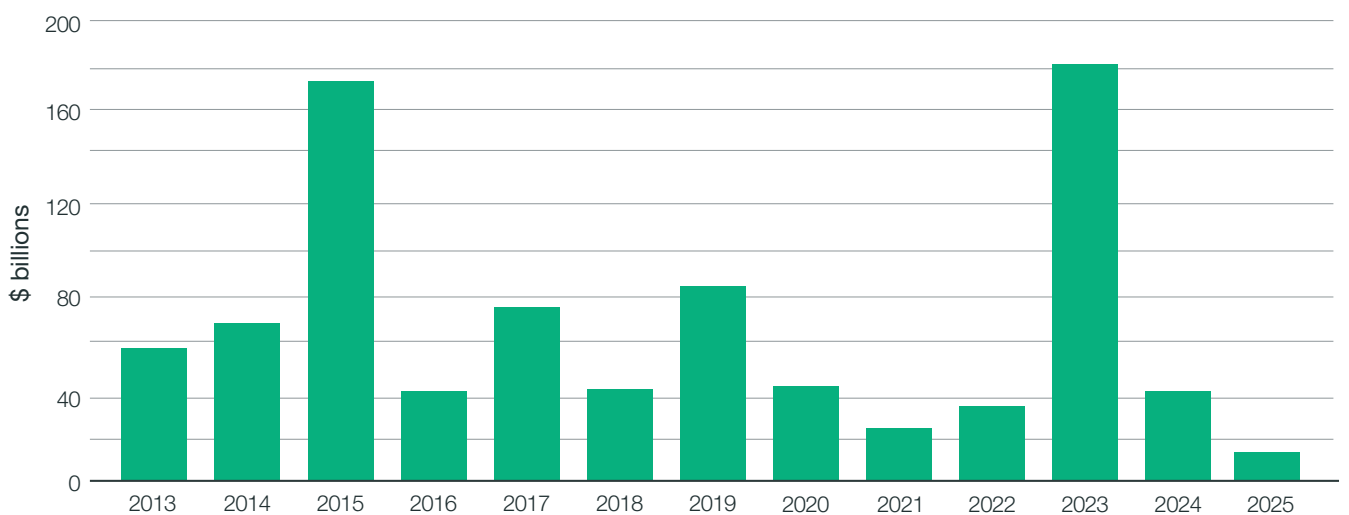
Source: Bloomberg

Global Crude Oil Consumption 2014-2026P



Source: EIA

Sum of Total Transaction Value (\$USDmm)



Source: S&P Capital IQ

CHIEF EXECUTIVE OFFICER'S STATEMENT

A year of operational momentum, financial strength, and strategic growth

I am pleased to report that 2025 was another year of strength for Pharos Energy. During the year, the Company achieved both financial and operational successes delivering against expectations and achieving pivotal milestones in both Vietnam and Egypt, while maintaining our exceptional record of safety and operational reliability. Activity throughout the year has enhanced the quality of our assets, established operational momentum, and delivered a robust financial base for further organic and inorganic growth.



KATHERINE ROE
Chief Executive Officer

Operational achievements underpinning financial strength

The Company had an operationally active year in 2025. We are excited to be drilling offshore in Vietnam again, and our debt-free balance sheet has supported the commencement of a six-well infill and appraisal drilling programme on TGT and CNV in the second half of the year, the most significant investment into these assets since their original development. We are proud that our successes to date on these operationally challenging wells were achieved on time and on budget, with no safety incidents during the year, maintaining our zero lost-time injury rate since operational inception. This excellent health and safety record is thanks to the JOCs' consistent effort to promote and champion workers' health and safety, and a culture at Pharos that puts safety at the heart of the business.

In Egypt, we were pleased to announce at the end of the financial year a \$20 million payment from EGPC for oil sales, doubling our year end cash balance and reducing our outstanding receivable balance to \$7.4m, its lowest level since December 2021. This very welcome progress towards the recovery of our receivables, coupled with improvements in the macro environment in Egypt, have provided us with comfort that outstanding receivables will continue to be paid and that typical payment terms will be applied to future oil sales. Most importantly, a key milestone in unlocking further value in our Egyptian assets was the approval by EGPC of the consolidation of our two concessions, El Fayum and North Beni Suef, into a single new concession agreement. We expect the new agreement, incorporating an extension of up to 20 years to the

development leases to be signed later in 2026, following ratification by the Egyptian Parliament. The improved fiscal terms under the consolidated concession agreement will have retrospective effect from 5 October 2025, and set an attractive investment environment for both Pharos and our partners to pursue additional production volumes and reserves. We will nonetheless continue our cautious approach to capital allocation whilst we continue the recovery of our outstanding receivables.

CHIEF EXECUTIVE OFFICER'S STATEMENT - CONTINUED



Protected balance sheet to pursue opportunities and deliver returns

Oil prices decreased substantially during 2025 due to challenging supply-demand imbalance and persistent geopolitical risks. This underpins the need to ensure independent E&Ps like Pharos maintain a resilient business model to weather unpredictable oil price cycles. Throughout the years, our operations in Vietnam have remained robust even in low oil price environments thanks to high premiums and low break-even prices. In Egypt, the flexibility that our onshore operations offer means we remain agile in changing economic landscapes and can adjust the pace of investment into the assets based on the receivable recovery rate. Pharos is protected on the downside, and we have a portfolio of upside potential to pursue across the assets.

We believe the oil price outlook will remain challenging in 2026 due to volatility initiated by the US, Israel, Iran conflict. Therefore, a diversified portfolio with robust operational and financial strength is crucial for Pharos' next phase of growth. Our financial discipline and debt-free position not only give us the optionality to identify and pursue the right opportunities, both within the current portfolio and externally, but also take a pragmatic and balanced approach to shareholder returns. Today, the Board have recommended a final dividend for the 2025 financial year which, subject to shareholders' approval at the Company's 2026 AGM, would take the 2025 full year dividend to 1.331 pence per share. The Board will continue to consider an appropriate level of returns to shareholders given the strength of the balance sheet whilst managing capital allocation for growth.

Blocks 125 & 126 – Unique frontier exploration in South East Asia

We are proud to have a basin-opening frontier play with world-class potential in our current portfolio. Thanks to the diligent efforts and technical capability of our in-country team, we now have a well-understood, drillable prospect with detailed engineering studies, 2D and 3D seismic data, long lead items, mature leads and prospects, and an independent reserves report supporting Pharos' internal assessment. All our work to date has highlighted the scale and potential of these basin-opening exploration blocks, and we are motivated to pursue this incredible opportunity whilst still preserving the resilience of the business and stability of the balance sheet. Last year we initiated a formal, structured process to identify a farm-in partner and complete all necessary preparatory and planning work to drill the first exploration well. Additionally, the two-year licence extension, granted by the Vietnamese Government in June last year, has strengthened our position and provided optionality as we progress discussions with rig contractors and third-party buyers. We are intentional in our testing of the market at a time when exploration has moved up the agenda for many majors, and discussions with potential partners are in advanced stages. We strive to deliver the best value for our shareholders and will look to monetise the asset at the right terms and the right time. We look forward to updating the market with more news in mid-2026.

Scale and business resilience

We recognise that the operating environment for independent E&Ps remains challenging. While Pharos has consistently delivered strong results, the Board understands that scale, strategic relevance and efficiencies remain a key priority. Further growth will give us the scale that is increasingly important in our industry, creating resilience against adverse macro changes, providing access to additional investment capital, thus allowing us to compete more effectively in the energy market and create long-term value. In recognition of this, the Board regularly evaluates strategic priorities, ensuring that we direct resources to opportunities that can drive growth and returns for shareholders. As a result, in evaluating prospects outside the existing portfolio, we are return-driven rather than jurisdiction-driven. Nevertheless, we continue to leverage our technical expertise, long-standing presence in South East Asia, and positive relationships with our host government partners to identify the right assets that can deliver the best returns for us.

Our role in the energy transition

Pharos is fortunate to operate in jurisdictions with thriving economic and investment landscapes. Oil and gas demand in Asia-MENA is expected to remain robust, driven by population expansion and a move away from more GHG emissions-intensive fuel sources, such as coal, for power generation. The Egyptian Government recognises the industry's need to encourage more upstream investment, and Egypt's Minister of Petroleum and Mineral Resources has outlined his intent to improve the investment environment to boost oil and gas production in the country, satisfying domestic demand and reducing the country's reliance on imports. In Vietnam, since our entry into the country in 1996, our producing fields TGT and CNV have contributed to the replacement of coal as a cleaner energy source. We are proud that 100% of Pharos' oil and gas production is sold and consumed domestically, providing low cost and reliable energy access to alleviate energy poverty and promote sustainable economic development across the region.

CHIEF EXECUTIVE OFFICER'S STATEMENT - CONTINUED

Our goal is to be a positive presence in the regions where we operate by providing responsible and sustainable development, creating value for host countries and local communities as well as for our own shareholders and employees. In our view, oil and gas will remain an important component of the global energy mix for many years to come. We recognise and actively consider the impact of climate change and energy transition as immediate challenges facing Pharos and will continue to operate our business in a safe, environmentally sustainable, and socially responsible way.

Mutually beneficial partnerships to deliver shared prosperity

We announced in June 2025 the appointment of João Saraiva e Silva as Non-Executive Chair, succeeding John Martin who announced his retirement from the Board at the Company's 2025 AGM in May. We are delighted to welcome João to the Board and believe we now have a stable, refreshed Board with a balanced mix of skills and experience to guide Pharos through its next phase.

The Board is committed to maintaining a high standard of governance. We are once again pleased to report full compliance with the UK Corporate Governance Code for the financial year, including as it relates to regular engagement with major shareholders. Our team continued the regular and proactive dialogue with key shareholders and wider stakeholders throughout the year, and we appreciate and understand the importance of their views as owners and partners of the business. The successes the Company has had over the years would not have been possible if not for the supportive relationships we have with our valued partners and stakeholders, and we are grateful for their ongoing support.



Outlook

Pharos made significant strides in 2025 to strengthen the underlying business, being one with a stable asset base, solid financial performance, well-protected cash flows, and an exciting mix of opportunities to pursue in 2026 and beyond.

We have near-term upside in both jurisdictions to grow our production, as well as stemming natural production decline. In Vietnam, we continue our fully funded six-well infill and appraisal drilling programme which is expected to conclude by mid-2026. The four infill wells are intended to maintain existing production levels, whilst success at both appraisal wells, TGT-18X

and CNV-5X, could deliver up to a 20% increase in Vietnam production volumes and also de-risk additional development opportunities. We expect to update the market on the results of the testing in April or early May. In Egypt, following EGPC's approval of the consolidation of our two existing concessions in October 2025 and a \$20 million payment from EGPC towards the receivable balance at year end, we enter the year with a much-improved investment environment to unlock further value from these assets. Preparation for the agreed six-well work programme on El Fayum and North Beni Suef is well underway, and we expect to be more operationally active in Egypt in 2026. On the exploration side, we are in

advanced discussions with potential farm-in partners on Blocks 125 & 126 and look forward to updating the market in mid-2026.

We are pleased to start 2026 from a position of strength. Our investment proposition remains compelling, with significant operational momentum, a healthy balance sheet, a portfolio of quality assets with growth catalysts, and a sharp focus on developing the scale and relevance of the business with inorganic opportunities, all with the right team in place to deliver on our strategic goals.

I would like to thank my colleagues and stakeholders for their continued support and look forward to another year of strength and delivery in 2026.

KATHERINE ROE
Chief Executive Officer

A photograph of an offshore oil rig, identified as 'NAGA 2', situated in the middle of the ocean. The rig is a complex structure of metal towers and platforms, supported by a jacket. The sky is blue with scattered white clouds. A large, stylized graphic of overlapping blue and green waves is on the right side of the image. The text is overlaid on the bottom left of the image.

Our strategic ambition is to deliver value for all our stakeholders through the responsible management of our current portfolio and the careful selection of growth opportunities.

KEY METRICS

Reporting on our performance

We use both financial and non-financial metrics to manage long-term performance and deliver on our responsible business plans. They are kept under review and are regularly tested for relevance against our strategy and policies.

* [Read More](#) | Non-IFRS measures on page 211.

2025 Financial Measures

CASH OPERATING COST \$/BOE *

19.39



Description

Low operating expenditure helps deliver high margin production revenues. The cost of producing a single barrel of oil is influenced by industry costs, inflation, fixed costs and production levels.

Objective

To be profitable at lower oil prices.

Performance

Pharos achieved an operating cost of \$19.39/boe in 2025, an increase of 9% over 2024, largely due to 6% fall in production from Vietnam. Production from Egypt was also 10% lower.

Outlook

We continue to target improvements in 2026 and beyond through managing costs and increasing production.

Links to strategy

- Deliver value through growth

Associated risks

- Partner alignment risk
- Political and regional risk

CAPITAL EXPENDITURE

CASH \$M (includes abandonment funding)

27.6



Description

Investment in the asset base required to maintain and grow the business and directed to the assets in Egypt and Vietnam.

Objective

To achieve returns in excess of cost of capital.

Performance

The 2025 cash capital expenditure was 6% higher than 2024. On TGT, two infill wells on the H1 and H5 fault blocks were completed and were brought into production by year end. TGT-18X appraisal well and CNV-8P infill well on CNV field also commenced in December 2025 and operations are ongoing.

Outlook

The cash capex forecast for 2026 is expected to be c.\$50m, c.\$31m of which is carried forward from 2025 to complete the TGT and CNV drilling campaigns in Vietnam and Blocks 125 & 126 long lead items. Additional cash capex of c.\$19m includes a six-well drilling campaign in Egypt and abandonment provisions in Vietnam.

Links to strategy

- Deliver value through growth
- Investment growth

Associated risks

- Commodity price risk
- Partner alignment risk

[Links to Directors' Remuneration Committee Report](#) (See page 137).

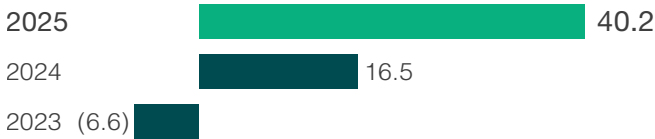
KEY METRICS - CONTINUED



2025 Financial Measures - continued

NET CASH/(DEBT)
\$M

40.2



Description

Pharos has stable finances and a strong balance sheet due to the prudent management of producing assets.

Objective

To maintain financial strength through preserving the balance sheet, to invest in growth opportunities in excess of the cost of capital and to generate sustainable returns to shareholders.

Performance

Pharos has a strong net cash balance of \$40.2m at year end, following the recovery of \$20m from EGPC on 31 December 2025, and continues to be debt free.

Outlook

Capital discipline and financial stability have always been key to the Company and continue to underpin the business.

Links to strategy

- Deliver value through growth
- Return to shareholders

Associated risks

- Commodity price risk
- Insufficient funds to meet commitments

RETURNS TO SHAREHOLDERS
PENNY PER ORDINARY SHARE

1.21



Description

Commitment to cash returns to shareholders remains a core element of our overall allocation framework.

Objective

To provide sustainable cash returns to shareholders.

Performance

Approval by shareholders at the 2025 AGM of a final dividend in respect of the year ended 31 December 2024 of 0.847 pence per share, amounting to \$4.7m and paid on 18 July 2025. Including the payment of the interim dividend of 0.363 pence per share on 22 January 2025, the full year 2024 dividend was 1.21 pence per share, amounting to \$6.5m in total.

Outlook

We are committed to delivering long term, sustainable value to our shareholders via both regular cash returns yield and organic growth. An annual dividend remains a key aspect of the Company's capital discipline and investment thesis.

Links to strategy

- Deliver value through growth
- Investment growth

Associated risks

- Commodity price risk
- Climate change risk
- Sub-optimal capital allocation risks

KEY METRICS - CONTINUED

Operational Measures

LOST TIME INJURY FREQUENCY ("LTIF") PER MILLION MAN-HOURS WORKED

0

2025 | 0

2024 | 0

2023 | 0

Description

Safety of our workforce remains our number one priority. The Group is committed to operating safely and responsibly at all times. Having a positive impact on the well-being of our employees, our contractors and the local communities in which we operate is a priority.

Objective

To achieve zero LTIF across the Group's operations.

Performance

In 2025, we are pleased to report that there were zero lost time injuries and zero fatal incidents across the Group.

Outlook

Continue to work closely with the Joint Operating Companies to maintain high safety standards and training with the aim of driving continuous improvement year-on-year.

GROUP NET PRODUCTION BOEPD

5,398

2025  5,398

2024  5,801

2023  6,508

Description

Production revenues generate cash flows which are re-invested in the portfolio of assets, new business opportunities, and in returns to shareholders.

Objective

To optimise production from the Group's asset base.

Performance

Vietnam 2025 working interest production was 4,095 boepd (2024: 4,361 boepd) and Egypt 2025 working interest production was 1,303 bopd (2024: 1,440 bopd).

Outlook

Group working interest 2026 production guidance is 5,200 – 6,400 boepd net. Vietnam 2026 working interest production guidance is 4,000 – 4,950 boepd, and Egypt 2026 production guidance is 1,200 – 1,450 bopd.

Links to strategy

- Focus on stakeholders

Associated risks

- HSES risk
- Partner alignment risk

[Links to Directors' Remuneration Committee Report](#) (See page 137).

Links to strategy

- Deliver value through growth

Associated risks

- Reserve risk
- Sub-optimal capital allocation risks
- Commodity price risk

[Links to Directors' Remuneration Committee Report](#) (See page 137).

KEY METRICS - CONTINUED

SOCIAL AND ECONOMIC INVESTMENT
\$

917,867



Description

In Vietnam, a training levy of \$150,000 for each joint operating company goes into a fund which is ring-fenced to support the development of future talent in the industry. In Egypt, under the El Fayum and North Beni Suef Concession Agreements, the Company contributes a total of \$200,000 per year split equally between the two Concessions to support training and development within the industry.

Objective

To continue supporting local capability building and social investments to contribute to sustainable development and positive social impact in the UK, Vietnam and Egypt.

Performance

In 2025, in addition to the aforementioned training levy funds (which totals to \$500,000), a further \$417,867 was invested in a total of 28 healthcare, education, infrastructure and community projects. Since inception, Pharos has contributed c.\$2.9m to charitable donations. To enhance our social investment efforts, we established a Charity and Community Projects Committee responsible for selecting and allocating funds to worthy causes and projects. More details can be found in our Corporate Responsibility report on pages 70 to 72.

Outlook

Build on previous work, and continuously assess and review where the most valuable contribution to long-term social projects, both at the local level and more widely, can be made.

Links to strategy	Associated risks
<ul style="list-style-type: none"> Focus on stakeholders 	<ul style="list-style-type: none"> Commodity price risk Insufficient funds to meet commitment Business conduct and bribery

EMPLOYEES UNDERTAKEN ANTI-BRIBERY AND CORRUPTION TRAINING %

100



Description

Our Anti-Bribery and Corruption (ABC) programme is designed to prevent corruption and ensure systems are in place to detect, remediate and learn from any potential violations. All personnel are required to complete annual ABC training.

Objective

To have all Group personnel complete the annual ABC programme including training, testing and self-declaration statement.

Performance

100% of personnel completed the ABC training as at year end 2025.

Outlook

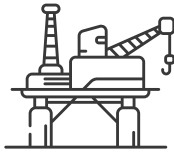
Maintain 100% completion rate for the ABC training and testing. Comply with new legislations and industry best practices and ensure the training programmes are up-to-date.

Links to strategy	Associated risks
<ul style="list-style-type: none"> Deliver value through growth Investment growth 	<ul style="list-style-type: none"> Partner alignment risk Business conduct and bribery

OPERATIONAL REVIEW

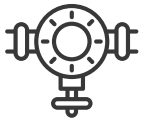
Operational Review

The Group's 2025 working interest production was 5,398 boepd net, in line with the Group's production guidance of 5,200 to 6,000 boepd.



Vietnam

Pharos has two producing assets, Te Giac Trang (TGT) and Ca Ngu Vang (CNV), and two exploration blocks (Blocks 125 & 126) in Vietnam.



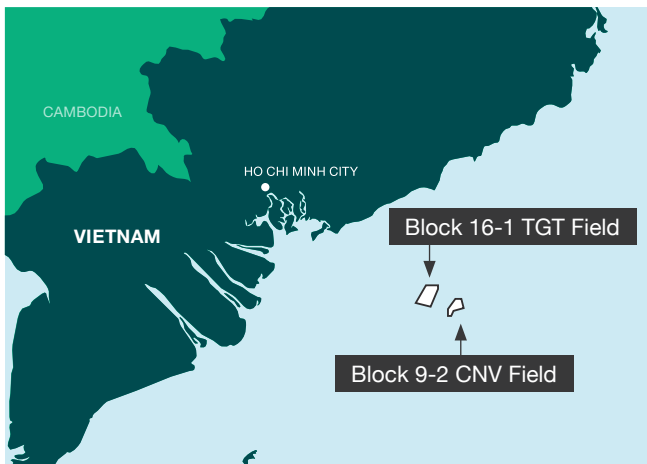
4,095 boepd

2025 Vietnam production (net)



4

Blocks in Vietnam

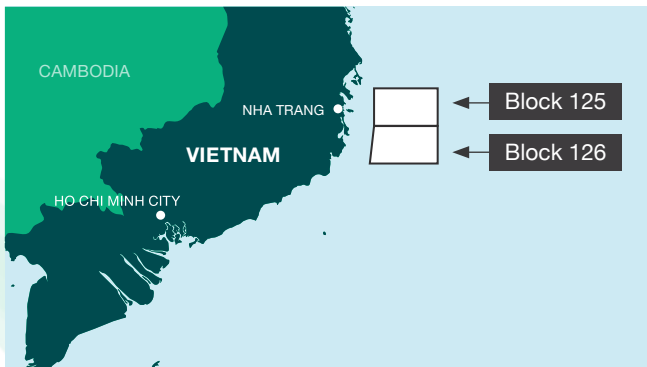


Block 16-1 TGT Field (D&P)

The TGT Field is located in Block 16-1, offshore Vietnam in the shallow water Cuu Long Basin multi-stacked sandstone reservoirs.

Block 9-2 CNV Field (D&P)

The CNV Field is located in Block 9-2, offshore Vietnam, in the shallow water Cuu Long Basin. In contrast to the geology of TGT, the CNV Field reservoir is fractured granitic Basement.



Blocks 125 & 126 (E)

Blocks 125 & 126 are located in moderate to deep waters in the Phu Khanh Basin, north east of the Cuu Long Basin.

D: Development
P: Production
E: Exploration

OPERATIONAL REVIEW - CONTINUED

Vietnam Production

Production in 2025 from the TGT and CNV Fields net to the Group's working interest averaged 4,095 boepd. This is in line with the 2025 production guidance for Vietnam of 3,600 – 4,600 boepd net.

TGT production averaged 10,792 boepd gross and 3,202 boepd net to the Group. CNV production averaged 3,572 boepd gross and 893 boepd net to the Group.

Vietnam Development and Operations

TGT & CNV Fields

In 2025, Pharos commenced its six-well infill and appraisal drilling programme, the most significant investment into its Vietnamese assets since the initial development, that is designed to drive material production growth from both fields. The programme, which comprises four TGT wells and two CNV wells, employs two drilling rigs running in parallel. Drilling operations on TGT will be completed using the GunnLod Drilling Rig, and CNV using the Thor Drilling Rig.

On TGT, the first two infill wells, targeting the H1 and H5 fault blocks, were completed by the year end with encouraging results in line with pre-drill expectations. Both wells have already been brought into production. We reached total depth (TD) on the final infill well on the H4 fault block on 21 March 2026, and we expect to bring this well into production in April.

Drilling of the TGT-18X appraisal well, targeting the field's untapped south-western area, completed on time and budget in February, and testing is currently ongoing. We expect to update the market on the results of the testing in April or early May.

On CNV, drilling of the CNV-8P infill well commenced in December and completed in mid-March. The well is expected to be on production in a couple of weeks. The rig has now moved and is drilling the CNV appraisal well, CNV-5X, and is expected to finish mid-2026.



Vietnam Exploration

Blocks 125 & 126

The Company continued to optimise its prospects and leads portfolio with detailed drilling engineering studies for the well on Prospect A. Most notably, the application for a two-year extension of the Blocks 125 & 126 PSC Exploration Period was granted by the Vietnamese Government in June 2025, extending the Exploration Period to 8 November 2027. This extension reflects the Government's continued support for Pharos and underlines our commitment to the region.

Additionally, in 2025, Pharos engaged an independent third-party adviser to support a formal process intended to identify a potential farm-in partner before exploration drilling commences with very encouraging engagement. In parallel, discussions continue with rig contractors to retain optionality for the prospect to be drilled.

2026 Vietnam Work Programme

TGT & CNV Fields

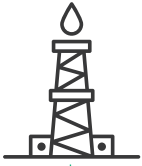
The six-well programme on the TGT and CNV Fields will continue and is expected to finish by mid-2026.

The four infill wells in the programme, once completed and brought on to production, are planned to maintain production at 2025 levels. Successes at both appraisal wells, TGT-18X and CNV-5X, could deliver up to a 20% increase in Vietnam production volumes and de-risk additional development opportunities.



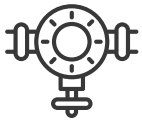
Vietnam production guidance for 2026 is
4,000 – 4,950 boepd net.

OPERATIONAL REVIEW - CONTINUED



Egypt

The Group has a 45% non-operating interest in two concessions in Egypt - El Fayum and North Beni Suef.



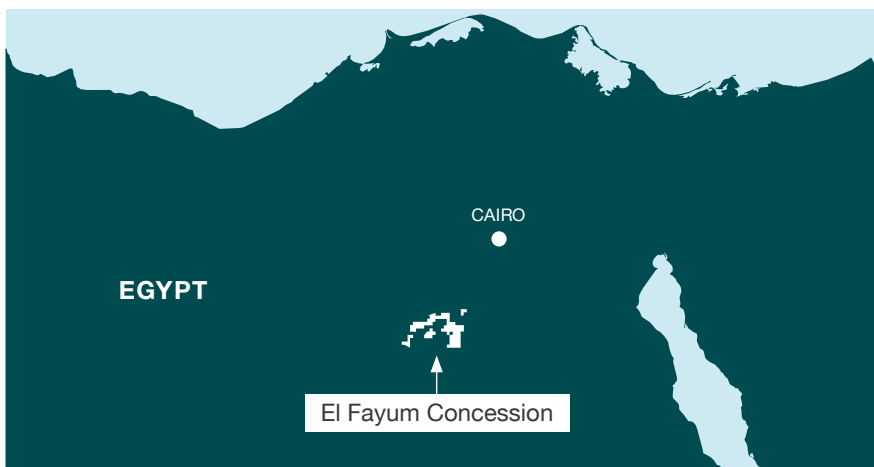
1,303 bopd

2025 Egypt production (net)



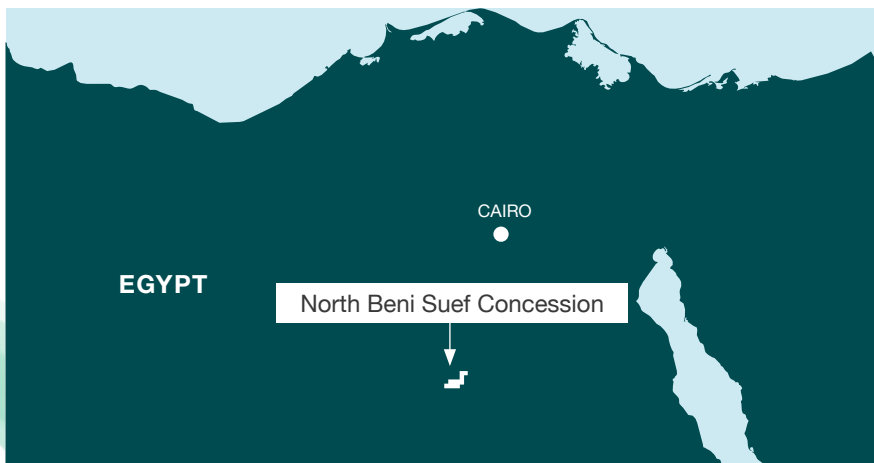
12

Development leases in El Fayum and North Beni Suef



El Fayum (D,P, E)

The El Fayum concession in the Western Desert produces oil and is located 80 km southwest of Cairo.



North Beni Suef (D,P, E)

The North Beni Suef (NBS) concession is located immediately south of the El Fayum concession. The first development lease on the NBS concession was awarded in September 2023 and production started in December 2023.

D: Development P: Production E: Exploration

OPERATIONAL REVIEW - CONTINUED

Egypt Production

Production in 2025 from the El Fayum and NBS concessions net to the Group's working interest averaged 1,303 bopd. This is slightly lower than 2025 production guidance for Egypt of 1,400 – 1,600 bopd net. This reflects natural decline in production from the existing wells without investment while awaiting approval from EGPC of the consolidation of the two concessions and the associated commitment work programme.

El Fayum production averaged 2,768 bopd gross and 1,246 bopd net to the Group. NBS production averaged 127 bopd gross and 57 bopd net to the Group.

Egypt Development and Operations

El Fayum

Following its commercial discovery in February 2025 and the subsequent award of the Development Lease, the East Saad-1X well was put on production from 1 July.

Egypt Exploration

North Beni Suef

The processing and interpretation of c.130 km² of 3D seismic data on NBS is complete, with a number of targets identified and two wells included in the 2026 work programme.

Egypt Commercial

On 23 September, Pharos announced that it had received approval from the Executive Board of EGPC for the consolidation of the El Fayum and North Beni Suef Concession Agreements into a new consolidated concession agreement (the "Consolidated Concession"). Pharos will retain a 45% working interest in the Consolidated Concession, with IPR continuing as operator with a 55% working interest. In addition to the 12 development leases of the EF and NBS Concessions, the Consolidated Concession will include three new exploration areas.

The Consolidated Concession unlocks significant value in the Western Desert by improving certain fiscal terms, extending the duration of the licenses, and committing the Contractor parties (Pharos Group and IPR) to additional work programmes to deliver production growth. Based on Pharos' Competent Person's Reports as at 31 December 2024, the Consolidated Concession could result in moving approximately 3.1 MMstb from contingent resources to 2P reserves, or a 25% increase from year end 2024, net to Pharos working interest.

The Consolidated Concession is subject to customary approvals and to Egyptian Parliamentary ratification, which is expected to take place in 2026. Once ratified, the improved fiscal terms will have retrospective effect from 5 October 2025, the date of full EGPC Board approval.

2026 Egypt Work Programme

El Fayum & North Beni Suef



Egypt production guidance for 2026 is **1,200 – 1,450 bopd net.**

Preparations for the agreed work programme in El Fayum and North Beni Suef are underway, with one drilling rig now secured for El Fayum, and another being contracted for North Beni Suef. The programme, which includes four wells on El Fayum and two on North Beni Suef, is expected to commence shortly. The two rigs will run simultaneously and are expected to finish drilling operations by the end of 3Q. Once completed, the full programme is expected to increase production from Egypt by c.20% by 2027 compared to year end 2025 level.

Health, Safety and Environment (HSE)

On health and safety, we are pleased to report that in Egypt and Vietnam, we have worked with our partners to maintain our record of zero Lost Time Injury (LTI) in 2025. The health and safety of our workforce remain our highest priority, and we are committed to operating safely and responsibly at all times to provide a safe and healthy working environment for staff and contractors.

On environmental matters, during 2025, while Pharos had no recordable spills in Vietnam, we recorded one spill in Egypt due to an overturned road tanker truck on the Cairo-Suez desert road. The concerted efforts from the Suez Civil Protection Authority, SOPC, Petrosilah, Al Nasr Petroleum Company (NPC) and White Eagle Company helped to completely clear the accident site, clean up remaining hydrocarbon spill and reopen the road to traffic. The incident was investigated and lessons learned as appropriate and actions to prevent recurrence were implemented.

On emissions, while operational activities in 2025 have increased compared to 2024, our total emissions have continued to decrease year-on-year. This is driven by the JOCs' continued careful management of gas flaring by monitoring and optimising the processing facilities in the TGT FPSO in Vietnam. In Egypt, we have continued to deploy gas generators at the well sites, connected the camp and mess hall in Silah base to the electricity grid and successfully installed the first hybrid fuel (solar photovoltaics and diesel) pump system in Silah. These actions have reduced diesel consumption and associated emissions from our operations in Egypt and keep us on track to achieve our Net Zero interim short-term three-year target (2024-2026) of 5% emissions reduction. Pharos will continue to work closely with our operating partners to identify opportunities to reduce emissions to ensure we achieve our climate targets.

SECTION 172(1)

S.172(1) Companies Act 2006

The duty under section 172(1) of the Companies Act 2006 is applied in addition to the other duties of a Director. Each Director must discharge these duties in accordance with the duty of care, skill and diligence both objectively and to a subjective standard.

In accordance with section 172(1) of the Companies Act 2006 ("s.172(1)"), the Directors of the Company have a statutory duty to promote the success of the Company for the benefit of its members as a whole. The Board of Pharos, as individuals and together, consider that they have acted in a way that would most likely promote the success of the Company, and deliver the goals and objectives for the benefit of its members as a whole in relation to all stakeholders who may be affected by or engaging with the Company's activities.

Board meetings and discussions

The Board has taken into account its s.172(1) duty throughout the year in line with current reporting and legislative requirements. In fulfilling that duty, the key decisions of the Directors have been specifically confirmed at each Board meeting to take into account, amongst others, the following matters set out specifically in s.172(1):

- a) The likely consequences of any decision in the long-term;
- b) The interests of the employees;
- c) The need to foster the Company's business relationships with suppliers, customers, and others;
- d) The impact of the Company's operations on the community and environment;
- e) The desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) The need to act fairly as between members of the Company.

This has been supplemented by the roles of the individual Directors giving due regard and consideration of each of these matters, amongst others, in light of the s.172(1) duty. Illustrative examples of how these matters have been taken into account by the Board are set out below and can also be found throughout the Strategic Report of which this statement forms part.

a) The likely consequences of any decisions in the long-term

During its meetings and discussions, the Board considers decisions with keen regard to consequences in the long term for the business. For example, in November 2025, the Board held its annual Strategy Day to assess and evaluate the Company's strategy to deliver long-term, sustainable value for all our stakeholders, our scale and strategic relevance in the energy industry, and its implications on our decision-making process. This involved, amongst other things, presentations and other inputs from a number of key parties, including employees and business advisers. At all regularly scheduled meetings and discussions of the Board and committees of the Board ('Board Committees'), several papers are presented to promote discussion and provide options for the Board to hold an informed and balanced debate. From time to time the Board will also invite external advisers and consultants to present to regularly scheduled meetings of the Board on matters of longer-term strategic significance.

For more information on how the Board consider decisions with regards to the long-term consequences for the business, in light of the principal and emerging risks to the Company and its business, see pages 45 and 46 of the Risk Management report. For more information on how the Board evaluates strategic priorities to address scale and business resilience, see page 24 of the Chief Executive Officer's Statement.

SECTION 172(1) - CONTINUED

b) The interests of the employees

Consideration of the interests of the Company's employees is a key element of the Directors discharging their statutory duty under s.172(1). Throughout the year, we have continued to run a dedicated weekly meeting, attended by the Executive Directors, to ensure all colleagues are regularly informed about important business developments in the Company and the Group. There are also regular team, departmental, asset and project meetings in smaller groups, allowing all staff a greater opportunity to share knowledge and debate issues. These forums also act as channels through which employees can ask questions of senior management and Executive Directors and contribute to the strategy and function of the business. We have continued to make extensive use of video conferencing facilities during calls and remote meetings to maintain visibility and connection. At the same time, we maintained the trend towards an increase in the number of face-to-face meetings, both internal and external, which many of the team appreciate as a collaborative environment for the exchange of ideas, knowledge and advice. During the first half of the year, John Martin, as Chair of the Board and the director responsible for workforce engagement, made himself available to all employees and encouraged all staff members to share their concerns, feedback and views about the Company. Following John's retirement from the Board in June 2025, Geoffrey Green was appointed in his place as Non-Executive Director responsible for workforce engagement. Geoffrey held town hall meetings with all employees in September 2025, during which everyone could share their feedback about the Company without the presence of senior management. Outcomes of these meetings were then communicated back to the Board on an anonymous basis.

The Executive Directors receive regular updates on colleague engagement to understand any complaints or challenges arising from their work and working environment, including those related to hybrid and remote working. At the beginning and end of each calendar year, every employee is encouraged to set their own personal and professional development objectives for the upcoming year and assess their own performance against those objectives in conjunction with their line manager. Each employee has at least two meetings with their line manager during the year to discuss and agree the objectives and to review progress mid-

year. Line managers also provide additional support where needed and assist the employee in overcoming any difficulties they might be facing. Employees also have access to both the Company's grievance procedure, set out in the regularly reviewed and updated employee handbook, a confidential and anonymous whistleblowing facility, discussed in more detail in section (e) below.

For more information on the Board's engagement with employees, see page 110 of our UK Corporate Governance Code Report.

c) The need to foster business relationships with the Company's suppliers, customers, and others

The Group's business relationships with suppliers, service providers and vendors are subject to regular review and consideration through vendor due diligence and active contracts management. Vendor due diligence is actively undertaken before a service provider of any size is engaged. Significant contracts, concessions and commitments are considered by the Executive Directors and the Board, or relevant Board Committee, supported by papers outlining impact and consequences of potential decisions. All significant contracts and the legal terms of other commitments are also thoroughly reviewed by the Group General Counsel and, if necessary, referred to specialist external counsel.

Our relationships with joint venture partners, host governments, regulatory authorities, shareholders and analysts are the foundation to support the success of our business. Throughout the year, senior management held meetings and interviews with media journalists and analysts to foster open and communicative relationships with key figures in the industry. Also during the year, the Company's Chief Executive Officer, Chief Financial Officer, and the new Chair of the Board, held a number of face-to-face meetings with key partners, regulators and host governments. These included meetings with the new Egyptian Minister of Petroleum and Mineral Resources, EPGC, and our partner in Egypt, IPR. The meetings with the key stakeholders in Egypt were particularly valuable in helping the Company achieve significant milestones to enhance the value of its asset base, such as reducing its year-end 2025 receivable balance to its lowest level since December 2021 and receiving EGPC

Board approval for the consolidation of its two existing Egyptian concessions, including significant improvements to fiscal terms. In March and September 2025, following the announcement of full year and interim financial results respectively, the Executive Directors participated in roadshows coordinated through our corporate brokers in order to engage with a wide group of existing shareholders and prospective investors. In addition to the Company's existing analyst coverage houses, Peel Hunt, Shore Capital, Auctus Advisors, and Progressive, in 2025, the Company also on boarded Cavendish as a new analyst house to ensure a broad and relatively diverse mix of equity research and investment opinion are available to all shareholders. Further ad-hoc engagements with sell-side analysts and prospective investors were also held throughout the year.

We plan to continue to engage in a personal and meaningful way with our stakeholders, such as host governments, joint venture partners, shareholders, suppliers and others in the future.

For more information on how the Company fosters relationships with stakeholders, see page 25 of our CEO's Statement and page 111 of our UK Corporate Governance Code Report.

d) The impact of the Company's operations on the community and environment

The organisation has provided robust evidence of its commitment to Environmental, Social and Governance (ESG) in the sector through its Corporate Responsibility report, Task Force on Climate - related Financial Disclosures (TCFD) report and ESG Committee report in the 2025 Annual Report & Accounts. Pharos reports transparently on various Corporate Responsibility metrics such as lost time injuries, GHG emissions, energy consumption, waste produced and recycled, and freshwater usage. Over the past seven years, Pharos has participated in the CDP (formerly Climate Disclosure Project) Climate Change Questionnaire. In 2025, Pharos maintained scores of B for both our Climate Change and Water Security disclosures. As a Group, we continue to work to bring our disclosures in line with the requirements of the TCFD. In September 2022, the Company made a formal commitment to achieve Net Zero on all Scope 1 and 2 GHG emissions across all assets by no later than 2050. In

SECTION 172(1) - CONTINUED

December 2023 the Company published a Net Zero roadmap, researched and developed in close consultation with specialist advisors and consultants and including interim targets and asset-level decarbonisation levers towards 2050. The roadmap was reviewed and updated in 2025 to outline the steps taken since its original publication to reduce the Group's carbon footprint and contribute to a more sustainable future. Further details of the updated Roadmap can be found on pages 97 to 99.

In addition to this, the Company remains committed to creating value in a sustainable manner for host countries and local communities as well as for staff. During the year, we sought to align our social investment programme with the United Nations Sustainable Development Goals (UN SDGs). We worked closely with our local partners and joint ventures to ensure that our social initiatives continue to have a positive impact on the regions receiving the support and are relevant to the community. In 2025, a total of \$417,867 was invested in 28 community projects across all of our assets, and a further \$500,000 was invested in ring-fenced funds for training to develop future talents in the industry in Vietnam and Egypt. Our internal Charity and Community Projects committee, established in 2024 to support the Board-level ESG Committee, continued its responsibility of selecting worthy causes and projects championed by representatives from local offices in the UK, Vietnam, and Egypt.

As originally announced in September 2022, the Company has established an Emissions Management Fund, reflecting that, as non-operator, the Company has no direct control over the facilities associated with the Group's producing assets. From every barrel net to the Company sold at an oil price above US\$75, this Fund is provided with \$0.25. In line with the Net Zero roadmap, this Fund is intended to provide financial support for emissions management projects that are otherwise not economically feasible. As at 31 December 2025, the value of the Fund was c.\$964,000.

The Board regularly monitors the Group's business activities, financial position, cash flows and liquidity, and operating environment through detailed forecasts. Scenarios and sensitivities are carefully researched and prepared by the Group's Commercial Manager and are regularly presented to the Board, both at its regularly scheduled meetings and at the annual Strategy Day. The scenarios and sensitivities considered including changes in commodity prices and in production

levels from the existing assets, together with an assessment of other factors that could affect the Group's future performance and position. These factors include the impact on the community and environment of the Group's operations and any prospective project or investment decision.

Similarly, a standing agenda item at each regularly scheduled meeting of the Board is a report on Group risk, which includes a discussion of the then current principal risks to the Group and its business, a risk heat map showing likelihood and severity for each such risk and a summary of the causes and potential mitigations for each risk. The process for assessment and determination of the principal risks to the Group, and the identification of measures for their management or mitigation, includes full consideration of the impact of operations on the environment and on local communities.

For more information on the Board's commitment to ESG and considerations on the community and the environment, see pages 119 to 120 for the ESG Committee report, pages 17 to 18 for the Chair's Statement, and pages 59 to 80 for the Corporate Responsibility report.

For more information on Board oversight on business activities, financial position and the environment of the Group's operations, see page 46 of the Risk Management report.

e) The desirability of the Company maintaining a reputation for high standards of business conduct

The Group's Code of Business Conduct and Ethics and associated policies are reviewed, updated and re-approved by the Board annually, and all policies and procedures have been followed rigorously in 2025 with no known or reported breaches. The Code of Business Conduct and Ethics is placed at forefront of our engagement with suppliers, vendors, partners, and public officials. It is a requirement for all Group employees and the Board to complete and successfully pass their Anti-Bribery and Corruption and corporate crime E-Learning modules every year to ensure that the expected standards of business conduct and the Company's values are communicated and recognised across the organisation.

Our Whistleblowing Policy ensures that employees are protected from possible reprisals when raising concerns in good faith. In addition to internal reporting channels, we have a confidential ethics hotline supported by NAVEX with numbers displayed in our local offices available 24 hours a day all year round.

In addition to the overarching Code of Business Conduct and Ethics, the Company has also established governance and policy standards in response to specific circumstances, such as the introduction of a Group Sanctions Policy and working group in response to the Russian/ Ukraine conflict and the waves of economic and other sanctions that have followed in response. The Board recognises that 2025 has seen a further increase in geopolitical instability, with far reaching effects on the global economy, international trade and the security and sovereignty of nation states. This instability, and the risks it poses to the Group and its business, are discussed in more detail in the Risk Management Report on page 47. The Group continues to support colleagues and contractors during this difficult time, as well as ensuring that our business can continue to function unaffected. At an operational level, the Group continues to work with the JOCs and its partners on contingency planning and mitigation in the event that these conflicts, and any associated sanctions, have a direct impact on the Group's business.

The Board has an obligation and duty to ensure that to the Company behaves responsibly. The Board delegates to the management team, including the Executive Directors, the day-to-day execution of the business in a responsible way. The Executive Directors communicate regularly and openly with the Board and the other members of the management team.

In connection with Board deliberation and decisions, each Board member brings individual judgement and considerable experience to decision-making and carefully assesses the course of action most likely to promote the success of the Company. In this context, reference is also made to the discussion in point a) above of the Board's consideration of the likely long-term consequences of any decision.

For more information on the Company's commitment to maintaining high standards of business conduct, see pages 45 to 50 of the Risk Management Report and page 66 of the Corporate Responsibility report.

SECTION 172(1) - CONTINUED

f) The need to act fairly as between members of the Company

The Board recognises that the requirement to act fairly as between the members of the Company is implicit in its legal and regulatory obligations, through both the Companies Act 2006 and related legislation and the regulatory framework applicable to listed companies, including the UK Listing Rules, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules. The Company currently has no “controlling shareholder” as the term is used in the UK Listing Rules, and there is no current member of the Board appointed or nominated by a significant shareholder of the Company. There is only one class of share in the Company (ordinary shares), and each ordinary share in issue, other than any held in treasury, carries the same voting and dividend rights, and the same rights to return of capital on liquidation. All ordinary shares are freely transferable subject to the Company’s articles of association.

The Board also recognises that fairness in treatment of members also extends to the provision of information and access. Other than in exceptional cases where it may be considered necessary or expedient to “wall cross” or “bring inside” a significant shareholder in relation to a specific transaction or proposed transaction, subject to imposing dealing restrictions and the express consent of the shareholder concerned, the Board will not share inside information selectively with its shareholders. The Board does however acknowledge that, notwithstanding the absence of inside information, larger shareholders will typically seek greater access to the Board and senior management to share their views on the Company, its business and strategy. The UK Corporate Governance Code (the “Code”) establishes an expectation that the directors of listed companies are responsive to the views of shareholders, and will encourage their participation and engagement in reviewing how the company is meeting its responsibilities to shareholders. More specifically the Code requires that the Chair, in addition to formal general meetings, “seek regular engagement with major shareholders in order to understand their views on governance and performance against the strategy”. In pursuance of this Code provision, the Chair, either alone or accompanied by member(s) of senior management, will typically engage with major shareholders of the Company over the course of the year, perhaps on several occasions if justified by circumstances. Committee chairs are expected to perform a similar role in relation to significant

matters within their area of responsibility. Subject to ensuring that the Company meets its Code obligations, the Board is committed, so far as is reasonably practical, to providing all shareholders, however small their holding, with a fair opportunity in each year to access the Chair, other Directors and senior management. The regular and most established forum for this access is the AGM, at which all shareholders may attend and speak, with a dedicated section for questions and answers (Q&A) and typically an opportunity following the meeting to speak in a more informal context. Other engagement opportunities for shareholders include investor roadshows, online Q&A sessions and email and website correspondence and enquiries.

Conclusion

The Company is committed to good governance and will continue to review the balance and effectiveness of the Board with a view to maintaining the right skills, experience and diversity to align with the Group’s strategic goals.

We will act and make decisions responsibly in the interests of the Company, our shareholders and other stakeholders, delivering our plan and working closely to consider the best opportunities for the Company. Detailed Board and Board Committee papers are carefully prepared and constructively debated to ensure all scenarios and options are fully considered in a timely and consistent fashion in meetings.

In accordance with s.172(1), the Board has also continued to consult with, and take account of, the views of our investors, employees, partners, governments, suppliers and other stakeholders throughout the year.

Other stakeholder engagement initiatives during the year not mentioned above included, but were not limited to:

- Continuation of the flexible working model for UK staff, with the option but not the obligation to work primarily from home – protecting people, accommodating diverse working preference and reducing overhead while maintaining productivity
- Open and active dialogue with its institutional, private and retail shareholders through calls, email and in person meetings including the AGM, via the Company’s website, and through a social media presence on X (formerly known as Twitter) and LinkedIn
- Following announcement of the full year financial results, an online meeting with Q&A to allow the wider public, including prospective shareholders, a free platform to put questions directly to the Executive Directors
- Regular liaison with proxy advisory and corporate governance services on responsible investment, ESG and the terms of shareholder resolutions
- A section of the agenda for each regularly scheduled meeting of the Board being dedicated to investor relations and stakeholder considerations
- Reports from corporate brokers and a financial PR firm on feedback from investors and research analysts

CHIEF FINANCIAL OFFICER'S STATEMENT

Strong financial performance and cash growth

Our operations delivered a solid financial performance and cash generation in 2025, further strengthening our liquidity position despite the challenges of lower commodity prices. We remain debt free following the full and voluntary repayment of the RBL facility in the prior year and our net cash position has grown to \$40.2m compared to \$16.5m reported at the end of December 2024. This was partially achieved through the successful recovery of a bullet payment of \$20 million from EGPC on 31 December 2025. This reduced our outstanding Egypt receivable balance to \$7.4m, our lowest receivable balance since December 2021.



SUE RIVETT
Chief Financial Officer

Returns to shareholders have been delivered through the completion in January 2025 of the third \$3m share buyback programme and the payment of an interim dividend for 2024 of 0.363 pence per share, \$1.8m equivalent, in January 2025. A final dividend for 2024 of 0.847 pence per share, \$4.7m equivalent, following approval at the AGM in May 2025, was paid to shareholders in July 2025. In addition, an interim dividend of 0.3993 pence per share, \$2.2m equivalent, in respect of the year ended 31 December 2025 was paid to shareholders in January 2026, and a final dividend to be paid in July 2026 of 0.9317 pence per share, \$5.2m equivalent, will be proposed to shareholders at this year's AGM.

CHIEF FINANCIAL OFFICER'S STATEMENT - CONTINUED

Operating performance

Revenues

Group revenues of \$114.6m, with no hedging gain or loss realised during the year (2024: \$136.1m prior to realised hedging loss of \$0.1m), were adversely affected by a 13% fall in realised commodity prices and a 1% decrease in sales volumes.

Revenues for Vietnam of \$99.8m (2024: \$115.4m) decreased as a result of lower realised prices, as sales volumes were comparable year on year at 4,156 boepd (2024: 4,161 boepd). The average realised crude oil price was \$74.29/bbl (2024: \$85.52/bbl), a 13% decrease year on year, and the premium to Brent was over \$5/bbl on average which was comparable to prior year. Production was lower at 4,095 boepd (2024: 4,361 boepd) and, combined with lower commodity prices, this has led to an inventory reduction of \$3.1m for the Vietnam producing fields compared to an inventory build of \$6.0m during 2024, following the maintenance shutdown at the BSR-owned Dung Quat refinery during the first part of 2024. As inventories are valued at net realisable value, this has led to \$9.1m adjustment in cost of sales as a result of changes in inventory year on year.

The revenue for Egypt of \$14.8m (2024: \$20.7m) decreased year on year, inclusive of \$0.4m (2024: \$1.9m) gross-up for corporate income taxes to be paid by EGPC on behalf of Pharos El Fayum. The average realised crude oil price, after discounts, was \$63.73/bbl (2024: \$74.83/bbl), a decrease of 15%. There are two discounts applied to the Egypt crude production – a general Western Desert discount and one related specifically to El Fayum. Both are set by EGPC (the in-country regulator) and combined were just under \$6/bbl for the year (2024: just under \$6/bbl). Production from Egypt was lower at 1,303 bopd (2024: 1,440 bopd).

Hedging

During 2025, the Group entered into zero cost collar hedges to protect the Brent component of forecast oil sales and to provide downside protection to cash flows in the event of commodity prices falling. At 31 December 2025, the commodity hedges run until March 2026 and are settled monthly. Our hedging positions for the year resulted in no realised gain or loss (2024: realised loss of \$0.1m). Additionally, the fair value as at 31 December 2025 was an unrealised loss of \$0.2m (31 December 2024: unrealised gain of \$0.1m).

For full year 2025, 29% of the Group's total oil entitlement production was hedged, securing average floor and ceiling prices for the hedged volumes at \$62.6/bbl and \$87.1/bbl, respectively.

Operating costs

Group cash operating costs, defined in the Non-IFRS measures section on page 211, were \$38.2m (2024: \$37.8m). Vietnam decreased by 5% from \$29.1m to \$27.7m in 2025. The decrease is partly due to costs relating to the FPSO as a result of higher 3rd party production throughput from the TLJOC, which decreased the HLJOC's share of the costs (TLJOC had 26.4% cost share in 2025 compared to 23.4% in 2024).

Cash operating costs in Egypt increased by 21% from \$8.7m to \$10.5m in 2025. The increase was mainly due to higher well workover costs during 2025 and a higher proportion of cost allocations to operating expenditure, due to a reduced capital drilling programme.

Cash operating cost per barrel ¹

	2025 \$m	2024 \$m
Cost of sales ²	96.4	87.3
(Less)/add		
Depreciation, depletion and amortisation	(46.4)	(47.1)
Production based taxes	(7.3)	(9.2)
Change in inventories	(3.2)	6.0
Trade receivables expected credit loss	1.3	2.5
Other cost of sales	(2.6)	(1.7)
Cash operating costs	38.2	37.8
Production (BOEPD)	5,398	5,801
Cash operating cost per BOE (\$)	19.39	17.80

- 1) Cash operating cost per barrel and DD&A per barrel are alternative performance measures. See page 211 for definitions.
- 2) Includes impairment reversal of financial asset

DD&A

Group DD&A associated with the producing assets decreased to \$46.4m (2024: \$47.1m). DD&A charges from Vietnam decreased marginally to \$41.4m (2024: \$42.1m) and this was driven by 6% fall in production year on year, partially offset by the impact of higher book values of TGT and CNV assets following the impairment reversals recorded in December 2024. The combination of these factors meant that DD&A per barrel for Vietnam increased 5% to \$27.70/boe (2024: \$26.38/boe).

DD&A charges from Egypt stayed the same year on year at \$5.0m, as the decrease in production was offset by the impact of the impairment reversal recorded in 2024. DD&A per bbl for Egypt is \$10.51/boe (2024: \$9.49/boe).

Administrative expenses

Administrative expenses in 2025 of \$8.8m (2024: \$9.1m) were lower than prior year. After adjusting for non-cash IFRS2 Share Based Payments of \$1.6m (2024: \$0.9m), the underlying administrative expenses were lower by 12% at \$7.2m (2024: \$8.2m).

Other operating expenses

Other operating expenses in 2025 were \$0.3m (2024: \$0.8m). In 2024, other operating expenses included \$0.6m in relation to the posthumous vesting of share scheme awards to the former CEO of the Company, which was formally approved by the Remuneration Committee, settled in cash and paid to his estate with the agreement of the executor. A further \$0.2m in the prior year related to closure costs in respect of the US office, where the former CEO of the Company was based.

CHIEF FINANCIAL OFFICER'S STATEMENT - CONTINUED

Operating profit

Operating profit from continuing operations for the year was \$8.7m (2024: \$38.0m), excluding the net impairment reversal of \$26.3m, reflecting the combined impact of a decrease in production volumes and a lower commodity price environment during the year (2024: \$38.0m, excluding the net impairment reversal of \$26.3m, reflecting the combined impact of a decrease in production volumes and a lower commodity price environment during the year). In 2025, after considering the existence of any internal and external indicators of impairment, the Group determined that no impairments or impairment reversal indicators were identified on any of the Group's oil and gas producing properties and no impairment tests were considered necessary as at 31 December 2025.

(Loss)/gain on fair value movement of financial asset

As part of the 2022 farm-down of 55% of the Egypt concessions, Pharos is entitled to contingent consideration depending on the average Brent price each year from 2022 to the end of 2025 (with floor and cap at \$62/bbl and c.\$90/bbl respectively). The contingent consideration is calculated yearly and is capped at a maximum total payment of \$20.0m. The change in contingent consideration is booked under (loss)/gain on fair value movement of financial asset. During 2025, contingent consideration of \$2.9m in respect of the average Brent price during 2024 was received from IPR and a further \$0.3m will be received in 2026. At 31 December 2025, \$1.7m of contingent consideration was included in current trade and other receivables (2024: \$5.1m, \$3.3m in current trade and other receivables and \$1.8m in other non-current assets).

The loss on fair value movement of financial asset for the year of \$0.5m (2024: \$0.3m gain) is due to downwards revision of the contingent consideration, which reflected a reduction in the forward Brent price estimation.

Finance costs

Finance costs significantly decreased to \$2.2m (2024: \$3.9m), following full voluntary repayment of the Group's RBL facility during September 2024. In 2024, interest expense and similar fees of \$1.1m were incurred in relation to the RBL facility and National Bank of Egypt (UK) Limited (NBE UK) credit facility. The unwinding of discount on Vietnam decommissioning provisions for 2025 was \$2.3m (2024: \$2.2m). There was also net foreign exchange gains of \$0.1m (2024: foreign exchange losses of \$0.6m).

Taxation

The overall net tax charge of \$13.1m (2024: \$37.1m) principally relates to tax charges in Vietnam of \$12.7m (2024: Vietnam tax charges of \$26.8m and the deferred tax charge on impairment reversals of \$8.4m).

The Group's effective tax rate approximates to the statutory tax rate in Vietnam of 50%, after adjusting for non-deductible expenditure and tax losses not recognised.

The Egypt concessions are subject to corporate income tax at the standard rate of 40.55%, however responsibility for payment of corporate income taxes falls upon EGPC on behalf of PEF and the other contractor parties. The Group records a tax charge, with a corresponding increase in revenue, for the tax paid by EGPC on its behalf. As the historic tax loss position since first production had reversed in full during 2024, this led to a \$0.4m tax charge being recorded (2024: \$1.9m).

One of the Group's companies entered into commodity zero cost collars designated as cash flow hedges. In accordance with IAS 12, a deferred tax asset has not been recognised in relation to hedging losses of \$0.1m recorded in 2024 as it is unlikely that the UK tax group will generate sufficient taxable profit in the future, against which the deductible temporary differences can be utilised.

(Loss)/profit post-tax

The post-tax loss for the year was \$6.6m (2024: \$23.6m post-tax profit).

Cash flow

Operating cash flow (before movements in working capital) was \$56.5m (2024: \$84.3m), which is consistent with the reduction in realised commodity prices. After tax charges of \$30.3m (2024: \$35.3m), restructuring and exceptional expenses of \$nil (2024: \$0.4m), working capital inflow of \$29.0m (2024: \$5.0m) and net interest received of \$0.4m (2024: \$0.4m), the cash generated from operations was \$55.6m (2024: \$54.0m).

Cash generated from operations, after tax charges, exceptional expenses and working capital movements, is the basis of our dividend framework.

The decrease in receivables was \$26.2m (2024: \$11.3m). The movement in 2025 is primarily driven by \$20.6m decrease from Egypt (2024: \$4.8m) following a \$20m bullet payment from EGPC on the last day of the year, which reduced the outstanding receivable balance to \$7.4m; its lowest level since December 2021.

There was a further \$5.5m decrease from Vietnam (2024: \$6.4m) due to 22% lower volume of cargoes lifted in December 2025 compared to prior year, combined with the reduction in commodity prices. Payments for the December 2024 cargoes were received in January 2025 and December 2025 cargoes were received in January 2026.

Capital expenditure for the year was 6% higher at \$27.6m (2024: \$26.1m). In Vietnam, a fully funded six-well offshore drilling programme commenced operations on 18 October 2025. On TGT, there was the completion of two infill wells on the H1 and H5 fault blocks and both wells were brought into production by the end of the year. The TGT-18X appraisal well, targeting the block's untapped south-western area, and the CNV-8P infill well, also commenced in December 2025 and operations on both wells are ongoing.

Net cash outflows from financing activities of \$7.0m (2024: \$51.6m outflow) included \$0.3m in relation to completion of the final \$3.0m tranche of the company's share buyback programme in January 2025 (2024: \$2.9m) and \$6.5m outflow (2024: \$5.9m) following payment of the interim and final dividends of \$1.8m and \$4.7m respectively for the 2024 financial year. The final dividend for the 2024 financial year was approved by shareholders at the AGM in May 2025.

CHIEF FINANCIAL OFFICER'S STATEMENT - CONTINUED

Financing activities for 2024 also included outflows in relation to the Group's Reserve Based Lending (RBL) facility of \$30.0m. The RBL facility, which was secured only over the Group's interest in the Vietnam producing assets, matured in July 2025. In addition, there was a net outflow of \$9.2m from the NBE UK revolving credit facility. This facility allows Pharos El Fayum Limited to draw down 60% of the value of each El Fayum invoice in USD. The amount drawn under the NBE UK facility as at 31 December 2025 and 31 December 2024 was \$nil and the Group remains debt free.

Tax strategy and total tax contribution

Tax is managed proactively and responsibly with the goal of ensuring that the Group is compliant in all countries in which it holds interests. Any tax planning undertaken is commercially driven and within the spirit as well as the letter of the law.

This approach forms an integral part of the Group's sustainable business model.

The Group's Code of Business Conduct and Ethics seeks to build open, cooperative and constructive relationships with tax authorities and governmental bodies in all territories in which it operates. Our Tax Strategy statement can be found on our website at www.pharosenergy.com/responsibility/policy-statements/. The Group supports greater transparency in tax reporting to build and maintain stakeholder trust. We have a number of overseas subsidiaries which were set up some time ago and the Group is now proactively planning to bring these into the UK tax net to ensure greater transparency and comparability. No additional taxes are expected to be due as a result of this exercise.

During 2025, the total payments to governments for the Group amounted to \$133.6m (2024: \$160.3m), of which \$116.5m or 87% (2024: \$138.7m or 87%) was related to the Vietnam producing licence areas, of which \$77.8m (2024: \$92.9m) was for indirect taxes based on production entitlement. In Egypt, payments to government totalled \$14.6m (2024: \$19.1m), of which \$14.2m (2024: \$18.5m) related to indirect taxes based on production entitlement.

Balance sheet

Intangible assets increased during the year to \$26.5m (2024: \$21.8m). Additions for the year related to charges for Blocks 125 & 126 in Vietnam of \$6.9m, including \$3.7m of drill casings and long-lead items ahead of drilling the first commitment well, and Egypt of \$0.7m.

In Egypt, as part of the planned work programme for 2024, an exploration well, the East Saad-1X well, was drilled on El Fayum in August 2024. Testing of the well was carried out at the beginning of February 2025. Following testing, IPR, the operator of the El Fayum Concession, applied to EGPC for declaration of a commercial discovery and early production permission in February 2025. The East Saad Development Lease was awarded and first production commenced in July 2025. As a result, exploration costs of \$2.9m were reclassified to property, plant and equipment in 1H 2025.

Impairments and Impairment Reversals

We have evaluated each of our oil and gas producing properties for impairment or impairment reversal triggers. For each producing property with such triggers, the recoverable amount held on the books would be determined using the value in use method. The recoverable amount is calculated using a discounted cash flow valuation of the 2P production profile.

The average Brent price forecast as at Dec 2025 fell by 9% for 2026 to 2030 and 7% in the longer-term compared to the forecast at the end of 2024 and does not indicate a significant change in the underlying value of oil and gas assets. Furthermore, there were no significant changes to macroeconomic factors such as risk-free rate, equity market risk premium and country risk premiums, plus the overall market outlook remains stable. Forecast production volumes for Vietnam remain comparable to year end 2024 forecast, and the Group is currently in the process of a drilling campaign in Vietnam, with two infill wells that completed before year end and were brought into production. For Egypt assets, there were some delays in the execution of the El Fayum development plan, but not significant enough to adversely impact the asset valuation.

As a result, after examining both internal and external indicators of impairment, the Group determined that no impairment or impairment reversal indicators were identified on any of the Group's oil and gas producing properties and no impairment tests were considered necessary as at 31 December 2025.

As at 31 December 2025, the carrying amount of the TGT oil and gas producing property, after additions of \$10.8m, increase in decommissioning asset of \$2.0m and DD&A of \$32.9m, is \$133.5m (2024: \$153.6m). As at 31 December 2025, the carrying amount of the CNV oil and gas producing property, after additions of \$4.8m, increase in decommissioning asset of \$1.1m and DD&A of \$8.5m, is \$57.6m (2024: \$60.2m).

As at 31 December 2025, the carrying amount of the El Fayum oil and gas producing property, after additions of \$1.4m, transfer from intangibles of \$2.9m and DD&A of \$4.8m, is \$58.0m (2024: \$58.5m). As at 31 December 2025, the carrying amount of the NBS oil and gas producing property, after additions of \$0.1m and DD&A of \$0.2m, is \$1.0m (Dec 2024: \$1.1m).

Other assets and liabilities

Cash is set aside into abandonment funds for both TGT and CNV. These abandonment funds are controlled by PetroVietnam and, as the Group retains the legal rights to the funds pending commencement of abandonment operations, they are treated as other non-current assets in the Financial Statements. As at 31 December 2025, the Group's total contribution to the funds was \$59.9m (2024: \$56.0m).

Oil inventory was \$6.1m at 31 December 2025 (2024: \$9.3m), of which \$6.0m related to Vietnam and \$0.1m to Egypt. Trade and other receivables decreased to \$19.4m (2024: \$47.9m) of which \$8.6m (2024: \$14.5m) relates to Vietnam and \$10.4m (2024: \$32.7m) relates to Egypt. Egypt trade receivables include \$7.3m from EGPC, after expected credit loss provision of \$0.1m recognised under IFRS 9, where collection has been delayed by EGPC as a result of macroeconomic factors highlighted in previous preliminary and interim results (2024: trade receivables from Egypt \$28.1m after expected credit loss position of \$1.4m).

CHIEF FINANCIAL OFFICER'S STATEMENT - CONTINUED

Cash and cash equivalents at the end of the year were \$40.2m (2024: \$16.5m) and the increase was mainly driven by net \$29.0m inflow from working capital, following \$20m recovery of trade receivables from EGPC before the end of the year. During 2024, there was \$39.2m net repayment of borrowings following settlement of the RBL facility.

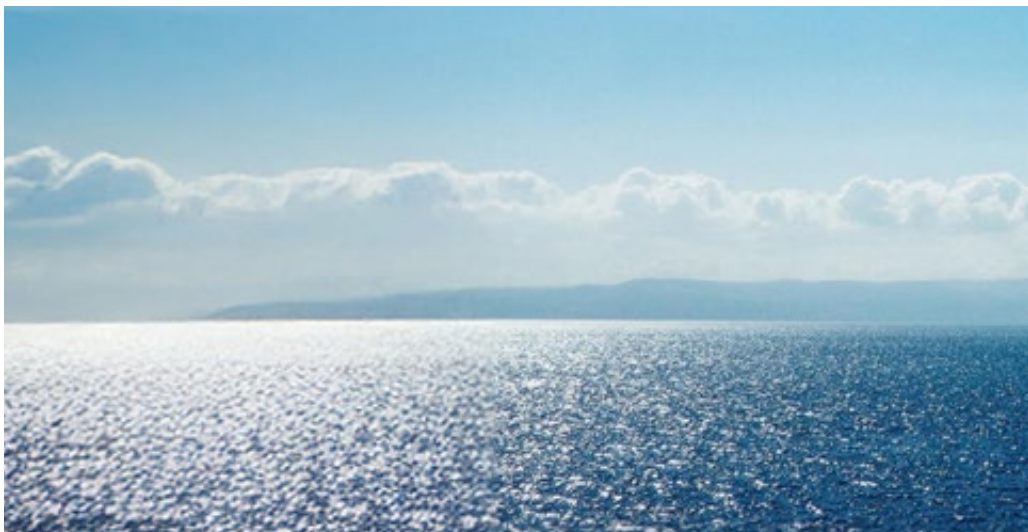
Trade and other payables, inclusive of VAT payable and payroll taxes, were marginally higher at \$14.5m (2024: \$14.3m), of which \$4.1m (2024: \$5.4m) predominantly relates to Egypt net JV payables in relation to operations and Stratton royalty obligation. \$7.2m (2024: \$5.1m) relates to Vietnam payables, mainly royalties and amounts owed to the JOCs in respect of TGT and CNV operations, and \$3.2m (2024: \$3.8m) Head Office payables. Tax payables decreased to \$1.6m (2024: \$3.2m) and relates to corporate income taxes on Vietnam oil and gas revenues.

Long-term provisions comprise the Group's decommissioning obligations for the Vietnam fields. The decommissioning provision increased from \$51.1m at 2024 year end to \$56.5m at 31 December 2025, as there was \$2.3m unwind of the decommissioning provision, \$1.0m impact of the new appraisal and infill wells on TGT and CNV respectively and \$2.4m impact of a decrease in discount rate from 4.58% to 3.94%, partially offset by \$0.3m revision to the TGT abandonment plan. The amounts set aside into the abandonment funds total \$59.9m (2024: \$56.0m). No decommissioning obligation exists under the El Fayum and NBS Concessions.

Own shares

The Pharos Employee Benefit Trust holds ordinary shares of the Company for the purposes of satisfying long-term incentive awards for senior management. At the end of 2025, the trust held 2,203,106 shares (2024: 3,784,406 shares), representing 0.53% (2024: 0.89%) of the issued share capital.

In addition, as at 31 December 2024, the Company held 9,122,268 treasury shares which represented 2.15% of the issued share capital. On 23 July 2025, pursuant to a resolution of the Board of Directors, the entire treasury holding of 9,122,268 ordinary shares of £0.05 each were cancelled in accordance with the provisions of section 729 of the Companies Act 2006. Following the cancellation, the Company holds no ordinary shares in treasury.



Share buyback and dividend framework

Following a period of relatively stable commodity prices and a strengthening of the Group's liquidity position, the Company committed to shareholder returns in the form of share buybacks and dividends.

On 6 December 2023, the Company announced the continuation of a further \$3m share buyback programme in 2024, taking the total committed to share buybacks to \$9 million since initiation of the programme in July 2022. The final stage of the programme completed in January 2025.

Pharos has a clear sustainable policy for regular dividend payments and this has been set at returning no less than 10% of Operating Cash Flow (OCF) each year in two tranches:

- An interim dividend of 33% of the previous year's total dividend, payable in January of the following year; and
- A final dividend payable in July of the following year.

In September 2024, the Board resolved to pay an interim dividend of 0.363 pence per share, \$1.8m equivalent, in respect of the year ended 31 December 2024 and this was paid on 22 January 2025 to shareholders on the Company's register as at 20 December 2024.

A final dividend of 0.847 pence per share in respect of the year ended 31 December 2024, \$4.7m equivalent, was approved by the shareholders at the Company's AGM in May 2025 and subsequently paid on 18 July 2025 to shareholders on the register at the close of business on 13 June 2025. This took the 2024 full year dividend to 1.21 pence per share, an increase of 10% on the prior year.

In accordance with dividend policy, the Board has resolved to pay an interim dividend of 0.3993 pence per share, \$2.2m equivalent, in respect of the year ended 31 December 2025 and was paid on 21 January 2026 to shareholders on the Company's register as at 19 December 2025.

The Board have recommended a final dividend in respect of the year ended 31 December 2025 of 0.9317 pence per share subject to approval of the shareholders at the Company's 2026 AGM. Subject to this approval, the final dividend will be paid in full on 17 July 2026 in Pounds Sterling to ordinary shareholders on the register at the close of business on 12 June 2026, with an ex-dividend date of 11 June 2026. This would take the 2025 full year dividend to 1.331 pence per share, which is 10% higher than prior year.

CHIEF FINANCIAL OFFICER'S STATEMENT - CONTINUED



Going concern

Pharos continuously monitors its business activities, financial position, cash flows and liquidity through detailed forecasts. Scenarios and sensitivities are also regularly presented to the Board, including changes in commodity prices and in production levels from the existing assets, plus other factors that could affect the Group's future performance and position.

A base case forecast has been considered for the going concern assessment that utilises oil prices of \$62.4/bbl in 2026 and \$66.0/bbl in 2027. The key assumptions and related sensitivities include a "Reasonable Worst Case" (RWC) scenario, where the Board has taken into account the risk of reduction in oil prices by 10% to \$56.0/bbl in March 2026 for the next twelve months, concurrent with 5% reductions in Vietnam and Egypt production compared to our base case from March 2026. Additionally, CNV appraisal well 5X is assumed to be a dry hole and Egypt is based on 1P production in the RWC scenario. Both the base case and RWC take into account the effect of hedging that has already been put in place at 31 December 2025 and subsequent hedges placed in Q1 2026, now covering c.19% of total group entitlement production for 2026. These are a combination of zero cost collars, premium collars and put options. We have therefore secured an average floor price and ceiling price of c.\$59.0/bbl and c.\$74.7/bbl, respectively, for the entire hedged volumes in 2026. Under the RWC scenario, we have identified appropriate mitigating actions, including drawdown on the NBE credit facility in Q2 2026, reduction in head office administrative expenses and a decision not to pay dividends to shareholders from 2027.

In addition, we have conducted a reverse stress test sensitivity analysis that indicates the magnitude of oil price decline required to breach our financial headroom, assuming all other variables remain unchanged. The likelihood of Brent price dropping to such levels is considered to be remote.

Our business in Vietnam continues to be robust, with a low breakeven oil price. On TGT, appraisal well TGT-18X completed in February 2026 and is undergoing perforation testing. On CNV, infill well CNV-8P commenced in December 2025 and will complete in March 2026. The Group remains debt-free.

In Egypt, approval was received in September 2025 from the EGPC Executive Board for the consolidation of our two Concession Agreements in Egypt, subject to customary approvals and Egyptian Parliamentary ratification, expected during 2026. Once ratified, the improved fiscal terms within the consolidated Concession Agreement will be effective from 5 October 2025, the date of full EGPC Board approval.

On the basis of the forecasts provided above, the Group is expected to have sufficient financial headroom for the period up to 31 March 2027. Based on this analysis, the Directors have a reasonable expectation that the Group has adequate resources to continue its operations in the foreseeable future. Therefore, the Financial Statements have been prepared using the going concern basis of accounting.

Financial outlook

We are in a strong position as we move into 2026 with a number of value catalysts:

- Continuation of six-well drilling programme currently underway in Vietnam, with the final four wells expected to finish by mid-2026
- Look forward to Egyptian Parliamentary ratification of the consolidation of our concessions in Egypt with improved fiscal terms and increased longevity
- A strong and stable balance sheet, debt free and with improved liquidity position
- Continued improvement in the economic situation in Egypt, following the bullet payment from EGPC of \$20m on 31 December 2025, unlocking our remaining outstanding receivables

Stable returns to shareholders are expected in 2026, with the dividend policy of no less than 10% of OCF.

SUE RIVETT
Chief Financial Officer

RISK MANAGEMENT REPORT

Risk Management Report



Effective risk management is integral to Pharos achieving its corporate strategy to deliver sustainable value for all stakeholders through the responsible management of our current portfolio and the careful selection of growth opportunities, while protecting our personnel, our assets, the communities in which we operate, and our corporate reputation and values.

Risk Management Framework at Pharos

Pharos carried out regular and robust risk assessments to identify and manage its Principal and Emerging risks during 2025 and continues to monitor closely the prevailing regional and global political instability and economic uncertainty, with the Global Peace Index 2025 finding global levels of conflict at their highest since the end of the Second World War.

The Group's risk management activities during the year focused on the Egyptian economy, commodity price uncertainty, volatility in production levels and reserves.

In addition, throughout 2025 and continuing into 2026, increased emphasis was placed on the Vietnam drilling programme, as it is the most significant investment into our Vietnamese assets since the initial development.

Our management undertook a number of deep-dive exercises to gauge its risk appetite and recalibrate its risk tolerance to ensure the appropriate mitigating actions were implemented. The Board has closely considered the potential impact and probability of these risks and related events on its corporate strategy, objectives and stakeholders' perspectives of the Group.

Control environment

The Group's control environment is based primarily on its Code of Business Conduct and Ethics (the Code) and associated guidance for implementation. The Code and associated guidance enshrines a number of fundamental values to the Group and its business, including openness and integrity, safety and care and respect for human rights. The control environment is also supported by a series of corporate policies, which form part of the Group's Business Management System (BMS).

These documents are distributed to all employees, followed up with training as required and are available on Pharos' internal intranet system. As part of the compliance programme, all employees have to undertake and successfully complete a training assessment at least once a year covering anti-bribery and corruption laws and procedures and other financial crimes, including facilitation of tax evasion, the failure to prevent fraud and money laundering offences.

Governance, authorities and accountability

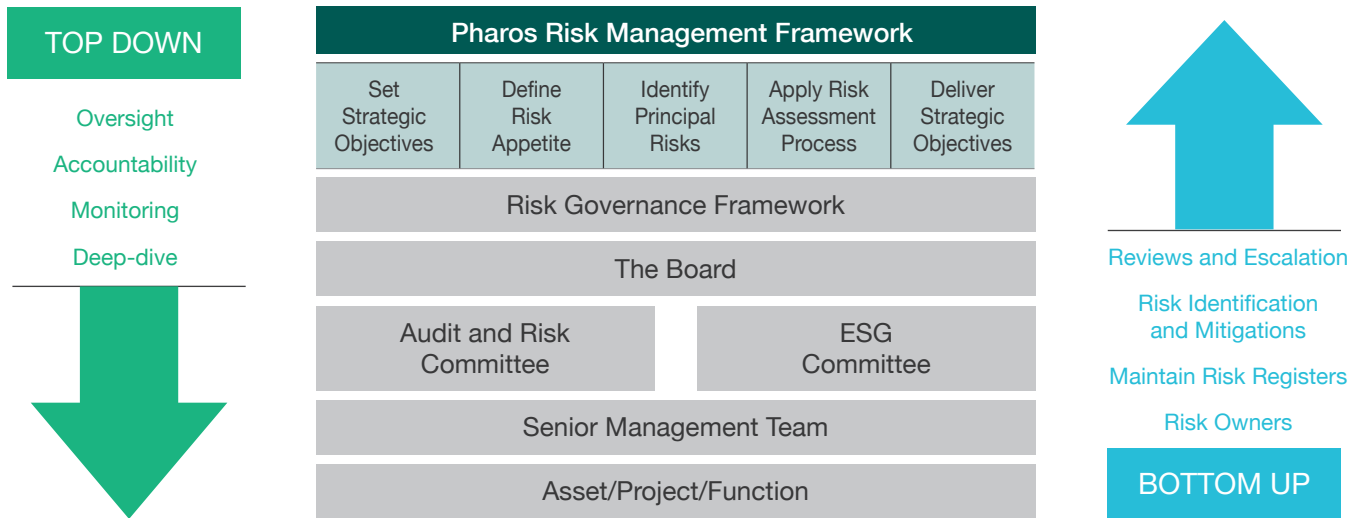
The Board of Directors, supported by its various Committees, ensures that the internal control functions operate properly. The Audit and Risk Committee oversees the implementation by the senior management team of the internal control and risk management procedures based on the risks identified to support the Group's objectives.

RISK MANAGEMENT REPORT - CONTINUED

Managing Our Risks

Principal risks

- | | | |
|---|----------------------------------|---------------------------------|
| 1 Growth throughout the business | 4 Rising operational cost | 9 Cyber security |
| 2 HSE & Social | 5 Climate Change | 10 Reserves downgrades |
| 3 Political and regional instability, including conflicts and ensuing sanctions | 6 Commodity Price volatility | 11 Egyptian economy |
| | 7 Partner alignment | 12 Code of Business and Bribery |
| | 8 Sub-optimal capital allocation | |



The Pharos Risk Management Framework requires that all business units within the Group conduct ongoing risk management and report to the Audit and Risk Committee and the Board. The Group’s Risk Management Policy defines the specifics of the risk management process, describes the risk tools (for example, the preparation and maintenance of a Group risk matrix and risk register) and outlines the reporting process and responsibilities required to implement the governance structure and principles of the Risk Management Framework.

Risk management and reporting is a necessary and important activity at Pharos. It is an internal control process implemented by the Board, management and all other personnel; applied throughout the organisation and all functions, designed to identify potential events which may affect the business, and manage those risks within its risk appetite. In addition, risk management is a process

that provides reasonable assurance regarding the achievement of the Group’s objectives. A comprehensive risk management approach allows Pharos to:

- Assist the Group in achieving its corporate objectives and develop alternate strategies
- Better manage the business by anticipating potential risks and devise preventive / mitigating measures
- Meet regulatory requirements
- Promote sustainability and help build more resilient systems

The BMS evolves continually at Pharos but at its core comprises a set of policies and standards, including the Risk Management Policy based on ISO 31000 Risk Management Principles and Guidelines.

The BMS is supported by procedures and processes for each function and business unit to control day-to-day business activities. The internal control

framework and risk management process under the BMS seeks to ensure that risk identification, assessment and mitigation are all properly embedded throughout the organisation. Whilst the Group’s approach to risk management is designed to provide reasonable assurance that material financial irregularities and control weaknesses can be detected, the process does not eliminate the possibility that a risk could have a material adverse effect on our operations, earnings, liquidity and financial outlook.

Risk is often described as an event, change of circumstances or a consequence. The Group’s risk reporting will focus on identifying risk as a “potential event”. Each event will be assessed on its potential impact to people, the environment, the respective asset / financial impact on operations, and the Group’s reputation in terms of severity and likelihood.

RISK MANAGEMENT REPORT - CONTINUED

Geopolitical instability and international sanctions

Repercussions of the Russian invasion of Ukraine and ensuing sanctions continue to reverberate globally, testing the resilience of the international financial system and rules-based order. While the conflict remains unresolved, ongoing geopolitical tensions, economic sanctions, and supply chain disruptions contribute to market volatility and prolonged uncertainty.

Meanwhile, the situation in the Middle East has become increasingly complex. The continuing conflict in Gaza and elsewhere has increased uncertainty and volatility on world commodity markets. The prolonged nature of the conflict, coupled with the involvement of regional and international actors, has led to sustained instability.

Since the start of the conflict in Gaza, multiple ceasefires have been implemented. None have yet led to a lasting resolution, with questions over the observance of ceasefire terms by both principal parties to the conflict. There is some encouragement in the form of the two-phase Gaza peace plan, signed on 9 October 2025 and endorsed by the United Nations Security Council on 17 November 2025, under which there has been cessation of certain hostilities and the release of prisoners and hostages by both sides. Commencement of the second phase of the plan was announced by the US Special Envoy in January 2026, together with the formation of the National Committee for the Administration of Gaza, the constitution and composition of which has involved significant Egyptian input. Shortly afterward, the US also announced a broader "Board of Peace," including a Gaza-focused executive board, but several European nations have declined the invitation to participate in the Board of Peace initiative. It has also met with criticism from within the Israeli government.

Further regional instability with global economic and political implications was introduced by the joint US and Israeli military action that began on 26 February 2026 with surprise airstrikes on multiple sites and cities across Iran, killing Iranian supreme leader Ali Khamenei and other senior Iranian officials. These strikes and subsequent military action by the US and Israel, and the retaliatory actions taken by Iran in response, have resulted in surges in oil and gas prices, widespread disruption in aviation, travel and tourism and heightened volatility in financial markets. The conflict has also disrupted international trade, particularly through closure of the Strait of Hormuz and other key shipping routes and strikes on gas and oil facilities. The Group recognises that the conflict, if it

continues for an extended period, could result in longer term regional and global inflationary pressure and an increased risk of recession.

The Group continues to monitor carefully the wider geopolitical impact and perception in Egypt of the conflict in the Middle East, in connection with its assets and operations in the region. In this context it should be noted that on 2 March 2026, the Egyptian President, Fattah El-Sisi, affirmed Egypt's full support for the Gulf Cooperation Council states (the trading bloc comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates, all of which have been targets for Iranian retaliatory action) and its solidarity with them in confronting various challenges and crises. El-Sisi also issued a firm rejection of any attacks targeting Arab countries and warned of the dangers of military escalation and its repercussions on regional stability and economic security.

In addition to heightened geopolitical instability, the extensive sanctions and export controls introduced by the US, EU and UK on key Russian and Russia-connected industries, entities and individuals following the invasion of Ukraine remain an important consideration for the Group and its approach to risk management.

The scope of international sanctions and controls related to the Russian invasion has continued to expand since the invasion in February 2022. To date, neither the conflict in Ukraine nor the sanctions themselves have had a material impact on the Group's business. Despite this, the Group continues to be prepared to act swiftly in the event that an existing counterparty were to become a sanctioned entity or otherwise affected. The dedicated cross-functional Pharos working group covering sanctions and the impact of the conflict in Ukraine established in March 2022 remains active. The working group reports to the Audit and Risk Committee and also contributes to regular risk management reporting. The Group Sanctions Policy, originally adopted in May 2022, is updated and renewed annually, or as required in response to circumstances. The Policy is available on the Pharos website with the Group's other principal corporate policies. At an operational level, the Group continues to work with the JOCs on contingency planning and mitigation.

The conflict in the Middle East has materially increased regional political and economic instability, in addition to creating a widespread humanitarian crisis in Palestinian territory. Although some organisations have advocated for a substantial international response to Israel's actions in the region, no major economic or other sanctions have been imposed on Israel or Israeli state actors at the time of writing. In November 2024, however, the International Criminal Court (ICC) issued a warrant for the arrest of Israeli Prime Minister Benjamin Netanyahu and former Defence Minister Yoav Gallant, alleging responsibility for the war crimes in the region. More recently, in October 2025, the International Court of Justice (ICJ) delivered a long-awaited advisory opinion highly critical of Israel and its conduct in the Palestinian occupied territories. The ICJ ruling requires Israel to facilitate, and not simply allow, humanitarian aid to be delivered to those territories, and follows a previous advisory opinion of the ICJ in July 2024 finding that Israel's occupation of Palestinian territory was unlawful. Israel has rejected the ICJ verdict and is not expected to take any action required by the court in response. Israel also faces a separate and ongoing ICJ action alleging breach of the 1948 UN Genocide Convention in relation to its actions in Gaza. Despite this, the Group continues to regard the likelihood of UK, US or EU economic sanctions against Israel as low, but will continue to monitor the situation and, in particular, diplomatic efforts aimed at a longer-term ceasefire observed by all parties.

RISK MANAGEMENT REPORT - CONTINUED



Egyptian economy

After a period of strong post-pandemic recovery in late 2021 and early 2022, Egypt's economic growth was significantly impacted by the repercussions of the Russia-Ukraine war. The country has since faced persistent economic and financial difficulties, including:

- limited access to USD cash revenues for repatriation to the UK
- restrictions on converting EGP to USD
- continued depreciation of the Egyptian pound

Following the policy measure implemented in early 2024, the Egyptian Government continued advancing its macroeconomic stabilization programme through 2025, supported by substantial external financing. Under the IMF's \$8 billion Extended Fund Facility, Egypt has received cumulative disbursements of \$3.2 billion with the fifth and sixth review expected to unlock a further \$2.5 billion in early 2026, while an additional \$1.3 billion was approved under the Resilience and Sustainability Facility, of which \$0.5 billion has already been disbursed (and a further \$0.2 billion are expected in early 2026). In parallel, Egypt concluded a landmark agreement with ADQ (an Abu Dhabi sovereign wealth fund), for the development of Ras El Hekma coastal city for \$35 billion (\$24 billion paid in cash and \$11 billion as conversion of UAE deposits at the Central Bank of Egypt). This has been complemented by approximately \$14 billion in support from the European Union, the World Bank and other multilaterals institutions. Overall, of the \$57 billion "bail-out" package pledged to Egypt in the Spring of 2024, around \$40 billion has been received to date, with another \$2.7 billion expected shortly.

These measures have provided a boost to confidence and a manoeuvring space for the Government to tackle structural reforms, such as removal of subsidies, privatisation of state- and military-owned assets and reduced spending in Pharaonic infrastructure projects. Notwithstanding structural challenges, particularly regarding debt sustainability, inflation, and long-term foreign currency liquidity, the Government policies have started to bear fruit. Lower inflation in the second half of 2025 has allowed the Central Bank to significantly reduce interest rates, while foreign currency reserves have continued to grow (to a record \$51.5 billion at end 2025), buying Egypt some additional breathing space. These led the IMF to be quite complimentary about the Egyptian Government in their fourth and fifth loan review report, even if privatisation remains a sensitive issue.

Notably, during 2025, another land/real estate deal (similar to the one for Ras El Hekma – see above) was signed with a Gulf neighbour, namely Qatar. Under the terms of the deal, Egypt is set to benefit from the Qatari Real Estate sovereign fund (Diar) for a total of \$29.7 billion, including \$3.5 billion in cash for the purchase of the land (already received). The rest of the revenues will result from a \$1.8 billion "in kind" element (residential units, once built), with the rest (\$24.4 billion, over the years) being the estimated value of Egypt's 15% of the net project profits, including returns from the project company and associated entities controlled by Qatari Diar. Possible impacts of the regional war on the schedule of this real estate mega-project will be closely monitored over the coming months.

As a result of improved macroeconomic context and EGPC's liquidity improving over the course of 2025, Pharos received regular payments and an end-of-year bullet-payment of \$20 million reducing the Company's receivables by 75%, down to \$7.4 million. As to the residual receivables, Pharos considers it preferable to continue holding USD-denominated receivables and accept part-payments of its receivables balance in EGP to fund the Group's working interest share of the cost of operations.

The Company has access to a US\$10 million revolving credit facility with the National Bank of Egypt (UK) Limited (NBE UK), which allows it to draw down 60% of the value of each invoice in USD. The NBE UK facility currently runs to 9 June 2026 but has been extended by agreement on a number of occasions since its original grant in 2021.

Climate Change Risks

The 30th Conference of the Parties (COP30) to the UN Framework Convention on Climate Change, was held in Belém, Brazil, in November 2025. The conference marked a critical milestone in the implementation phase of the Paris agreement, with a strong focus on reviewing countries' updated climate commitments and accelerating delivery following the outcomes of earlier COPs.

COP30 focused on practical implementation, resulting in the adoption of the Mutirão Decision, which established key frameworks for climate finance, adaptation, and a just transition, alongside launching the Tropical Forests Forever Fund, which pledges over \$9 billion and the initiation of discussions on aligning trade policies with climate objectives.

A formal Just Transition Mechanism was established through the Belém Action Mechanism to support workers and communities affected by the transition to a low-carbon economy. Additional initiatives included the launch of a Global Implementation Accelerator to speed up delivery of Paris Agreement goals, a coalition of over 80 countries committing to transition away from fossil fuels, the Belém 4x pledge to quadruple sustainable fuel production by 2035, and the creation of a new fund for tropical forest conservation with dedicated support for Indigenous Peoples and local communities.

RISK MANAGEMENT REPORT - CONTINUED

Climate Risk and Resilience

Climate change risks, both arising from energy transition and the physical effects of changes in climate, are identified and assessed as part of the Group's integrated risk management approach and mitigated within the remit of a diverging set of key stakeholders' aspirations and calibrated within the Group's risk appetite and corporate strategy. Climate change and the transition to a low carbon economy were also considered in preparing the consolidated financial statements, more details of which can be found on page 58 of our Viability Statement and Note 2 (a) of the financial statements.

Pharos continues to aim to align our disclosure with the TCFD recommendations on Governance, Strategy, Risk Management and Metrics and Targets.

In 2023, Pharos, with the support of a TCFD consultant, undertook an initial scenario analysis exercise to assess the impact of these physical and transitional risks and opportunities on our portfolio. Building on these scenario analyses, for year-end 2024 and 2025, Pharos conducted further internal discussions with our finance and commercial team and risk manager to update and assess the materiality of these climate-related risks. These assessments were then discussed with the Senior Management team and submitted to the ESG committee of the Board. Throughout the year, these risks, along with every other principal and emerging risks presented on page 46 of the Risk Management Report, are discussed and reviewed by the Audit and Risk Committee every quarter to ensure they are up to date and remain dynamic to the changing nature of the macroeconomic environment and the business.

For a full list of our transitional and physical climate risks, please see page 81 for our TCFD disclosures.

The physical risk assessment focused on screening our operational interests in Vietnam and Egypt using the consultant's physical risks datasets to quantify changes in key climate variables (e.g. drought, rainfall, wave height) over a 5 and 10 year timeframe under the three emissions scenarios – Representative Concentration Pathways (RCPs). The transition analysis focused on the potential impacts of different future scenarios on the key transition risks facing the Group and the oil and gas sector more broadly over the next 5-10 years. By undertaking these assessments, Pharos is in a better position to formulate strategies which will increase its resilience to climate related risks – and better cope with the uncertainty, speed and extent of the energy transition. The transition risk analysis conducted by the TCFD specialist consultant in December 2023 was assessed under the International Energy Agency (IEA), Sustainable Development Scenario (SDS) and Stated Policies Scenario (STEPS). Additionally, Pharos has considered the risk that climate change pressures could reduce oil prices during the three-year Viability Statement window under the recommended IEA's Net Zero Emissions scenario. For more information, please see pages 57 to 58 for the Viability Statement and page 81 for our TCFD disclosures.

Commodity Price Risk

During 2025, oil prices were influenced by shifting expectations around global supply and demand, including changes in OPEC+ production policy, as well as by market sensitivity to geopolitical developments.

Geopolitical volatility continued to reshape the market landscape. Tensions in the Middle East, particularly the Israel-Gaza conflict, heightened supply security concerns. Meanwhile, shifts in U.S. trade and energy policy under the Trump administration increased uncertainty across global markets. In late 2025, the U.S. military actions against Venezuelan oil exports and tanker seizures increased price volatility and raised expectations that more Venezuelan oil would return to the market, increasing fears of oversupply.

Commodity price uncertainty persists and is factored into all stages of the planning process. Please refer to the Viability Statement on page 57 for more details of how the Group has stress tested its assets and projected cash flows against its principal risks.

Insurance Costs

Despite the trend towards greater geopolitical instability, there was further evidence of the insurance market softening in 2025, with premiums for renewal of the Group's energy insurance cover reduced in real terms relative to 2024. Concerns that the energy insurance markets are increasingly difficult to access for oil and gas exploration and production businesses have continued to ease. In addition, the upstream energy market experienced a record year of low loss activity, likely to be driven at least in part by improved risk management and asset quality across the industry. At the time of writing, the softening market shows no immediate signs of abating, signalling the possibility of continuing reductions in insurance premiums in 2026.

Notwithstanding the experience of the last few years, the Group continues to believe that in the longer term, climate change risks and broader ESG objectives will reduce access to the insurance market for oil and gas exploration and production businesses. This reduced access can, in turn, be expected to result in significant premium increases ahead of inflation over time. While the Group may be able to mitigate the impact of premium increases by agreeing to more restrictive terms of cover or reduced financial cover limits, this strategy will inevitably result in increased exposure to risk elsewhere.

RISK MANAGEMENT REPORT - CONTINUED

Operational Cost Risk

Rising operational costs may become a bigger risk because they are directly impacted by the other factors, and can impact our ability to meet capital commitments. Generally speaking, the larger a project, the greater the legal and regulatory burden and associated costs. In addition, higher oil prices result in services companies increasing prices, creating further inflationary pressure. With the unpredictability of oil and other commodity prices and other global economic, political and security considerations beyond any one company's control, the prospect of increasing operational costs is an unavoidable risk for which Pharos can implement only limited mitigation.

Additionally, many oil and gas firms struggle to find and keep skilled employees during boom periods. Thus payroll can rapidly grow to add another expense to the total picture. The cost of training employees in the oil and gas sector has increased, reducing the number of firms in the industry and specialised industry professionals, as older generations reach retirement age. As a result, oil and gas has become a very capital-intensive business with fewer participants each year.

Out-sourcing is becoming more common in the industry, and while this offers flexibility to operators, it also results in greater exposure to increases in daily rates for essential services, such as drilling and well services, when the oil price rises.

With heightened scrutiny on ESG transparency, there will be continuous and more onerous regulatory challenges which oil and gas companies must handle to sustain their growth and purpose.

Emerging Risks

Areas of emerging risk, to the extent not already identified by Pharos as principal risks in the following tables, are those related to regulatory changes, digital transformation, and risks of social disorder.

Similar to our principal risks, emerging risks are identified using our bottom-up approach with the regular risk assessments with risk owners and reporting to and discussing the emerging trends at the quarterly management risk meetings and the Audit and Risk Committee meetings. Pharos is engaged with the industry with organisations such as BRINDEX and assesses news alerts from such sources as Oil & Gas UK, FT, Refinitiv (Eikon and Worldcheckone), Bloomberg Green and the World Economic Forum. Pharos also conducts internal benchmarking analyses with its industry peers to better understand emerging trends in the sector.

If, during the course of 2026, these emerging risks develop into principal risks affecting the Group, an analysis of those risks and how these are mitigated to enable the Company to achieve its strategic objectives will be included in next year's report.

Opportunities

For the oil and gas sector the lack of liquidity and increased scrutiny from investors on fossil fuel producers to decarbonise may create investment opportunities for oil and gas independents with a lower cost base than the oil majors and which are more able to adapt to a rapidly changing risk landscape. In the short term, capital allocation and discipline will be rigorously maintained while at the same time exploring opportunities to reduce our carbon footprint by adopting different methods / processes to power our operations. Our asset base is operated by separate independent Joint Operating Companies, leaving our role in both Egypt and Vietnam one of joint, rather than unilateral, control.

Board Responsibility

The Board fulfils its role in risk oversight by developing policies and procedures around risk that are consistent with the organisation's strategy and risk appetite, taking steps to foster risk awareness and encouraging a company culture of risk adjusting awareness throughout the Group. The Audit and Risk Committee reports back to the Board regarding the adequacy of risk management measures so that the Board has confidence that management can support them. The Board regularly reviews the principal and emerging risks facing the business, including an annual review of the effectiveness of the risk management process in identifying, assessing and mitigating any significant risks which may affect the Group's business objectives.

Risk management and the principal financial risks and uncertainties facing the Group are discussed in Note 36 to the Financial Statements. The Group's Risk Management Framework, Policy and associated procedures are further discussed in the UK Corporate Governance Code Report on pages 109 to 118 and in the Audit and Risk Committee Report on pages 129 to 136, where the significant issues related to the 2025 Financial Statements are also reported. The Group's BMS, which includes the Health, Safety, Environmental and Social Responsibility (HSES) Management System, incorporating the Group's internal control mechanisms of policies, procedures and guidelines through which it assesses, manages and mitigates its HSES risks and impacts, is described more fully in the Corporate Responsibility Report on pages 59 to 80.

The Board has carried out a review of the uncertainties surrounding the Group's principal and emerging risks and recognised that a potential adverse event can have a material impact on the Group's future earnings and cash flows. The fluctuating prices of crude oil and gas remain a significant variable to monitor closely for the Group. Flash events are happening more frequently from international trade tensions, geopolitical tensions, sudden outbreak of diseases, speed of climate change transition and physical risks which may require changes to our corporate price assumptions and productions outlook which, in turn may trigger impairment of assets.

PRINCIPAL RISKS AND MITIGATIONS

Principal risks and mitigations

A summary of the key risks affecting Pharos and how these are mitigated to enable the Company to achieve its strategic objectives is as follows:

Key to change in likelihood during the year



Increase



No Change




Decrease




New Risk

Principal risks	Change in likelihood	Causes	Risk Mitigation
STRATEGIC			
1. Growth in CNV and TGT <ul style="list-style-type: none"> Loss of NPV and impairments 		<ul style="list-style-type: none"> Not moving forward with the work programme Production below expectation 	<ul style="list-style-type: none"> Continue building strong relationship with partners and key government stakeholders Technical work and operational planning Re-processed 3D seismic used for improved well trajectories
2. Not testing Prospect A (Block 125) <ul style="list-style-type: none"> Reputational 		<ul style="list-style-type: none"> Inability to secure the drill ship Failure to secure farm-in partner Insufficient funds to meet commitments 	<ul style="list-style-type: none"> Seek extension of current PSC exploration phase – current expires November 2027 Work with another Operator to secure a drilling slot in a multi-well Drilling Contract Work with individual drilling contractors to secure a drilling slot between longer term contracts Secured Long Lead Items Seek carry of well costs/reimbursement for historical costs by farm-in partner(s) Engaged with an independent third party advisor to conduct a formal process to identify farm-in partners
3. Growth in Egypt <ul style="list-style-type: none"> Loss of overall value driving impairments and reserve write offs 		<ul style="list-style-type: none"> Slow drilling process Production below expectation Delay in signing the consolidation project 	<ul style="list-style-type: none"> Continue building strong relationships with partners and key government stakeholders Active participation and collaboration with our partner Approval by EGPC of the consolidation of concessions, improving fiscal terms with retrospective effect from October 2025 and encouraging further development




PRINCIPAL RISKS AND MITIGATIONS - CONTINUED

Principal risks	Change in likelihood	Causes	Risk Mitigation
STRATEGIC			
<p>4. Health, Safety, Environmental and Social Risk</p> <ul style="list-style-type: none"> • Reputational • Operational outages leading to lower production 		<ul style="list-style-type: none"> • Health and safety and environmental risks of major explosions, leaks or spills • Climate change impacts on the sector, such as extreme weather, sea level rise and water availability affecting production • Gas venting and flaring hazards and risks - well blow outs, land/ water contamination • Non-alignment between the HSES practices of new acquisitions and Pharos Corporate standards • Increased disparities and societal risks in health, technology or workforce opportunities • Mature/aging assets in Vietnam and Egypt • Active drilling campaign with two rigs active at the same time in Vietnam 	<ul style="list-style-type: none"> • Improve structural and Asset Integrity through strong operational and maintenance processes which are critical to preserving a safer environment • Maintaining a HSE framework within the Group that establishes a clear governance structure and principles and seeks to ensure compliance across the organisation with applicable legislative/regulatory requirements • Promote a positive health and safety culture where workers are given proper training and incentives to work safely with a zero tolerance for non-compliance • Working with IPR and PetroSilah on implementation of a range of mitigations to enhance road safety and operations compliance: <ul style="list-style-type: none"> – Renewing risk assessment for new road hazards, particularly on routes far from populated areas – Conducting drug tests – Terminate any truck contract that violates HSE regulations/policies – Robust vehicle maintenance programs – Management of driver fatigue and working hours – Run safety awareness campaigns • Environmental and Social Impact Assessments relating to, for example: <ul style="list-style-type: none"> – climate impacts and need to adapt to changing climate conditions over the life of the asset – regulatory developments • Enhance emergency preparedness and spill prevention plan <ul style="list-style-type: none"> – Controlled venting – Control and management of pressurised oil and gas from boreholes – Use of low impact extraction chemicals where alternatives exist – Water management - securing of a sustainable water supply, recycling and reuse wastewater – Marine management plan - especially for offshore drilling – Carry out scenario exercises to improve preparedness – Active participation in dialogue with JOC to influence them on best work practices • Maintaining adequate energy insurance for our assets and operations including, where available on economic terms, appropriate cover for business interruption or loss of production





PRINCIPAL RISKS AND MITIGATIONS - CONTINUED

Principal risks	Change in likelihood	Causes	Risk Mitigation
STRATEGIC			
5. Climate Change – transition and physical risks <ul style="list-style-type: none"> • Commodity price volatility • Restrictions of use of carbon intensive assets • Lack of portfolio diversification • Accelerating electrification • Carbon pricing • Reduced water availability • Increased temperature and heat stress • Storm frequency 		<ul style="list-style-type: none"> • Pressure on investors to divest/ avoid fossil fuel companies/ projects - Global transition to a lower carbon intensity economy • Inability to find economically viable CO₂ reduction solutions • Lack of alignment between our key stakeholders' priorities and climate change concerns • Increased climate regulation and disclosure • Increase in carbon taxes/ decarbonisation charges • Transformational shifts leading to reduced demand for fossil fuels • Climate activists pressing prominent institutions and investors to abandon fossil investments - "greening" the financial system • Increased frequency of extreme weather events • Supply chain disruptions causing delay/shutdowns to operations • Lack of partner alignment on decarbonisation initiatives • Reduced access to insurance and debt markets 	<ul style="list-style-type: none"> • Net Zero commitment on all assets by 2050, detailed roadmap originally published in December 2023 and updated annually • Emission Management Fund, under which we set aside \$0.25 for each barrel sold at an oil price above \$75/bbl to support emissions management projects • Further integrate climate risk management within Pharos Risk Management Framework • Stress test our Viability Statements under a Net Zero Emissions price scenario and carbon tax • Embed climate change scenarios and evaluate decisions on key business operations/ directions • Continuous improvement of GHG emissions management and exercise of influence within JOCs to encourage support of CO₂ emissions reduction initiatives • Comprehensive insurance cover for Physical Damage to oil and gas assets and infrastructure • Close monitoring of regional extreme weather developments so that evacuation or shut-down are activated in good time • Regular and timely control of inventories to ensure essential spares are sourced in advance • Prepare business cases or studies to support decarbonisation initiatives

PRINCIPAL RISKS AND MITIGATIONS - CONTINUED

Principal risks	Change in likelihood	Causes	Risk Mitigation
FINANCIAL			
6. Commodity Price risk <ul style="list-style-type: none"> • Uncertainty on planning • Inability to fund work programme / dividend 		<ul style="list-style-type: none"> • Geo-political factors and international conflicts • Pressure on investors to divest/ avoid fossil fuel companies/ projects • Lower long-term prices tighten the margin of error for investments • Market speculation and trading in oil futures • Repercussions of the Russian invasion of Ukraine • Repercussions of the conflict in Gaza • Unprecedented post-WWII levels of global conflict and instability 	<ul style="list-style-type: none"> • Oil commodity hedging • Close monitoring of business activities, financial position and cash flows • Seek where possible to exercise influence over procurement costs/effective management of supply chains derived from third parties - suppliers, joint venture partners, investors, and contractors • Stress test scenarios and sensitivities via principal compound risk analysis to ensure a level of robustness to downside price scenarios • Capital discipline with focus on controlling and managing costs • Discretionary spend actively managed • Maintain and cultivate good relationships with lenders
7. Rising operational costs <ul style="list-style-type: none"> • Reduced profits • Strain on cash flows • Shortages in skilled labour 		<ul style="list-style-type: none"> • Global inflation • Turmoil in the energy markets causing sharp price hikes 	<ul style="list-style-type: none"> • Regular updates to yearly budgets and forecasts • Focus in discretionary spend • Secure long-term contracts where appropriate without lock-ins • Explore applying new technological advances, focus on prevention and early detection
8. Egyptian economy <ul style="list-style-type: none"> • Insufficient funds to meet commitments/ reinvest in Egypt 		<ul style="list-style-type: none"> • Further devaluation of the Egyptian pound • The impact of the war in Ukraine on Egypt's economy is especially significant • The impact of the conflict in Gaza 	<ul style="list-style-type: none"> • Revolving credit facility with NBE UK, which allows us to draw down 60% of the value of each oil sales invoice in USD (\$10m facility until 9 June 2026, with further renewals by agreement) • Accepting payments in EGP, to be reinvested in field operations • Regular dialogue with EGPC on receivables balance, resulting in regular monthly payments and a bullet payment of US\$20 million in December 2025

PRINCIPAL RISKS AND MITIGATIONS - CONTINUED

Principal risks	Change in likelihood	Causes	Risk Mitigation
OPERATIONAL			
9. Reserves Risk <ul style="list-style-type: none"> Future cash flows and value depend on producing our reserves 		<ul style="list-style-type: none"> Earlier impairment triggers due to low commodity price Capital constraints jeopardise planned exploration/development initiatives Inherent uncertainties in the evaluation techniques to estimate the 2P reserves Lower than expected well performances and drilling results Slower drilling programmes 	<ul style="list-style-type: none"> Ongoing evaluation of projects in existing and potential new areas of interest and pursue development opportunities Regular reviews of reserves estimates by independent consultants
10. Partner Alignment Risk <ul style="list-style-type: none"> Adverse impact on production and cash flow 		<ul style="list-style-type: none"> Technical disagreement caused by quality of JV staff, work ethic, low productivity, competency issues JOC and JV partners divergent views on investment, priorities for capital allocation and difference in value-drivers. 	<ul style="list-style-type: none"> Active participation in JOC management and influence over decision-making through direct secondment of personnel and the JOC Management Committee (in Vietnam) or via Operating Committee (in Egypt) Close collaboration with JOC partners
11. Cyber risk <ul style="list-style-type: none"> Major cyber security breach may result in loss of key confidential data Unavailability of key systems 		<ul style="list-style-type: none"> Sophistication and frequency of cyber-attacks increasing Heavy reliance on and disruption to critical business systems Infiltration of spam emails corrupting our systems Critical reliance on remote working in light of demand for longer-term hybrid and flexible working practices 	<ul style="list-style-type: none"> Update service level agreement with IT providers, including regular meetings and other interfaces to raise any issues and review performance Offsite installation of back-up system and Business Recovery/Continuity Plan in place Enhance our cloud back-up data and solutions Prevention and detection of cyber threats via a programme of effective continuous monitoring Regular personnel training on cyber security and risk Plan upgrade of IT systems Implemented enhanced IT security through UK, Vietnam and Egypt Technical data is also stored by operators and ERCE (outsourcer provider)
12. Human Resource Risk <ul style="list-style-type: none"> Good skilled people are essential to ensure success 		<ul style="list-style-type: none"> Failure to recruit and retain high calibre personnel to deliver on and implement growth strategy Negative view of the oil and gas industry amongst younger professionals, particularly in light of climate change impacts, resulting in fewer entrants to the industry to replace retiring professionals High costs of recruiting experienced workforce Weakened corporate culture and collegiate responsibility due to remote working Corporate governance requirements for regular refreshing and independence of non-executive Board members 	<ul style="list-style-type: none"> Remuneration Committee retains independent advisors to test the competitiveness of compensation packages for key employees Ongoing succession planning Maintain a competitive remuneration mix re bonus, long-term incentive and share option plans Build and use people networks in each country and advertise vacancies in these networks Maintain a programme for staff well-being Facilitate and encourage workforce communication via Group-wide offsite events and quarterly video conferences, employee surveys and shared feedback Ensure staff have regular access to the Director with responsibility for workforce engagement and are free to share concerns, feedback and views

PRINCIPAL RISKS AND MITIGATIONS - CONTINUED

Principal risks	Change in likelihood	Causes	Risk Mitigation
REPUTATION			
13. Sub-optimal capital allocation <ul style="list-style-type: none"> Adverse reaction from current/future stakeholders 		<ul style="list-style-type: none"> Scarcity of capital for investment projects Pressure to invest and produce growth and returns in the short term to maintain dividend payments Shareholder focus on increasing returns in conflict with wider strategic considerations Inability to “switch-off” drilling/ investment commitments if economic assumptions change rapidly 	<ul style="list-style-type: none"> Carry out robust economic analyses based on opportunities high-grading to support capital allocation Key KPIs such as NPV, IRR and payback used to compare across many project scenarios Rig count investment scenarios are stress-tested against a range of Brent oil price Seeking to maximise influence to promote best practice in non-operated ventures Seek the views of stakeholders through direct and indirect engagement Maintain a balanced investment portfolio which allows a degree of resilience in adjusting short-term investment commitments Prepare business case or pay back study to support decarbonisation initiatives
14. Political and Regional risk <ul style="list-style-type: none"> Energy sector exposed to a wide range of political developments which may impact adversely on operating costs, compliance and taxation 		<ul style="list-style-type: none"> Operations in challenging regulatory and political environments Changes to fiscal regimes without robust stabilisation protections Protracted approval processes causing delays Government reform, political instability and/or civil unrest Impact of financial sanctions, export controls and other trading restrictions on industry counterparties and sectors (in particular, sanctions on entities or individuals arising from the continuing conflict in Ukraine and other international conflicts) 	<ul style="list-style-type: none"> Canvas support in risk management by using both international and in-country professional advisors Thoroughly evaluate the risks of operating in specific areas and assess commercial acceptability, including through a fit-for-purpose new country entry evaluation process Maintain political risk insurance at appropriate levels of cover Active working group monitoring sanctions arising from conflict in Ukraine and assessing/ managing associated risk to Group Annual review and renewal of a standalone Group Sanctions Policy, to supplement existing Group Code of Business Conduct and Ethics Develop and maintain mitigation planning in relation to certain counterparties with potential to come within the future scope of sanctions
15. Business Conduct and Bribery <ul style="list-style-type: none"> Reputational damage and exposure to criminal charges 		<ul style="list-style-type: none"> Present in countries with below average score on the Transparency International Corruption Index Lack of transparent procurement and investment policies Non-compliance with applicable laws establishing corporate criminal offences (e.g. failure to prevent fraud, failure to prevent facilitation of tax evasion, various offences under UK Bribery Act, money laundering offences, insider dealing and market abuse) Corruption and human rights issues 	<ul style="list-style-type: none"> Annually reviewed Group Code of Business Conduct and Ethics, supported by detailed Guidelines for Implementation, communicated and applicable across the Group and, where appropriate, also applicable to contractors of the Group Ensure adequate due diligence prior to onboarding with a risk-based approach, including independent “Red flags” checks Annual training, testing and compliance certifications by all associated persons Mandatory Gifts and Hospitality declaration and register Group Whistleblowing Policy and confidential anonymous ethics 24-hour hotline with numbers displayed in all offices CCO risk assessment and ongoing implementation of adequate procedures to prevent facilitation of tax evasion across all operations Comply with the principles of the Extractive Industries Transparency Initiative

VIABILITY STATEMENT

Viability Statement

In accordance with the UK Corporate Governance code, the Board has assessed the prospects of the company over a period longer than the twelve months required to support the Going Concern Statement on page 180 of the Financial Statements. The Audit & Risk Committee reapproved in December 2025 that the appropriate length, which the Viability Statement (VS) should cover, is three years. A significant factor in the Group's forward cash position is the oil price assumption, and as most of the price consensus data relates to a three-year period this is considered as the appropriate lookout period for the VS.

In undertaking this assessment, the Board has carried out a robust review of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity, with particular attention given to the principal and emerging risks.

Our strategy and associated principal and emerging risks underpin both the Group's three-year base forecast and scenario testing, as well as our longer-term prospects and position.

Group's current position

- Production assets in Vietnam and Egypt with low operating cost base
- Flexibility in the capital expenditure programme
- Operating cash flows in line with oil prices and supported by hedging programme
- Focus on capital discipline
- Excellent HSES standards in Vietnam
- Debt free

Strategy & business model

- Business model drawing on geoscience, engineering, financial and commercial talent
- Responsible and flexible stewards of capital
- Focus on stakeholders

The principal and emerging risks, which are considered in assessing the Group's prospects, are the same as those used to stress test our viability over the three-year period.

How we assess our viability

Our forecast is built on an asset-by-asset basis using a bottom-up model and is stress tested by compounding downward scenarios.

The three-year period selected for testing covers the Group's medium term capital plans and projections, in particular oil price projections, a fundamental driver of the Group's operating cash flows, where market consensus data becomes less reliable for periods further ahead than three years.

Although individual assets are often modelled for periods longer than three years, to reflect the return on investments being considered over the life of field, the three-year period has been selected by the Board as most appropriate for the group as a whole. It provides management and the Board with sufficient and realistic visibility of the future industry environment whilst capturing the Group's future expenditure commitments on its licences, its near-term drilling programmes and Full Field Development Plans (FFDPs).

In assessing the Group's viability over the next three years, it is recognised that all future assessments are subject to a level of uncertainty which increases with time and that future outcomes cannot be guaranteed.

Key Assumptions

During the three-year period, the working assumption is that the Group will be dependent on its cash generating assets TGT and CNV in Vietnam, and El Fayum and North Beni Suef concessions in Egypt.

The underlying oil and gas reserves for Vietnam and Egypt are based on the YE 2024 certified reserves. These have been updated by our technical team and reviewed by the Reserves Committee. In our model, we have used management's best estimate of future commodity prices. This results in a base oil price of \$62/bbl in 2026, \$66/bbl in 2027 and \$70/bbl in 2028, consistent with year-end 2025 price forecast with a prudent approach and prior to scenario testing. The base model also includes the Group's latest life of field production models and expenditure forecasts.

Pharos El Fayum has an uncommitted revolving credit facility through to 9 June 2026 for up to \$10m with the National Bank of Egypt (UK) Limited. This facility was implemented to help mitigate the risk of late payment from debtors. Under this arrangement, Pharos is able to access cash from the facility for up to 60% of the value of each El Fayum oil sales invoice. Our base case analysis assumes no credit facility will be utilised.



VIABILITY STATEMENT - CONTINUED

Stress testing linked to Principal Risks

As well as the base model, the Group also evaluates other scenarios and has stress-tested the forecast for a combination of severe but plausible events (linked to the majority of the Group's principal risks) that could potentially impact its ability to fund planned activities. These events include:

- A material reduction in the oil price putting pressure on the Group's capital available for investment
- A material reduction in production
- An unfavourable event resulting in lost production and oil price shock

Base Forecast flexed for combinations of the following scenarios	Link to Principal Risks and Uncertainties	Level of Severity Tested	Conclusion
Sustained drop in oil price	2,3,4,5,6	10% reduction in the oil price to \$56/bbl from Mar 2026 for a year, thereafter stepping up to base price	Company remains viable with mitigating actions
Reduction in production	1,2,3,7,8,9,10,11	5% drop in production from March 2026 throughout the testing period, and dry hole assumption with CNV appraisal well 5X and 1P production for Egypt	Company remains viable with mitigating actions
Unfavourable event leading to lost production and price shock	1,2,3,4,5,6,7,8,9,10,11	Combination of tests above	Company remains viable with mitigating actions

Mitigating actions

Management is confident of being able to mitigate any liquidity reduction in the plausible but severe downside scenario. Potential mitigations include the ability to control uncommitted expenses and capital programmes, shareholder returns, additional hedging and undrawn facilities.

Climate Change

We have also factored in the risk of potential price reductions due to climate change pressures during the three-year VS window. We have therefore considered the price curve as an output of a Net Zero Emissions by 2050 (NZE) based on IEA's World Outlook 2025 report, which is consistent with achieving 1.5°C stabilisation in global average temperatures and a net zero CO₂ emission by 2050. The nominal Brent prices used in this scenario are comparable to our base case oil price assumptions over the three-year VS period. But in our licence extension agreement, the company has committed environmental fees in both TGT and CNV assets from December 2026 and December 2027 onwards. The environmental fees of \$0.24/bbl on the company's oil production, and \$0.071/cf on the gas production in Vietnam have been included in our Base Case and Reasonable Worst Case testing. Nevertheless, we have concluded that the stress testing outlined above adequately accounts for the potential downside risks to our revenue base over the three-year VS period, due to climate change pressures.

To date, there is no official carbon tax established in Egypt. Vietnam is in the process of developing a pilot carbon pricing mechanism but do not currently have a fully operational, comprehensive national carbon tax or emissions trading system (ETS) in place. As the pilot phase will run until year-end 2028, we believe this reduces the impact and likelihood of this risk in the three-year VS period. Furthermore, the imposition of carbon taxes would likely uplift the Brent prices, as some of the burden will be passed to consumers. Although there are currently no carbon tax policies in Egypt or Vietnam, our sensitivity analysis assumes a carbon tax is effective from 2027 at \$10/tonne CO₂, without assuming any increment in Brent price and the Group remains viable over the three-year VS period.

The existing revolving facility with NBE UK provides us a certain level of protection against the risk of capital availability being constrained by concerns related to climate change.

In all combinations of scenarios that were tested, the Group had implemented mitigating actions including hedging and deferring non-committed expenditure beyond the three-year window of the VS. The Directors have reviewed the realistic mitigating actions that could be taken to reduce the impact of the underlying risk. The forecast cash flows are regularly monitored and reviewed to provide early warnings of any issues and to give sufficient time to undertake any necessary mitigating actions.

The potential impact of the other principal risks on the Group's viability during the assessment period were also considered. The Board has reviewed the risk mitigation strategies for all listed risks and believes that the existing mitigation strategies in place are sufficient to reduce the impact of each risk, making it unlikely to jeopardise the Group's viability during the three-year period.

Based on all of these assessments, including the availability of actions which could be taken in the event of plausible negative scenarios occurring, the Directors confirm that they hold a reasonable expectation that the Group will continue to operate and meet its liabilities as they fall due for the three-year period to 31 December 2028.

CORPORATE RESPONSIBILITY REPORT

Adding value through responsible, efficient, and safe energy production

2025 Performance

BUSINESS



100%

EGYPT OIL

(2024: 100%)

100%

VIETNAM OIL

(2024: 100%)

Oil sold domestically in Egypt and Vietnam in 2025, contributing to host country development goals and access to energy

ETHICS



\$133.6m

Taxes and royalties to host governments, includes host governments share of production entitlements in 2025

(2024: \$160.3m)

100%

Percentage of staff receiving anti-bribery and corruption training by 31 December 2025

(2024: 100%)

PEOPLE



0 LTIs

Zero Lost Time Injury events across Group operations in 2025

(2024: 0 LTI)

c.53%

Female employees across the Group in 2025

(2024: c.51%)

SOCIETY



\$500,000

Combined total training levies in Vietnam and Egypt for investment in industry capacity building in 2025

(2024: \$500,000)

\$417,867

Community investments supporting 28 social projects in Egypt, Vietnam and UK in 2025

(2024: \$259,889)

ENVIRONMENT



356

Tonnes CO₂e per 1,000 tonnes of hydrocarbon produced in 2025

(2024: 302)

1

Oil/chemical spills (quantities greater than 100 litres) in 2025

(2024: 0)

Governing Corporate Responsibility

Our aim is to add value in everything we do through responsible, efficient and safe energy production.

We take our role in society very seriously. We are committed to open, transparent communication, and taking a rigorous, conscientious approach to the environment, our role in society, our business practices and ethics, and how we relate to people. That includes all our stakeholders: the people who work with us directly and indirectly, those who live where we operate, and the host governments and authorities that regulate our activities.



The Group's Corporate Responsibility standards, policies and HSES Management System

1. Code of Business Conduct and Ethics



2. Key Corporate Responsibility /HSES policies supporting the Code

- [Climate Change Policy](#)
- [Code of Business Conduct and Ethics](#)
- [Human Rights Policy](#)
- [Security Policy](#)
- [HSE Policy](#)
- [Social Responsibility Policy](#)
- [Biodiversity Conservation Policy](#)
- [Water Resource Management Policy](#)
- [Prevention of Slavery and Human Trafficking Policy](#)
- [Sanctions Policy](#)
- [Tax Strategy Statement](#)
- [Anti-Facilitation of Tax Evasion Policy](#)
- [Non-Audit Services](#)



3. Standards, procedures and guidance support the policies

See www.pharos.energy/responsibility/policy-statements/ for the full text of the current versions of each of these policies.



Corporate Responsibility governance & management

A long-term goal of the Group is to be a positive presence in regions in which it operates by providing responsible and sustainable development. The objective of sustainability will apply equally to the Company's traditional reputation for financial discipline and return of value to shareholders as it will to the Group's objective of striving towards the goal of establishing and maintaining the highest operating standards across Environmental, Social and Governance ("ESG") matters.

The Board is also fully committed to effective compliance with the new 2024 UK Corporate Governance Code (the 2024 Code), applicable to the current financial year of the Company ending 31 December 2025. This is the first annual report in which the Company reports against compliance with the 2024 Code. The Board's objective is to be recognised for its high standard for governance, with a considerate and pragmatic approach to its business.

Corporate Responsibility objectives are defined annually and reviewed quarterly in relation to: our business, our ethics, our people, environment and society.

In terms of corporate responsibility and community engagement, the Board is committed to treating all stakeholders in every area of operations with honesty, fairness, openness, engagement and respect, and to conducting all business ethically and safely. The Group will only work with parties that share these values.

Our Code of Business Conduct and Ethics ("our Code") sets out our expectations for how we do business, clarifying our commitments to ethical, social and environmental performance. Our Group Corporate Responsibility ("CR") and Health, Safety, Environmental and Social Responsibility ("HSES") policies described above support our Code.

Our corporate standards, procedures and guidelines support the policies. Project-specific operational plans, programmes and procedures set out the specific approach to CR and HSES issues and risks within each project.

The Pharos Health, Safety, Environmental and Social Responsibility Management System ("HSES MS") describes the Group's internal processes to manage risks and is consistent with the requirements of internationally recognised standards (ISO 14001, ISO 45001) and aligned with the World Bank's International Finance Corporation ("IFC") Environmental and Social Performance Standards.

CORPORATE RESPONSIBILITY REPORT - CONTINUED



Stakeholder engagement & materiality screening

We engage with our stakeholders on a regular basis and receive feedback through a range of formal and informal processes, which we set out in more detail in the UK Governance Code report on pages 109 to 118. We listen to their concerns and feedback when determining our corporate responsibility framework and use the information they provide us to identify the issues that are most important to the successful delivery of our corporate objectives and most important to our stakeholders.

The Board, the ARC and the ESG Committee also regularly discuss at each quarterly Board and Committee meetings the new and existing themes and issues that matter to our stakeholders. Our management team then uses this insight and other applicable disclosure laws and regulations to choose what we measure and publicly report in our Annual Report.

In 2025, Pharos has continued to refer to the Sustainability Accounting Standards Board ("SASB") materiality map for Oil & Gas - Exploration and Production, to ensure that the material issues of importance to its activities are appropriately managed and reported. Our approach on environmental and social reporting in 2025 has taken into account the Voluntary Sustainability Reporting guidance issued by IPIECA, the global not-for-profit oil and gas industry association for environmental and social issues, in partnership with the American Petroleum Institute and the International Association of Oil and Gas Producers. We report on joint operating companies in Egypt and Vietnam.

The Group considers 'materiality' to be the threshold at which ESG issues become sufficiently important to our investors and other stakeholders. We are also informed by the Financial Conduct Authority and London Stock Exchange listing and disclosure rules in areas where we have operations, and are held accountable by our auditors and Company Secretary. The Board will further reinforce the integration of climate considerations into its governance frameworks by implementing the principles stated in our Climate Change Policy and continuing the Company's alignment with TCFD recommended disclosures.

We know that what is important to our stakeholders evolves over time and we plan to continue to assess our approach to ensure we remain relevant in what we measure and publicly report.

Climate-related governance & management

Pharos has a multi-layered governance structure that aligns our operating model with our net zero ambition.

The Board takes overall responsibility for our Net Zero ambition, corporate responsibility strategy and climate-related risk and opportunities. Given the wide-ranging remit of climate-related matters, Pharos integrates management responsibilities into various business and functional areas within the Group, and climate-related activities are managed and held accountable by a combination of different committees:

- **The ESG Committee** oversees the Group's management and compliance with climate-related reporting and disclosure requirements, as well as assists the Board in defining and implementing the Group's corporate responsibility strategy.
- **The Audit & Risk Committee** ("ARC") oversees all principal and emerging risks in our risk management process, in which climate risk is considered a principal risk. It also oversees the adequacy and effectiveness of our policies, standards and management system for HSES.

- **The Remuneration Committee** oversees the level of management incentives attached to improvements in climate-related performance in order to further encourage action on this agenda.






For the current version of each Committee's terms of reference, please visit www.pharos.energy/about-us/governance/committees/.

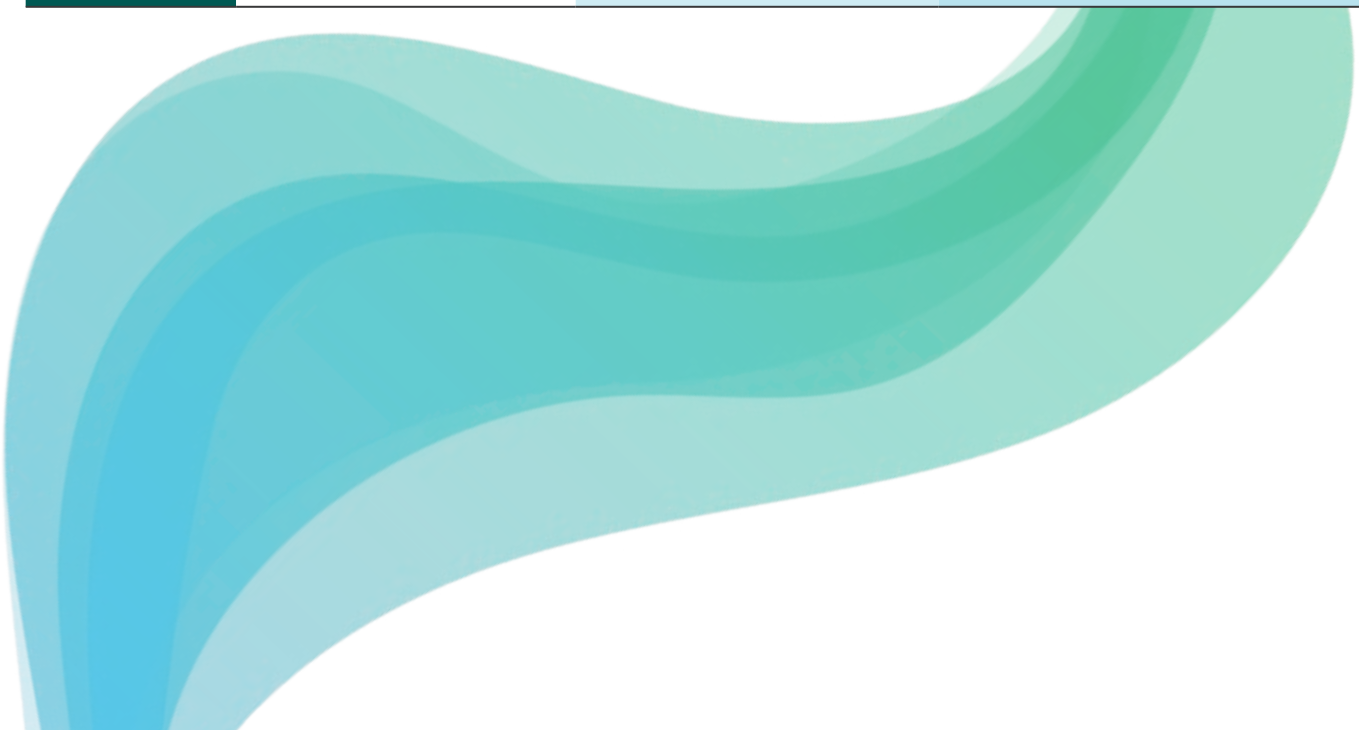
Progress against our Net Zero ambition, ESG targets and updates on GHG performance are reviewed at quarterly Board and Committee meetings.

Our senior leadership team manage our climate progress and are responsible for the delivery of our Net Zero strategy. The Board and Executives are supported by the Net Zero Working Group and include representatives from various business functions across Pharos, and drives progress towards Pharos' Net Zero targets.

CORPORATE RESPONSIBILITY REPORT - CONTINUED

Stakeholder groups and corporate responsibility topics

	Stakeholder group	How we engage with them and understand any concerns	Key areas of concern for stakeholder groups
	Local communities	Environmental and social impact assessments and grievance mechanisms at project level	<ul style="list-style-type: none"> • Community investment • Effluents and waste management • Biodiversity • Transparency
	National and host governments	Regular dialogue	<ul style="list-style-type: none"> • Payments to governments • Local capability building • Environmental management and net zero commitment • Health and safety
	Employees and contractors	<ul style="list-style-type: none"> • Promote adherence to local government's health and safety guidelines • Regular dialogue and grievance mechanisms • Annual feedback sessions with all staff members 	<ul style="list-style-type: none"> • Keep workforce safe during pandemic or outbreaks • Local capacity building • Contractor management • Staff well-being
	Shareholders	Regular dialogue	<ul style="list-style-type: none"> • Climate risk, energy transition and other ESG risks • HSES Health and Safety • HSES Management System • Preventing corruption
	International community	Responding to inquiries and media scanning	<ul style="list-style-type: none"> • Climate risk, energy transition and net zero commitment • GHG emissions • Preventing corruption • Human rights and Modern Slavery



CORPORATE RESPONSIBILITY REPORT - CONTINUED

Business



Focusing on supply chain impacts. Our objective is to contribute to responsible and sustainable development throughout our operations.

Climate risks and global energy transition

Climate change is considered a principal risk to the Group and its business over the medium and long term, and this is discussed in more detail in the Risk Management report and in our TCFD report on pages 81 to 96.

Our overall risk management framework integrates climate-related risks into business decision by carrying out regular and robust risk assessment, conducting deep-dive exercises to gauge risk appetite, monitoring macroeconomic environment and regulatory landscape, and using scenario analyses to stress-test principal risks on key variables for the Going Concern and Viability Testing. Our Net Zero Roadmap, which was published in December 2023 and updated annually in annual reports, sets out interim targets towards our net zero by 2050 commitment and decarbonisation levers to reduce our carbon emissions, and is a key part of our climate risk management and business decision.

Pharos is cognisant of the potential diminished role of fossil fuels in the global energy mix as depicted in the IEA Sustainable Recovery Plan. However, we also recognise that that oil and gas will continue to play an essential role in the global energy mix for at least the next decade, and that the importance of producing this energy in a safe, environmentally sustainable and socially responsible way will continue to grow. We believe that there are real opportunities in the energy transition, especially for countries such as Egypt and Vietnam, to benefit from the responsible and sustainable development of their natural resources. Pharos stands ready to play our part in this transition and will continue to support our host governments as they seek to use oil revenues to promote sustainable, inclusive economic development, manage the impact of climate change and achieve their COP commitments.

We report transparently and have participated in the CDP (formerly Climate Disclosure Project) Climate Change Questionnaire over the past seven years. In 2025, Pharos is pleased to report that we maintained scores of B for both our Climate Change and Water Security disclosures. Our greenhouse gas emissions ("GHG") are reported in the Environment section on page 76. Our commitment to align our reporting to TCFD recommended disclosures are set out on page 82.

CORPORATE RESPONSIBILITY REPORT - CONTINUED

Business partners and influence

Relationships with business partners, host governments and local communities where we operate are critical for our business. Our Code sets out our commitment to doing business honestly and ethically and to complying with all applicable laws and regulations. It sets out our expectations to take steps to only do business with others who share our values.

Our ability to influence our business partners and JOCs depends on our degree of ownership and operatorship. Where we are the designated operator, we fully apply the Pharos HSES MS. Where we are a joint operating partner or part of a JOC, we seek to influence and ensure alignment with our systems. Where we have a minority interest, we seek to make our views heard and ensure that minimum standards are met in accordance with our commitment to the IFC Performance Standards.



Vietnam Interests and operations ⁽¹⁾

Degree of influence	Blocks	Country	Pharos ownership	Pharos role	Target HSES outcome
High	Blocks 125 & 126	Vietnam	70%	Operator	Full application of the Pharos HSES MS
Moderate	Block 16-1	Vietnam	30.5% ⁽¹⁾	Joint operating partner (in Hoang Long Joint Operating Company)	Influence to bring alignment to the Pharos HSES MS
Moderate	Block 9-2	Vietnam	25% ⁽¹⁾	Joint operating partner (in Hoan Vu Joint Operating Company)	Influence to bring alignment to the Pharos HSES MS

1) Pharos currently has a 30.5% working interest in Block 16-1 which contains 97% of the Te Giac Trang (TGT) field. Pharos' unitised interest in the TGT field is 29.7%. Pharos also currently has a 25% working interest in the Ca Ngu Vang (CNV) field located in Block 9-2. Following the announcement by Pharos in December 2024 of approval a five year extension to the terms of the petroleum contracts for Blocks 16-1 and 9-2, Pharos will hold a revised working interest in Block 16-1 (TGT) of 25.33% with effect from 8 December 2026 and a revised working interest in Block 9-2 (CNV) of 20% with effect from 16 December 2027.



Egypt Interests and operations

Degree of influence	Blocks	Country	Pharos ownership	Pharos role	Target HSES outcome
Moderate	El Fayum Concession ⁽²⁾	Egypt	45%	Joint operating partner (in Petrosilah)	Influence to bring alignment to the Pharos HSES MS
Moderate	North Beni Suef Concession ⁽²⁾	Egypt	45%	Joint operating partner (in Petrosilah, to which operating functions are subcontracted by PetroBeniSuef)	Influence to bring alignment to the Pharos HSES MS

2) Pharos received approval from EGPC for the consolidation of the El Fayum and North Beni Suef Concession Agreements into a new consolidated concession agreement (the "Consolidated Concession") on 5 October 2025. The Consolidated Concession is subject to customary approvals and to Egyptian Parliamentary ratification, which is expected to take place in 2026.

CORPORATE RESPONSIBILITY REPORT - CONTINUED

HSES Management System

We undertake a range of activities to continuously improve our HSES MS to ensure that the Company's policy commitments are applied. We may work in countries that have different standards and we review any potential gaps to ensure adherence to our policies in dialogue with our business partners. Routine monitoring is undertaken to assess and improve performance and periodic audits are conducted.

HSE trainings and exercises

In Vietnam, the HLHVJOCs continued HSE induction to new staff, maintained its HSE Training Matrix such as travel safely by boat, firefighting and rescue, working at height, arranged refreshing BOSIET/FOET and other training courses such as T-HUET, lead auditor and greenhouse gas practitioner. The HLHVJOCs also conducted training for the offshore production team such as Personal Protective Equipment training, refresh safety induction for contractors, emergency response, permit to work and confined space entry procedures, behavioural safety, refresh facility induction, medical training and tank inspection procedure.

In Egypt, HSES training focused on increasing the staff's capabilities and competence on ISO 14001 and 45001 management systems, land transport, safety at rig, firefighting, lifesaving rules, permit to work, hot work hazards and safety requirements in confined space entry and working at heights.

Key Performance Indicators

KPI	Target	2025	2024	2023
HSES regulatory non-compliances	Zero	0	0	0

Supply chain management

Contractors are used throughout all aspects of our business. Our Contractor Management Procedure sets out requirements through all stages from selection through to management and service delivery.

In HSES critical activities, bridging documents are put in place to ensure Pharos and contractor alignment with our requirements.

Hours worked in Vietnam and Egypt assets

	Percentage of total
Company staff: 658,586	20%
Contractors: 2,678,286	80%

Overall objective

To provide responsible and sustainable development

2025 Objectives	2025 Outcomes	2026 Objectives
Further alignment with Pharos HSES Management System.	Pharos Energy continued to work towards full implementation of our HSES Management System across our business.	Further alignment with Pharos HSES Management System.
Work closely with partner's HSES department to achieve good alignment between our respective HSES Management Systems.	The HLHVJOC's HSE Management System and procedures were updated and the ISO 14001:2015 certificate for HLHVJOC's Environmental Management System was maintained. Similarly, in Egypt, PetroSilah's HSE Management System and policies were reviewed and updated and ISO 14001 and 45001 certificates were maintained following the annual surveillance audit.	Work closely with partner's HSES department to achieve good alignment between our respective HSES Management Systems.
Review implementation of updated HSES Management System across business functions.	HSES Management System policies and procedures have been updated and will be submitted to the Executive for approval.	Update of the company HSES policies and MS in line with ISO14001:2026 once published.
Issue revised Crisis Management Plan and train staff on changes to emergency response procedures.	Crisis Management Plan has been updated and will be submitted to the Executive for approval.	Further training on crisis management and emergency response to be held in 2026.

CORPORATE RESPONSIBILITY REPORT - CONTINUED



100%

Employees and relevant contractors have undertaken anti-bribery and corruption training by 31 December 2025.

Our objective is to conduct our business in an honest and ethical manner.

Preventing corruption

Pharos currently operates in Vietnam, which is allocated a low score on Transparency International's most recently published Corruption Perception Index ("CPI"), and is ranked number 81 (+1 since 2024) out of 182 countries in the 2025 CPI. Egypt is ranked at 130 on the same CPI (no change since 2024). We recognise that, with both areas of operation having a reputation for a lack of transparency and relatively high risk of corruption, it is vital that the Group's policies, procedures and working practices are fit for purpose. Pharos maintains internal control systems to guide and ensure that our ethical business standards for relationships with others are achieved. The Audit and Risk Committee and the Board have carried out a review of the effectiveness of the Group's risk management and internal control systems, see the Audit and Risk Committee report page 129. Bribery is prohibited throughout the organisation, both by our employees and by those performing work on our behalf. The Code

of Business Conduct and Ethics supports all businesses that are conducted in an honest and ethical manner across the organisation. Our Anti-Bribery and Corruption ("ABC") programme is designed to prevent corruption and ensure systems are in place to detect, remediate and learn from any potential violations. This includes due diligence on new vendors, annual training for all personnel, requisite compliance declarations from all associated persons, Gifts and Hospitality declaration and comprehensive 'whistleblowing' arrangements.

Our Whistleblowing Policy and associated procedures ensure that employees are protected from possible reprisals when raising concerns in good faith. In addition to internal reporting channels, we have a dedicated, anonymous and confidential ethics hotline with numbers displayed in our local offices available 24 hours a day all year round. Zero calls were made to the hotline in 2025.

Payments to host governments

Wealth generated by natural resources plays an important part in the growth and development of countries in which we operate. Revenues to governments become payable by the Group due to oil production entitlements, taxes, royalties, licence fees and infrastructure improvements.

During 2025, the total payments to governments for the Group amounted to \$133.6m (2024: \$160.3m), of which \$116.5m or 87% (2024: \$138.7m or 87%) was related to the Vietnam producing licence areas, of which \$77.8m (2024: \$92.9m) was for indirect taxes based on production entitlement. In Egypt, payments to government totalled \$14.6m (2024: \$19.1m), of which \$14.2m (2024: \$18.5m) related to indirect taxes based on production entitlement. More information on payments to host governments can be found on page 215.

Overall objective

To conduct our business in an honest and ethical manner.

2025 Objectives	2025 Outcomes	2026 Objectives
All personnel to complete the annual ABC programme including training, testing and self-declaration statement.	Completed.	All personnel to complete the annual ABC programme including training, testing and self-declaration statement.
Continue to review ABC programme and update as required.	No updates required.	Continue to review ABC programme and update as required.
Update and republish the Modern Slavery annual statement and all other corporate policy statements.	The annual statement on Modern Slavery has been reviewed by the Board and republished on the Pharos website.	Update and republish the Modern Slavery annual statement and all other corporate policy statements.

CORPORATE RESPONSIBILITY REPORT - CONTINUED

People



Our objective is to ensure the health, safety, security and welfare of our employees and those with whom we work and to ensure that we have a workforce that is performing at its best.

Occupational health and safety

Safety is the highest priority in our business and we are committed to operating safely and responsibly at all times and to providing a safe and healthy working environment for staff and contractors. Following on from our Health, Safety and Environment Policy and Code of Business Conduct and Ethics, our HSES MS provides the framework for our approach and is implemented at each stage of a project supported by Occupational Health and Safety Guidance and Standard Operating Procedures. In 2025, Pharos continued to work with our partners in Vietnam where the HLHVJOCs continued to maintain a high level of safety. In Vietnam, the Company recorded zero LTIs

during the year, an achievement which the JOCs have maintained since Pharos' operational inception, representing 10+ production years on TGT and CNV. We have worked to build and contribute to improvements in the safety culture in Vietnam and we are proud of that record of achievement. HSES training, drills, workshops and inspections are conducted on an annual basis to ensure that the zero lost time injury target is maintained.

We are able to share our practices and lessons learned with others in the industry and are contributing to further capacity building.

In Egypt, one motor vehicle crash was recorded in 2025. On 20 July 2025, a White Eagle road tanker truck overturned on the Cairo-Suez desert road, approximately 20 km before reaching the Suez Oil Processing Company (SOPC), resulting in a spillage. The accident was also recorded as a roll-over but did not result in any physical injury.

Safety of our workforce remains our number one priority and Pharos has reinforced the use of stop cards and safety training across all of the Group's operations.

Safety record

KPI	Target rates	2025 ¹		2024		2023	
		Pharos	IOGP ⁴	Pharos	IOGP ⁵	Pharos	IOGP ⁴
Fatal Accident Frequency Rate ¹	Zero	0		0	0.77	0	0.82
Lost Time Injury ("LTI") Frequency Rate ²	Zero	0		0	0.24	0	0.24
Total Recordable Injury Rate ³	Zero	0		0	0.81	0	0.84
Million man-hours worked		3.34		3.26	4,159	3.59	3,291

1) Fatal accident frequency rate: Number of fatal accidents per hundred million man-hours for both employees and contractors

2) Lost time injury frequency rate: Number of lost time injuries per million man-hours for both employees and contractors

3) Total Recordable Injury rate; Number of recordable injuries per million man-hours for both employees and contractors

4) International Association of Oil and Gas Producers ("IOGP") - Statistics not yet available for 2025

5) For IOGP frequency rates, the number of hours used depends on the indicator and can be slightly under the total number of work hours in the database.

CORPORATE RESPONSIBILITY REPORT - CONTINUED

Critical Incident Risk Management

Pharos has emergency response plans in place for all projects and assets. The plans are communicated to the workforce and response personnel receive training to ensure they are competent to carry out their emergency roles. This is supplemented by periodic refresher training. Drills and training exercises are carried out. We ensure asset integrity and control operations in order to effectively manage all significant risks during all stages of the operations.

During 2025, there were no Process Safety Events classified Tier 1 or Tier 2 to be reported. 11 security incidents were recorded corresponding to 11 breaches of wellhead safety zone by fishing boats in Block 16-1 in Vietnam. All incidents were investigated and lessons learned as appropriate and actions to prevent recurrence were implemented although breach of the safety zone by fishing boats is a recurrent issue.

Safety indicators (for both Pharos employees and contractors)

Indicator	2025
Lost Time Injury frequency rate ("LTI")	0
Fatal Accidents	0
Medical Treatment Cases	0
First Aid Cases	0
Number of Motor Vehicle Crashes	1
Roll-over	1
HSES Near Miss	1
HSES Inspections	811
HSES Audits	959
HSES Toolbox Talks	6,942
HSES Meetings	516

Safety indicators

Indicator	2025
Emergency Response Drills	131
Process Safety Events (Tier 1 or Tier 2)	0
Other minor events	0

Security indicators

Indicator	2025
Security incidents	11

Diversity, Equity and Inclusion (D,E&I)

Greater diversity and inclusivity brings greater understanding of people. Through our five Guiding Principles of 'Safety and Care', 'Energy and Challenge', 'Openness and Integrity', 'Empowerment and Capability' and 'Pragmatism and Focus', we have demonstrated our commitment to maintaining and building a culture of diversity and inclusion in meaningful ways.

We believe in a workforce with a diversity of experience, nationalities, cultural backgrounds and gender, to support our business strategy of long-term sustainable growth. It is crucial to the success of our business that we retain and develop the diversity of our workforce and have diversity and inclusion at the heart of our recruitment, development and promotion processes.

Our Code of Business Conduct and Ethics, associated Policies and the Pharos Guiding Principles commit us to providing a workplace free of discrimination where diversity is valued and all employees can fulfil their potential based on merit and ability. They also commit us to providing a fully inclusive workplace, while providing the right development opportunities to ensure existing staff have rewarding careers. During the year, we conducted a comprehensive diversity, equity and inclusion (DE&I) survey to gain deeper insight into employee experiences and perspectives, and complemented this with cross-company cultural awareness training designed to enhance understanding, collaboration, and inclusive behaviours across all teams. Preliminary discussions have taken place to understand needs and resources, forming the basis for more targeted work in 2026.

2025 statement of compliance with the Listing Rules on Diversity & Inclusion

The spirit of diversity, inclusion and trust lies behind everything we do. We are committed to inclusion and diversity in all areas of the business.

Throughout the year, the Company complied with 2 out of 3 targets set by LR 6.6.6R(9)(a) of the FCA's Listing Rules. As at 31 December 2024, the Company had:

- Three female Directors, representing half of the Board
- All Executive Director positions (Chief Executive Officer and Chief Financial Officer) held by women

The LR 6.6.6R(9)(a) target with which the Company did not comply in 2025 related to ethnic diversity. That Listing Rule establishes a target for listed commercial companies of having at least one member of the Board from a minority ethnic background. Unfortunately, the accelerated process to identify and appoint a new Chair during 2025 in consultation with the Company's largest shareholders limited the opportunity to consider minority ethnic candidates for the position. In the future recruitment of both NEDs and Executive Directors, the Company will continue to seek and welcome candidates for the Board from a minority ethnic background. There is also significant diversity within wider organisation. Equality, diversity and inclusion sit at the heart of our recruitment, development and promotion processes.

The graphic consists of five vertically stacked icons on the left, each with a corresponding text label on the right. The icons are: 1. A hand holding a heart with a plus sign. 2. A bar chart with an upward arrow. 3. Two speech bubbles with a plus sign. 4. A star above a bar chart. 5. A gear with a magnifying glass over it.

The Company aim to enhance performance management processes to ensure we promote equity, transparency, and consistent leadership accountability across the Group.

We work hard to ensure that we consult and engage with all of our employees. We value the contribution made by all employees and strive to have training and development opportunities for everyone.

CORPORATE RESPONSIBILITY REPORT - CONTINUED

2025 Gender diversity(*)

Male

Female

Non-Executive Directors

3 1

Executive Directors

2

Senior Management

2

Other Employees

13

15

* Figures correct as at 31 December 2025 and represent the Group's global workforce (Egypt, Vietnam, UK), not including contractors. Gender diversity data is collected from Pharos' Human Resources ("HR") database, in which employees fill in a questionnaire upon joining the Company. Gender diversity data is assumed to be consistent year-on-year, unless the Company is notified otherwise by the employee.



Local capability building

We are committed to providing meaningful opportunities for technical cooperation, training and capacity building in host countries. We have maintained a gender-neutral recruitment process and, wherever possible, are ensuring that we first look to fill any vacancy internally with a local candidate in London, Vietnam and Egypt.

In Egypt, under the El Fayum and North Beni Suef Concession Agreements, the Contractor party commits to a total of \$200,000 split equally between the two Concessions for training and development of employees. Under the consolidated Concession Agreement, when signed, the Contractor parties expect to make an annual contribution of up to US\$200,000 towards training and development, with the exact amount dependent on the status

of exploration and development areas within the Concession from time to time. In Vietnam, as part of the HLHVJOCs, we contribute to local capability building. A training levy of \$150,000 for each JOC goes into a fund which is ring-fenced to support the development of future talent in Vietnam in the industry. The HLHVJOCs also invest in staff development and training.

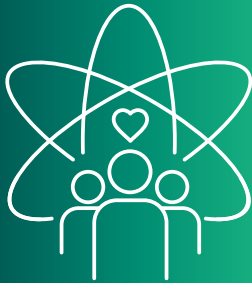
Overall objective

To ensure the health, safety, security and welfare of our employees and those with whom we work; to sustain and grow a global culture of diversity and inclusion such that diversity is at the core of who we are and where inclusion drives innovation and solutions.

2025 Objectives	2025 Outcomes	2026 Objectives
We are strengthening our commitment to ethical leadership through effective DE&I governance and meaningful engagement initiatives that uphold our moral obligation to create an equitable workplace where all employees are valued and can thrive with dignity and respect.	We conducted a comprehensive DE&I Survey to gain deeper insight into employee experiences and perspectives, and complemented this with cross-company cultural awareness training designed to enhance understanding, collaboration, and inclusive behaviours across all teams.	Enhance performance management processes to ensure they promote equity, transparency, and consistent leadership accountability.
Develop succession planning program with focus on diverse talent.	Preliminary discussions have taken place to understand needs and resources, forming the basis for more targeted work in 2026.	
Ensure worker health and safety is maintained to a high standard during both desk-based and operational activities.	Worker health and safety was adequately maintained with no recordable injury or ill-health reported. Where incidents (including near-misses) occurred, thorough investigations were carried out and lessons learned were captured and communicated. Safety workshops are routinely held to raise awareness.	Maintain worker health and safety to a high standard during both desk-based and operational activities.

CORPORATE RESPONSIBILITY REPORT - CONTINUED

Society



Our Social Responsibility and Human Rights Policies set our requirements for social responsibility, community engagement and human rights.

Human Rights & Modern Slavery

The Group Human Rights Policy commits Pharos to conducting its business in accordance with the fundamental principles of human rights set out in the Universal Declaration of Human Rights and reflects the terms of both the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights. Together with our Social Responsibility Policy, it sets out our commitments to align with the Voluntary Principles on Security and Human Rights. We respect indigenous rights and cultures of the communities where we operate.

Our human rights due diligence includes processes to address, monitor and communicate actual or potential impacts.

For Egypt, all Group corporate policies including the Human Rights Policy and the Social Responsibility Policy, have been translated into Arabic for dissemination locally.

In accordance with the UK Modern Slavery Act, Pharos reports annually on the steps it has taken to mitigate the risk of modern slavery occurring in any part of its business. The Group's Statement on the prevention of Modern Slavery and Human Trafficking is available on the Company's website at www.pharos.energy/responsibility/policy-statements/

Local capacity

We support local capacity building during the exploration or development phases of a project to ensure a positive imprint and legacy. All our licence agreements include a high degree of local content, which commits us to hire locally where possible and provide training to develop new skills. Our policy commits us to provide meaningful opportunities for technical co-operation, training and capacity building within any host country in which we operate.

Community and social investment

Pharos remains committed to creating value for host countries and local communities as well as for staff and shareholders. We understand that our success is reliant upon building and maintaining strong relationships and being welcomed as a responsible partner in our host countries and communities. In recent years, we have structured our social investment programme to align more with the United Nations Sustainable Development Goals (UN SDGs).

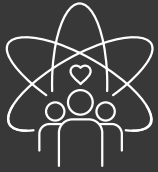
In Vietnam, commitment to local sourcing, employment, training and industry capacity building has continued in 2024 with a training levy of \$300,000 per year in a ring-fenced fund to support developing future Vietnamese expertise in the industry. In Egypt, under the El Fayum and North Beni Suf Concession Agreements, the Contractor parties contribute a total of \$200,000 per year split equally between the two Concessions to support training and development in industry. Under the consolidated Concession Agreement, when signed, the Contractor parties expect to make an annual contribution of up to US\$200,000 towards training and development, with the exact amount dependent on the status of exploration and development areas within the Concession from time to time.

Pharos works closely with our local partners and joint ventures in order to make sure that our social initiatives in the region continue to bring more positive impacts to the region. In addition to the training levy mentioned above, Pharos and our local partners also contributed a further \$253,699 in 16 healthcare, education, infrastructure and other community projects in Vietnam and Egypt in 2025. This is thanks to the efforts of the JOCs and in-country employees who actively inquired and listened to locals to find out which areas of the country need the greatest assistance in order to ensure that we were investing in local projects that would bring the most sustainable positive impact to the community.

Social and community projects have been part of Pharos since inception, and we have always sought to invest sustainably via the HLHVJOC Charitable Programme so that the initiatives that we helped set up stay in place and have lasting impacts for many generations. The Group also established a Charity and Community Projects Committee, an outcome accumulated from positive and open discussion with the global workforce at the Company's offsite day in 2023, to bring together employees from all three offices in the UK, Egypt and Vietnam to extend Pharos' social impacts beyond our host nations. The Charity and Community Projects Committee, which includes employees from multiple business functions and multiple countries, met nine times in 2025, and have supported \$164,167 in 12 different social projects across three different countries. The Committee aims to continue its work in supporting a diverse mix of social causes in 2026.

Details of charitable projects supported by the HLHVJOC Charitable Programme and Pharos' Charity and Community Projects Committee can be found below.

CORPORATE RESPONSIBILITY REPORT - CONTINUED



Community projects across the Group in 2025

1 NO POVERTY



UN SDG 1 – No poverty

End poverty in all its forms everywhere

- Monthly living costs support for 20 orphans in Vietnam
- Vietnamese Lunar New Year (Tet) gifts for people from low-income families in various provinces and communities in Vietnam

3 GOOD HEALTH AND WELL-BEING



UN SDG 3 – Good health and well-being

Ensure healthy lives and promote well-being for all at all ages

Financial support to :

- **Madgi Yacoub Foundation** – a charitable non-governmental organisation that provides free medical and surgical care for underprivileged children with cardiovascular diseases
- **London's Air Ambulance** – to support day-to-day emergency services
- **Vietnamese Heart Surgery Fund** – to fund life-saving heart operations for financially disadvantaged children with congenital heart defects
- Essential medical equipment to support new-borns and premature babies in rural areas in Vietnam
- Free Eyes Surgery programme and Congenital Heart Defect Screening programme
- Renovation for Hemodialysis Room in Tien Dien Medical Center in Ha Tinh, Vietnam
- Association of People with Disabilities, Soldiers and Matyrs, and Victims of Agent Orange/Dioxin (“VAVA”)

4 QUALITY EDUCATION



UN SDG 4 – Quality education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

- University tuition fees and living costs support towards orphans at Amalna City Association in Egypt
- One academic year tuition fees for kindergarten children from low-income backgrounds in Vietnam
- Financial support to:
 - An education fund for high-achieving students from ethnic minority, low-income backgrounds in Vietnam
 - Room to Read – supporting children in communities experiencing deep educational, gender and economic inequities
 - Improve learning and teaching experience for students at Hanoi School for the Hearing-impaired in Vietnam

CORPORATE RESPONSIBILITY REPORT - CONTINUED



UN SDG 9 – Industries, innovation and infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

- Financial support towards the construction of:
 - IT room for students from underprivileged communities in Vietnam
 - Construction projects to build education and cultural centres in Thanh Hoa province
 - New homes for disadvantaged households living in poverty in Cam Ranh, in collaboration with the Vietnam Red Cross
 - Swimming pools in Ha Tinh, Vietnam for children to learn swimming skills
- Donations to support people in provinces affected by recent natural disasters, typhoons, and floods in northern Vietnam
- Donations to repair and upgrade roads and local infrastructure in Phu Tho, Vietnam
- Donations to upgrade the school yard in Yen Loi Primary School, Ninh Binh, Vietnam



UN SDG 16 – Peace, justice and strong institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

- Financial support for Blue Dragon children’s foundation - Protecting Children and Preventing Human Trafficking

Total \$417,867

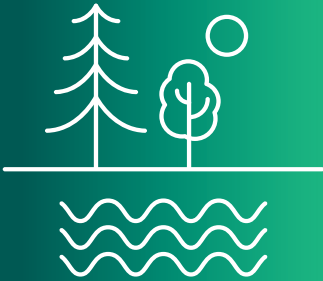
Overall objective

To consult with and contribute into our host communities.

2025 Objectives	2025 Outcomes	2026 Objectives
Continuation of the social investment programme in Vietnam	On target	Continuation of the social investment programme in Vietnam
Continuation of the social investment programmes in Egypt and UK	On target	Continuation of the social investment programmes in Egypt and UK

CORPORATE RESPONSIBILITY REPORT - CONTINUED

Environment



We recognise the potential impacts of our business on the environment. Our Health, Safety and Environment Policy sets out our commitment to conduct all business activities in a responsible manner. In setting the Group's corporate responsibility priorities, our objective is to protect the environment and conserve biodiversity.

Net Zero Roadmap & Emissions Management Fund

In December 2023, Pharos published its Net Zero Roadmap following its formal commitment in September 2022 to achieve net zero greenhouse gas (GHG) emissions by 2050. The Roadmap is reviewed and updated on an annual basis.

The Net Zero Roadmap, which was researched and developed by the Company in close consultation with specialist advisors and consultants, models emission reduction pathways to achieve net zero Scope 1 (direct) and Scope 2 (indirect) GHG emissions from all existing and proposed future assets by 2050 or before. Based on this modelling, the roadmap contains interim targets set against the Company's 2021 baseline year, which have been approved by the Board.

In order to realise our climate commitment to achieve Net Zero GHG emissions from all our future and existing assets by no later than 2050, Pharos prioritise reducing emissions by achieving operational efficiencies, reducing flaring and venting, replacing the power consumption of our facilities with lower emission energy sources and eventually procuring nature-based carbon offset projects for hard-to-abate, residual emissions.

More details of our climate strategy, including interim targets and the decarbonisation levers at asset-levels, can be found in our Net Zero Roadmap published in December 2023 on our website (https://www.pharos.energy/media/b55c4sqz/pharos-energy-net-zero-roadmap-2023_official.pdf), or on pages 97 to 99 of this Annual Report, which included the latest updates and progress against the Roadmap.

The Group has non-controlling equity stakes in its producing assets and is predominantly non-operating. As a result, it has no direct control over the majority of its emissions inventory but it can exercise influence through the joint operating companies (JOCs) in Vietnam and Egypt in conjunction with the other JOC partners. The Company will use the net zero roadmap to continue to engage with the JOCs, partners and governments on reducing emissions where possible through the options identified. To the extent within its control, the Company will continue reducing its own emissions and remain committed to transparency in reporting and to keeping stakeholders updated on progress.

In addition, the Company established an Emissions Management Fund in September 2022. From every barrel net to the Group sold at an oil price above \$75 per barrel, a contribution of \$0.25 is made to the Fund. The current value of the Emissions Management Fund is now c.\$964,000. In line with the net zero roadmap, this Fund is available to provide financial support for emissions management projects undertaken directly by the Group or through the JOCs.

Greenhouse gas emissions ("GHG")

GHGs emissions associated with energy use and with natural gas flaring and venting are a key issue for the Group.

In 2025, we continued to monitor our emissions and disclose them in accordance with industry requirements and standards. Additionally, we also participated in the Carbon Disclosure Project ("CDP"), details of which can be found in the Business section of this report on page 73, and continue to align our disclosure with TCFD recommended disclosures, details of which can be found in our TCFD report on page 81.

CORPORATE RESPONSIBILITY REPORT - CONTINUED

GHG reported

Pharos reports carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O) combined into carbon dioxide equivalent (CO₂e) based on the gases' 100-year Global Warming Potential (GWP). These three gases are produced through combustion, although N₂O quantities produced via combustion is relatively small.

In addition to emissions resulting from combustion, Pharos is reporting its direct methane emissions from routine venting and has been doing so since 2021.

The other greenhouse gases, HFCs, PFCs and SF₆, are not closely associated with the petroleum industry. Their respective emitting activities are not core parts of Pharos operations. The total emission of these gases is therefore expected to be small and has not been calculated.

Emissions scope

Reported Scope 1 direct emissions comprise direct GHG emissions resulting from equipment or other sources owned (partly or wholly) and/or operated by the Company (for example, gas flaring operations and fuel gas/diesel use to generate power or for vehicle use, as well as venting). Reported Scope 2 indirect emissions comprise those arising from purchased energy already transformed into electricity, heat or steam generation. For Pharos activities, Scope 2 emissions comprise electricity supplied by the national grid in our Cairo office (Egypt) and in Ho Chi Minh City (Vietnam). On 8 March 2025, electricity from grid was connected to the Silah camp and mess hall too. Pharos is not an operator on any of our producing assets, so we do not have direct control over our oil and gas production. This is in the hands of the JOCs, each of which is staffed by experienced oil and gas professionals with strong track records of delivering responsible production. Certain Pharos personnel are seconded to senior positions in the JOCs in Vietnam, providing a degree of influence in operational planning and execution.

We recognise that Scope 3 value chain emissions can help companies have a better and more comprehensive understanding of their overall emissions footprints. Value chain emissions have also seen an increasing amount of focus from a wide variety of stakeholders. Pharos carried out an annual high-level materiality assessment review across our portfolio against the 15 categories listed in the GHG Protocol to understand which categories are relevant, material and reportable for Pharos. The materiality assessment took into account several factors including the relevance to oil exploration and production activities, stakeholders' views, data completeness and availability, peer groups' reporting journeys, and Pharos' ability to influence the emissions.

Pharos have identified a number of categories determined to have low materiality threshold or relevance and therefore do not report on these categories at this time. These categories are:

- **Category 12 – End-of-Life Treatment of Sold Products**

This is not material for Pharos as we do not produce non-fuel products (such as lubricants or plastics) that are disposed in landfills or via incineration.

- **Category 13 – Downstream Leased Assets**

This is only material for companies with significant leased assets where the company leases assets to others, which Pharos do not do.

- **Category 14 – Franchises**

This is immaterial for Pharos as we do not own franchises.

As at year-end 2025, we have calculated emissions from Category 4 – Upstream Transportation, Category 6 – Business Travel, and Category 11 – Use of Sold Product, as defined in the GHG Protocol. Category 4 and Category 11 are highly-material categories for Pharos. Further details can be found in our Corporate Responsibility Non-Financial Indicators on page 80 and in our TCFD report under '4. Metrics and Targets' on pages 95 to 96.

Reporting boundary

Pharos has elected to report its emissions of GHGs from Egypt and Vietnam operations on the basis of equity share.

Under equity share reporting, Pharos reports a pro-rata share of the Scope 1, 2 & 3 GHG emissions from partnerships or assets over which the Group has operational control (i.e., Vietnam Blocks 125 & 126) and a pro-rata share of the emissions from partnerships or assets it does not control (i.e., Vietnam Blocks 9-2 and 16-1 and Egypt, all of which are operated through JOCs) according to its ownership interest. Since the middle of July 2021, Pharos has rented a flexible office space in London. The electricity consumption and GHG emissions of this office space are not included in the report because they are not disclosed by our provider. However, the corresponding energy usage would only contribute an insignificant portion of our total carbon footprint.

Pharos Energy commits to making all efforts to minimise all GHG emissions during its ongoing exploration activities in Blocks 125 & 126, where it has operational control. Where we are a joint operating partner, we seek to influence and ensure alignment with our systems to promote best practice. Where we have a minority interest, we seek to make our views heard and ensure that minimum standards are met in accordance with our commitment to the IFC Performance Standards and TCFD recommendations.

CORPORATE RESPONSIBILITY REPORT - CONTINUED

Methodology

Pharos applies the expectations set by the ISO 14064-1 standards in terms of Relevance, Completeness, Consistency, Transparency and Accuracy which are endorsed by IPIECA, the Greenhouse Gas Protocol Initiative and Part 7 of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. Emission factors for GHG calculations were taken from UK Government GHG Conversion Factors for Company Reporting (DESNZ, 2025), EEMS, 2008, Atmospheric Emissions Calculations, IGES List of Grid Emission Factors (M. Azuma & M. Louhisuo, 2024) and Ecometrica, 2011. For the calculation of associated gas consumed and flared in Vietnam, the emission factors were calculated based on the carbon content of gas analysed by the Vietnam Petroleum Institute in October 2025 at the CNV field, and at the gas export metering skid of TGT also in November 2025 for the TGT field. For the calculation of gas consumed, vented and flared in Egypt, the emissions factors were calculated based on the carbon content of gas analysed at the North Silah Deep-2, North-East Tera, South Silah and Silah Base Separators (EPRI Central Analytical Labs, 2018), North Silah Deep-1 station production separator (EPRI Central Analytical Labs, 2026) as well as at the Aboud 1-3 and NBS-SW-1X well locations (2024).

In 2025, we have again reported our GHG emissions intensity in tonnes of GHG per 1,000 tonnes of hydrocarbon produced by equity share to align with the International Association of Oil and Gas Producers ("IOGP") benchmarks.

Key sources of our emissions are from flaring and use of associated gas as fuel to generate power on our offshore production sites in Vietnam and likewise for our onshore production in Egypt. Since 2021, in addition to our emissions from combustion which had been the focus of Pharos reporting until then, we have reported our direct methane emissions resulting from venting, with the latter being another significant contributor to our overall emissions. In 2025, gas fuel and gas flaring in TGT remain the largest single contributor to Pharos total emissions. Flaring accounts for 24 percent of emissions and venting in Egypt represented 12 percent of our gross emissions.

The Group's total CO₂e emissions for 2025 are 79,550 tonnes of CO₂ equivalent based on equity share (287,790 tonnes of CO₂ equivalent gross). This corresponds to a decrease of 6 percent compared to 2024 (both on equity share and gross values).

This year-on-year reduction in the Group's GHG emissions is results in particular from a reduction of venting in Egypt with the introduction of a gas flare at North Silah 2-1, 2-5 and 2-6 pad.

Activity data pertaining to GHG emissions by the HLHVJOCs and Egypt is reported to Pharos. TelosNRG assisted with data collation and GHG emissions calculations. Verification of the 2025 GHG Emissions Report has been undertaken by RPS Consulting UK & Ireland using the principles in BS EN ISO 14064-3:2019 (the Standard) with the following limits:

- Activity data completeness, accuracy and data collection and control procedures have not been verified. The majority of GHG emissions arise from activity in operations not under Pharos' direct operational (and data collection) control.
- Activity data from Pharos' Egypt operations is considered to have a higher risk of uncertainty
- It should be noted that petroleum companies' scope 3 GHG inventory are unique in that the use of the fuel products produced can contribute to emissions in other scope 3 categories. As such, there is by nature a risk of double counting between scope 3 categories
- Scope 3, category 11 data from Pharos' Egypt operations is considered to have a higher risk of uncertainty compared to other scope 3 data
- Egypt's Silah base reported electricity use for the first time in 2025, purchasing electricity from the National Grid. As such, it is noted that the data collection and calculation process for the corresponding emissions is by nature more uncertain than other, more established, emissions sources.
- There is inherent variability and uncertainty associated with the available methods for calculation of GHG emissions from activity data; reported emissions and the verification statement should be understood in that context

The Tetra Tech RPS 2025 GHG verification report is unqualified and covers all of our GHG metrics, including Scope 3 emissions.



Approaches to reducing emissions

In Vietnam, we continue to manage gas flaring by carefully monitoring and optimising the processing facilities in the TGT FPSO. In Egypt, we have continued to deploy gas generators at the well sites, connected the camp and mess hall in Silah base to the electricity grid and successfully installed the first hybrid fuel (solar photovoltaics and diesel) pump system in Silah; these actions help reduce diesel consumption and associated emissions. In terms of energy efficiency, the usage of a co-working space is an initiative to reduce both our cost base and our energy usage. This is a continuation of our energy-saving initiative from the previous year.

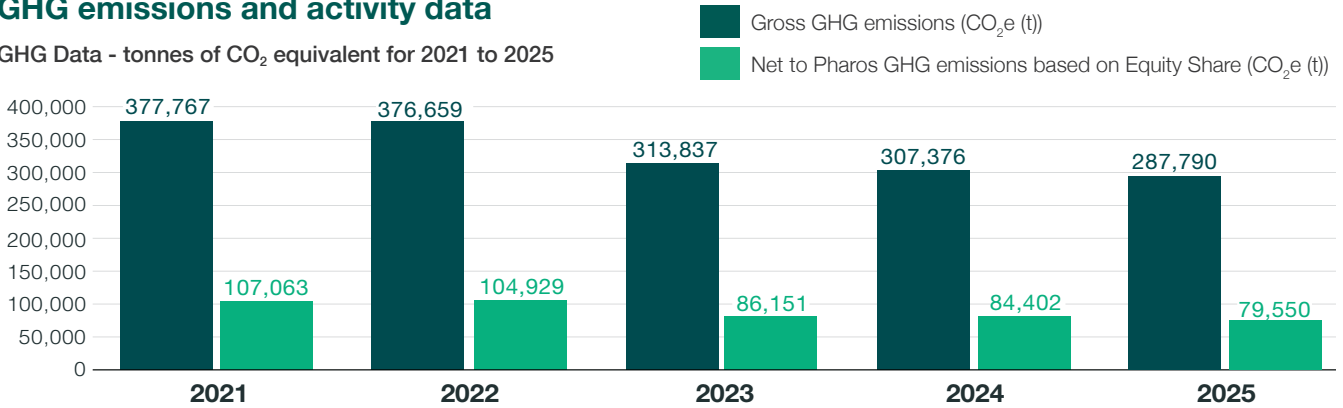
Annual Environmental Measurements - in accordance with the requirements of the Egyptian Environmental Law 4 for year 1994, the Company carried out annual environmental measurements, and all environmental measurements resulted in less than the threshold limit in the law.

Environmental permit non-compliances - the company achieved zero Legal Environmental Violation during 2025 and did not obtain any violations from the Environment Authority in Egypt in 2025.

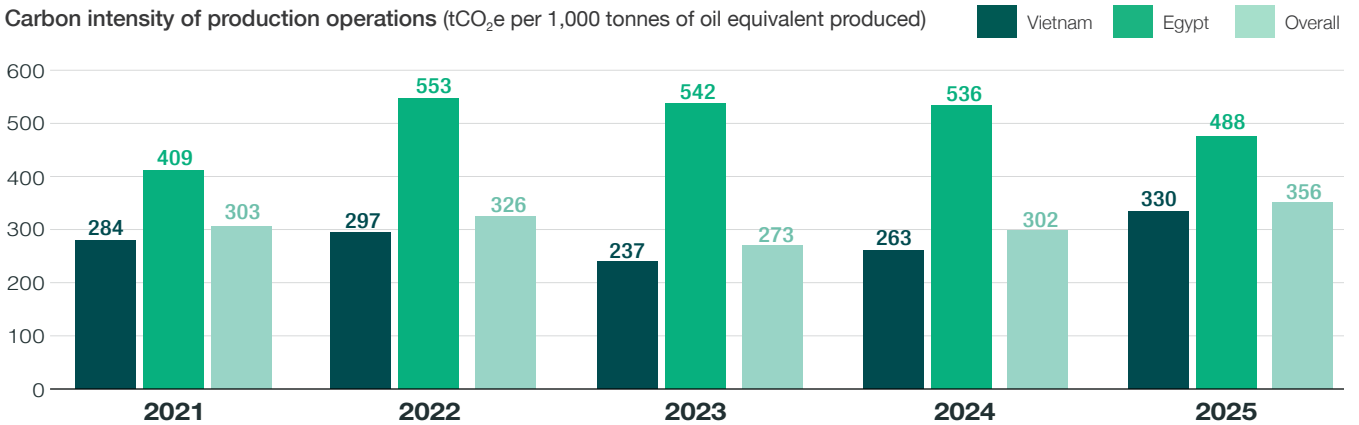
CORPORATE RESPONSIBILITY REPORT - CONTINUED

GHG emissions and activity data

GHG Data - tonnes of CO₂e equivalent for 2021 to 2025

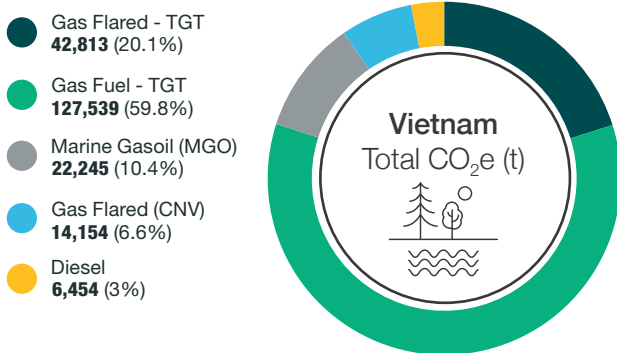


Carbon intensity of production operations (tCO₂e per 1,000 tonnes of oil equivalent produced)

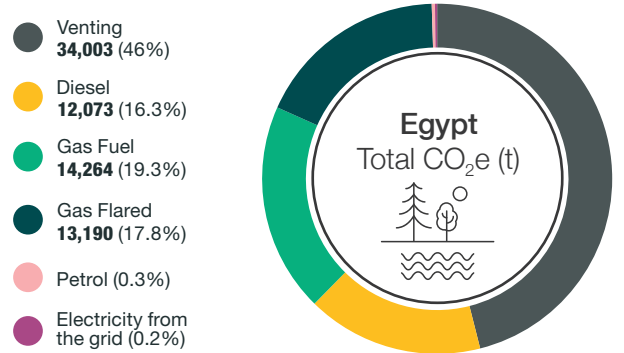


Charts: Scope 1 and 2 emissions from the Group’s operated and joint-operated projects on an equity share basis calculated pro-rata to its ownership interest.

Greenhouse Gas Emissions Contributors (Total CO₂e (t)) for 2025 – Vietnam (Based on total field emissions)



Greenhouse Gas Emissions Contributors (Total CO₂e (t)) for 2025 – Egypt (Based on total field emissions, including venting)



In 2025, 10 tonnes of gas were flared for every 1,000 tonnes of total hydrocarbon production from Group assets on a net equity share basis. This is half of the 20 tonnes for every 1,000 tonnes of total hydrocarbon production reported in 2024. The volume of gas flared in 2024 was particularly high due to a problem in the combustion chamber which resulted in a 12-day period during which the produced gas could not be exported and was flared.

In Vietnam, overall emissions in 2025 have increased slightly at CNV, due to higher flaring volumes, and decreased slightly at TGT, mainly due to a decrease in gas fuel consumption. In Egypt, emissions decreased due to the introduction of the flare stack at North Silah 2 pad, as associated emissions are now flared rather than vented.

Normalised emissions (intensity) at Group level have increased from 302 tCO₂e in 2024 to 356 tCO₂e per 1,000 tonnes of oil equivalent produced in 2025. The main reason for the increase in the normalised emissions ratio is the decrease in overall production volume.

CORPORATE RESPONSIBILITY REPORT - CONTINUED



Venting

Routine venting emissions have been included in the GHG report since 2021. Routine venting only occurs in Egypt. Although there is no routine venting in Vietnam, accidental leaks can occur. In addition, some activities do occasionally require depressurisation of differing process systems. In these instances, the system(s) are isolated, and depressurised to as low as possible, and then drained to a closed drain tank. A minor amount of gas commingled with liquid evacuates out through cold vent line to a safe area. Associated emissions are negligible (136 tCO₂e) but for the sake of completeness have been included within the report for 2025.

In 2025, the amount of associated gas used as fuel in gas generators in Egypt was 152 mmscf, which resulted in 14,264 tCO₂e (gross). However, had this associated gas been vented it would have resulted in emissions in the order of 47,975 tCO₂e, or 17 percent of the Group's total emissions on a gross basis.

Electricity

The Group's energy use from grid electricity was 337,963 kWh in 2025 for overseas offices in Egypt and Vietnam. In 2024, the Group's energy use was 328,060 kWh. Since 2021, Pharos has rented a flexible office/co-working space in London. The electricity consumption and GHG emissions of this office space are not included in the report because they are not disclosed by our provider. However, the corresponding energy usage would only contribute an insignificant portion of our total carbon footprint.

Effluents and waste

During 2025, Pharos had no recordable spills in Vietnam. In Egypt, on 20 July 2025, a White-Eagle road tanker truck overturned on the Cairo-Suez desert road, approximately 20km before reaching the Suez Oil Processing Company (SOPC). 178 of the 364 barrels of crude oil cargo were spilt on the ground and seeped into the sand on the right side of the road. The remaining 186 barrels of oil were recovered thanks to a vacuum truck. The concerted efforts from the Suez Civil Protection Authority, SOPC, PetroSilah, Al Nasr Petroleum Company (NPC) and White Eagle Company helped to completely clear the accident site, clean up remaining hydrocarbon spill and reopen the road to traffic.

The incident was investigated and lessons learned as appropriate and actions to prevent recurrence were implemented.

Water is extracted along with hydrocarbon reservoir fluids as part of normal production operations; in Egypt, water is also withdrawn from deep saline aquifers and injected into hydrocarbon-bearing formations to enhance production. In 2025, we generated 6.7 million cubic metres of produced water. In Vietnam, the produced water is cleaned by separating the hydrocarbon phase before discharging to the sea in line with national standards.

In Egypt, our produced water is all disposed of in disposal wells. The company has three Produced Water Treatment Facilities (PWTF), two of them are in-service at the gathering stations in Silah and North Silah Deep (NSD) and the third is yet to be used at North-East Tersa. The produced water is being collected in both PWTF (Silah & NSD) and then disposed of by injecting it into the Abu Roach "E" formation through disposal wells at each location (approximately 5,000 bbls/d of water disposed into Silah-15 & 6,500 bbls/d of water into NSD-1-1).

In Vietnam, waste is generated from both our production operations as well as from our offshore drilling activities. Drilling waste includes cuttings, used oil and other materials. We work to recycle as much non-hazardous waste as possible. We have a third-party contract for the disposal of hazardous waste, with a reporting system into the specific Vietnamese authorities for checking, audit, and approval. In Egypt, waste generated is segregated into hazardous and non-hazardous waste and disposed of in a licensed facility.

Freshwater is used to support our operations. In 2025, freshwater consumption for both Vietnam and Egypt amounted to 28,888 cubic metres. Our use of freshwater has decreased by 57 percent compared to 2024.

CORPORATE RESPONSIBILITY REPORT - CONTINUED

Tonnes (t) of CO ₂ e equivalent for 2025 Operations			CO ₂ e (t)		CO ₂ e (t) per 1000 tonnes of hydrocarbon produced by equity share ³	
			Overall ¹	Based on equity share ^{1,2}	Per field	Per country
Country	Reported operations	Operational phase				
UK	Rented flexible office space - not reported	Administration (office – electricity usage)	–	–	–	–
Egypt	Office	Administration support for exploration	314	72	–	–
	El Fayum Concession	Production	73,656	16,838	488	488
		Field development	367	84		
Vietnam Cuu Long Basin (offshore)	Office	Administration (electricity usage)	4	4	–	
	Blocks 125 & 126	Desktop activities	0	0		
	Block 9-2 – Ca Ngu Vang (CNV) field	Production	15,300	3,825	92	
		Field development	2,628	657		330
	Block 16-1 – Te Giac Trang (TGT) field	Production	185,567	55,113	402	
Field development		9,955	2,957	–		
Total			287,790	79,550	356	

1) Figures include rounding to the nearest whole number.

2) Under equity share, Pharos reports a share of the emissions from the partnerships pro-rata its ownership interest.

3) GHG emission intensity is calculated, per field, and at country level, based on equity share, and gross/net boepd produced in 2025 in the CNV and TGT fields as well as in El Fayum and North Beni Suef Concessions. Conversion from BOE to TOE is based on the following factor: 1 toe = 7.59 boe for El Fayum, 1 toe = 8.68 boe for CNV and 1 toe = 7.72 boe for TGT.

Biodiversity

The Group's Biodiversity and Conservation Policy commits us to meet the objectives of the Convention on Biological Diversity (1992). We identify whether a project is located in modified, natural or critical habitats, or a legally protected or internationally recognised area; and whether the project may potentially impact on, or be dependent on, ecosystems services over which Pharos has direct management control or significant influence. In Egypt, the El Fayum Concession borders the multiple-use management area and the natural protectorate area of Lake Qarun which includes important bird habitats. It is adjacent to the Wadi El Rayan protected area, which includes the Wadi Al-Hitan World Heritage Site. In Vietnam, Blocks 125 & 126 are approximately 50km offshore to the Nha Trang Bay Protected Area and the Thuy Trieu Marine Protected Area. Consistent with the Biodiversity and Conservation Policy, Pharos does not operate in any UNESCO designated World Heritage Site and ensures that activities in buffer zones around these sites do not jeopardise the Outstanding Universal Value (as defined by UNESCO) of these sites.

In Vietnam, safe practices were adhered to ensure the surrounding environment is protected at all times:

- The oil in water content of produced water were continuously monitored,
- Hazardous wastes have been strictly managed, with hazardous wastes manifests completed and submitted to the relevant authorities,
- All waste waters and sewage generated on the drilling rigs, supply vessels and FPSO have been treated before discharge,
- All solid wastes were collected, segregated and transported to shore and sent to the appointed contractors who provided waste treatment system.

In Egypt, similar safe practices were in place:

- For normal waste, handling and disposal was undertaken in compliance with applicable environmental law and regulatory requirements, involving contracting with local units.
- Handling, transportation and disposal of hazardous waste was undertaken as follows:
 - solid hazardous waste to approved governmental landfill in El Nasrya in Alexandria,
 - liquid and solid hydrocarbon waste to approved landfill by contractor Petrotrade,
 - water-based mud cutting waste to the Fayum Governorate landfill.

An annual environmental monitoring was conducted over Petrosilah work locations by IMS Company to assess compliance with applicable environmental law and regulation.

We are committed to developing site-specific biodiversity action plans in the event that operational sites are within sensitive areas, incorporating country-specific strategies and action plans and working in association with external advisers to ensure that best practice conservation priorities are achieved.

CORPORATE RESPONSIBILITY REPORT - CONTINUED

**Non-Financial KPIs (HSES)**

KPI	Target – 2025	2025	2024	2023
Spills to the environment*	0	1	0	2

* Number of spills reported (quantities greater than 100 litres).

KPI	Target	2025	2024	2023
Solid non-hazardous waste produced (tonnes)	Set per project	86	130	100
Percentage of non-hazardous waste reused or recycled	Set per project	24	38	14
Solid hazardous waste (tonnes)	Set per project	47	175	69
Percentage of hazardous waste reused or recycled	Set per project	0	2	5

The higher amount of waste produced in 2024 was linked to the additional drilling activities carried out in Block 16-1 in Vietnam.

Overall objective

To protect the environment and conserve biodiversity

2025 Objectives	2025 Outcomes	2026 Objectives
Obtain all necessary environmental permits for all drilling programmes / seismic studies.	All necessary permits for our 2025 field development operations were obtained successfully.	Obtain all necessary environmental permits for all drilling programmes/ seismic studies.
Improve methane emissions management and reporting.	A GHG data collection protocol document was produced which documents data sources, review processes and calculation methodology for the different locations and GHG emission sources.	Improve methane emissions management and reporting.
Carry out further feasibility studies on CO₂ reduction technologies and implement those options deemed suitable for our assets.	Different technologies for reduction the GHG emissions intensity of our assets have been identified. In 2025, we successfully implemented a pilot hybrid fuel (solar PV and diesel) pumping system at one of the El Fayum wellsite locations.	Carry out further feasibility studies on CO ₂ reduction technologies and implement those options deemed suitable for our assets.
Continue alignment with TCFD disclosure & reporting. Annual review and update of Net Zero roadmap.	Completed. Updated Net Zero Roadmap can be found in the 2024 Annual Report & Accounts.	Continue alignment with TCFD disclosure & reporting. Annual review and update of Net Zero roadmap.

CORPORATE RESPONSIBILITY REPORT - CONTINUED

Corporate Responsibility Non-Financial Indicators

	2025	2024	2023
Hours worked (million)	3.34	3.26	3.59
Lost Time Injury Frequency Rate (number of lost time injuries per million man-hours)	0	0	0
Fatal Accident Frequency Rate (number of fatal accidents per hundred million man-hours)	0	0	0
Fatal Accidents	0	0	0
Total Recordable Injury Rate (number of recordable injuries per million hours worked)	0	0	0
Total Scope 1 & 2 GHG emissions (tCO ₂ e) by equity ²	79,550	84,402	86,151
Scope 1 total GHG emissions (tCO ₂ e) by equity	79,414	84,360	86,109
Scope 2 total GHG emissions (tCO ₂ e) by equity	135	42	42
Total Scope 3 total GHG emissions (tCO ₂ e) by equity ²	552,971	718,693	853,474
Scope 3 GHG emissions (tCO ₂ e) by equity – Business Travel	88	157	178
Scope 3 GHG emissions (tCO ₂ e) by equity – Upstream Transportation	1,044	1,089	1,285
Scope 3 GHG emissions (tCO ₂ e) by equity – Use of Sold Product	551,839	717,357	851,926
GHG intensity by production (tonnes of CO ₂ e per 1,000 tonnes of hydrocarbon produced by equity share)	356	302	273
Total hydrocarbons flared (Tonnes of hydrocarbons flared for every 1,000 tonnes of production on a gross basis)	10	20	17
Energy use (grid electricity kWh)	337,963	328,060	330,552
Total energy consumption (from fuel combustion, other operations and purchased electricity) in MWh ¹	246,726	255,243	237,729
Non-hazardous waste produced (tonnes)	86	130	100
Hazardous waste produced (tonnes)	47	175	69
Percentage non-hazardous waste recycled	24	38	14
Percentage hazardous waste recycled	0	2	5
Spills to the environment (>100 litres)	1	0	2
Oil in produced water content (Vietnam Blocks 16-1/9-2)	27	27	28
Freshwater use (cubic metres)	28,888	67,913	66,588
HSES regulatory non-compliance	0	0	0
Community investment spend (\$)	417,867	259,889	247,373

1) In line with the UK government's Streamlined Energy and Carbon Reporting (SECR) policy, energy consumption from fuel combustion.

2) Under Section 385(2) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations, 2013 and in line with the requirements of the Climate Change Act (2008), carbon reporting for UK-listed companies in directors' annual reports is mandatory for reports published after 30th September 2013. The regulations cover the six Kyoto Protocol GHG cited in Section 92 of the Climate Change Act: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC) and sulphur hexafluoride (SF₆). The Companies Act 2006 regulation does not state which methodology a company has to use but requires that this methodology is clearly disclosed.

TCFD REPORT

TCFD index table

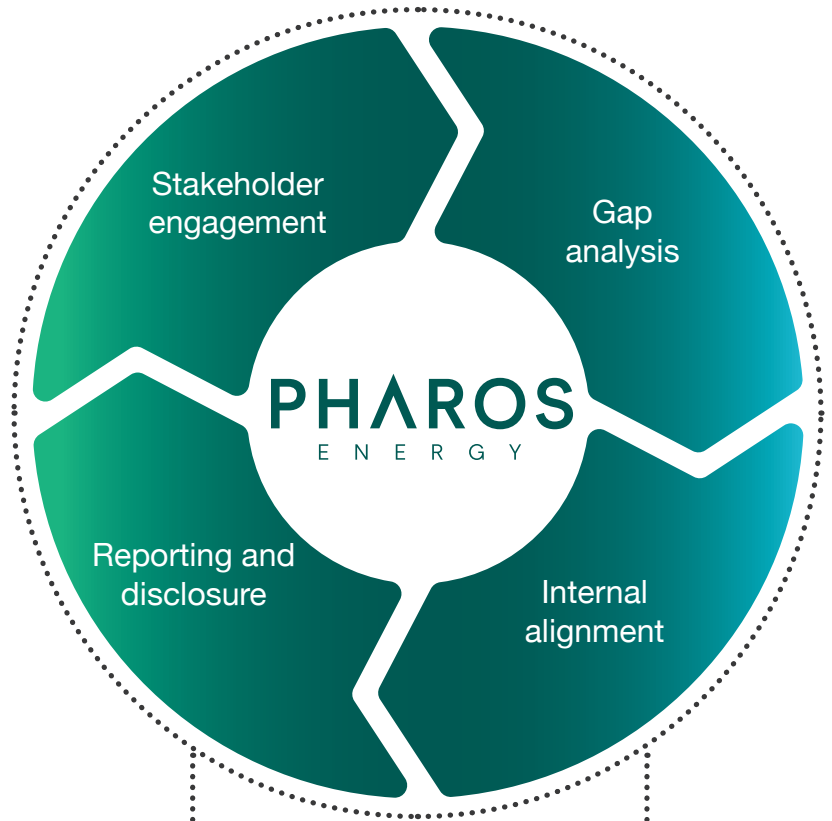
	Recommended disclosures	Status	Disclosure location
 Governance	a) Describe the board's oversight of climate-related risks and opportunities		<ul style="list-style-type: none"> Corporate Responsibility report, page 61 CEO's Statement, pages 24 to 25 ESG Committee report, pages 119 to 120 Audit and Risk Committee report, pages 129 to 136 Directors' Remuneration Committee report, pages 137 to 161 TCFD report, under 1. Governance, page 83
	b) Describe management's role in assessing and managing climate-related risks and opportunities		<ul style="list-style-type: none"> Risk Management report pages 45 to 50 Corporate Responsibility report, pages 60 to 61 Section 172 (1) statement pages 36 to 37 TCFD report, under 1. Governance, page 83
 Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term		<ul style="list-style-type: none"> Viability Statement pages 57 to 58 Risk Management report pages 45 to 56 TCFD report, under 2. Strategy, pages 84 to 94
	b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning		<ul style="list-style-type: none"> TCFD report, under 2. Strategy, pages 84 to 94
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related risks scenarios, including a 2°C or lower scenario		<ul style="list-style-type: none"> Viability Statement pages 57 to 58 TCFD report, under 2. Strategy, pages 85 to 94
 Risk Management	a) Describe the organisation's processes for identifying and assessing climate-related risks		<ul style="list-style-type: none"> Risk Management report pages 45 to 49 TCFD report, under 3. Risk Management, page 95
	b) Describe the organisation's processes for managing climate related risks		<ul style="list-style-type: none"> Risk Management report pages 45 to 53 TCFD report, under 3. Risk Management, page 95
	c) Describe how processes for identifying, assessing, and managing climate-related risks integrated into the organisation's overall risk management		<ul style="list-style-type: none"> Viability Statement pages 57 to 58 Risk Management report pages 45 to 53 TCFD report, under 3. Risk Management, page 95
 Metrics & Targets	a) Disclose the metrics used by the organisations to assess climate-related risks and opportunities in line with its strategy and risk management process		<ul style="list-style-type: none"> TCFD report, under 4. Metrics & Targets, pages 95 to 96
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks		<ul style="list-style-type: none"> Corporate Responsibility Non-Financial Indicators page 80 TCFD report, under 4. Metrics & Targets. pages 95 to 96
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets		<ul style="list-style-type: none"> TCFD report, under 4. Metrics & Targets, pages 95 to 96 Directors' Remuneration Committee report, pages 141, 142 and 151

TCFD REPORT - CONTINUED

Climate action at Pharos Energy

As an oil and gas company, we support the need for more consistent and comparable disclosure around climate-related risks and opportunities. The following pages align with 10 out of 11 recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD) and provide greater insight into our approach to assessing and managing the financial risks associated with climate change. We have included a TCFD index on page 81 as a quick overview of our TCFD disclosure.

As at year end 2025, Pharos consider ourselves to not be fully aligned with one TCFD recommendation: Metrics & Targets b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks. For 2025 the Group discloses its Scope 1 and Scope 2 greenhouse gas emissions and three Scope 3 categories, two of which have high materiality for Pharos. While the Group conducted materiality assessment against all 15 Scope 3 categories during the year as recommended by the TCFD guidelines, we are not able to report all Scope 3 categories either due to limitations of data collection and methodology, or some categories' immateriality to Pharos' operating model. As Pharos is in early stages of our Scope 3 reporting journey, we expect our reporting methodology as well as the availability and reliability of required data to improve over time, and we intend to integrate applicable improved data into our GHG reporting as it becomes available. We expect to be fully compliant with Metrics & Targets b) in the next three to five years.



Approach:

Adopt an integrated approach
Approach as cyclical process



Benefits:

Demonstrates awareness of growing importance of climate-related issues to key stakeholders

Staying ahead of mandatory disclosure requirements, focusing on efficiencies



TCFD REPORT - CONTINUED

1. GOVERNANCE

Pharos has a multi-layered governance structure that aligns our operating model with our climate and corporate responsibility ambition.

The Board takes overall responsibility for our Net Zero ambition, climate strategy and climate-related risk and opportunities. The Board ensures Pharos maintains a robust climate risk management and internal control systems, including high-level responsibility for setting and monitoring the company's GHG emissions reduction targets and climate ambitions. The Board has oversight of climate-related risks and opportunities and ensures climate-related considerations are embedded in our decision-making, including the application of strict financial discipline, such as our internal carbon price curves used in going concern and viability stress test scenarios, across all business decisions. At the project level, the assessment of climate-related risks and opportunities is an integral part of each exploration and development project. For example, in developing and updating the Group's Net Zero Roadmap, the Board has taken into consideration how investment in the development of future business assets may affect our Net Zero by 2050 ambition and how the Emission Management Fund can be utilised in decarbonisation opportunities. Through the Remuneration Committee, the Board ensures climate performance, including GHG emissions performance against our Net Zero target of 5% reduction by 2026 as part of our Net Zero Roadmap, is embedded in the corporate KPI.

Pharos has integrated management responsibilities into various business and functional areas, to which the Board delegates the corporate responsibility monitoring to the following Committees:

- **The ESG Committee** oversees the Group's management and compliance with climate-related reporting and disclosure requirements, as well as assists the Board in defining and implementing the Group's corporate responsibility strategy.
- **The Audit & Risk Committee (ARC)** oversees all principal and emerging risks in our risk management process, in which climate risk is considered a principal risk. The ARC monitors the methodologies used to test the going concern and viability resilience of our business and determine potential financial impacts of the Group's principal risks, including climate risk. It also oversees the adequacy and effectiveness of our policies, standards and management system for HSES.
- **The Remuneration Committee** oversees the level of management incentives attached to improvements in climate-related performance in order to further encourage action on this agenda.

For the current version of each Committee's terms of reference, please visit www.pharos.energy/about-us/governance/committees/.

Climate-related matters, as well as progress against our corporate responsibility performance and Net Zero ambitions, are reviewed and discussed at each committees meeting. Information is then communicated back to the main Board for consideration when they review the Group's strategy at each scheduled Board meeting. In 2025, each Committee met four times, as scheduled.

Below Board and Committee-level, our Chief Executive Officer and Chief Financial Officer manage our climate progress and are responsible for the delivery of our Net Zero strategy. Our internal Net Zero Working Group, formed in 2022 and includes inter-disciplinary representatives such as Reservoir Engineer, HSE Manager, Risk Manager, and Investor Relations, further supports the Executives to drive progress on our strategy. The Net Zero Working Group reports to the ESG Committee every quarter.

The Board takes an active approach to ensure its members are aware of key climate matters relevant to Pharos and the broader energy sector. In 2025, at every ESG Committee meeting, the Board spends a section of the agenda to understand and learn about new developments in the ESG landscape in the energy sector, such as Net Zero commitment across peers and emerging disclosure requirements such as ISSB. Climate intelligence reports and COP briefing notes prepared by the Company's sustainability advisor were also circulated to the Board as supplementary reading materials. These efforts play an important role in informing the Executive and Non-Executive Directors' consideration of climate-related matters and Pharos' Net Zero ambition in strategic planning and risk management activities.



TCFD REPORT - CONTINUED

2. STRATEGY

Our climate strategy

In order to realise our climate commitment to achieve Net Zero GHG emissions from all our future and existing assets by no later than 2050, Pharos prioritises reducing emissions by achieving operational efficiencies, reducing flaring and venting, replacing the power consumption of our facilities with less impactful energy sources and eventually procuring nature-based carbon offset projects for hard-to-abate, residual emissions.

More details of our climate strategy, including interim targets and the decarbonisation levers at asset-levels, can be found in our Net Zero Roadmap published in December 2023 on our website (https://www.pharos.energy/media/b55c4sqz/pharos-energy-net-zero-roadmap-2023_official.pdf). This Roadmap was researched and developed by the Company in close consultation with climate specialist advisors and ESG consultants. An updated version of the Roadmap can be found on pages 97 to 99.

We are committed to transparency in our climate-related disclosure and reporting. We strive to achieve a balance of delivering value to all stakeholders via cash returns and organic growth while minimising climate-related impacts on our long-term business model. Our purpose is to provide energy security for host countries in which we operate and helping local government achieve their economic development goals and prosperity using oil revenues from our operations.

Identifying climate-related risks and opportunities

Our business strategy is focused on generating sustainable value from our producing and development assets, including an infrastructure-led exploration approach to identify new resources near existing infrastructure. The Board holds an annual review of our corporate strategy, which incorporates an assessment of our current portfolio to inform forward looking plans to ensure the business maintains its resilience and is positioned for growth. In 2023, Pharos, with the support of a TCFD consultant, undertook an initial scenario analysis exercise to assess the impact of these physical and transitional risks and opportunities on our portfolio. Building on these scenario analyses, in 2025 and 2026, Pharos conducted further internal discussions with our finance and commercial team and Risk Manager to update and assess the materiality of these climate-related risks based on timeframe, severity, and likelihood rating, details of which can be found below. For example, risks that have a low likelihood rating are still deemed to be material if its severity is considered to moderate or above in the short or medium term, and vice versa. The scenarios helped the Company to better understand and assess the impact of possible shifts in the macroeconomic outlook, technology developments, policy and legal implications, and the projected future demand for our products.

Internally, our approach to identifying risk is consistent for all other principal and emerging risk, which is through a well-established Risk Management Framework and is informed by a wide range of information sources and regularly reviewed by relevant risk owners. More information on the Risk Management Framework can be found in our Risk Management Report on page 46. In addition to the above framework, for climate-related risks, the Company also use scenario analyses to help us identify and assess the size, scope and significance of climate-related risks and opportunities relative to other risks in the matrix. Our approach to identifying climate-related risks and opportunities will continue to evolve as the depth of understanding grows across our organisation. We continue to embed consideration of transition and physical risk exposure in our business planning and decision making.

The risk rating for each scenario is based on Likelihood (L) multiplied by Severity (S), aggregated across all three time periods with the following weightings: for likelihood, short-term (0-3 years) 40%; medium-term (3-5 years) 30%; long-term (5-10 years) 20%. The weightings reflect the diminishing level of confidence associated with longer term projections. The results of these risk rating and weighting assessments helped Pharos identified the impact of these risks and which area of operations may be affected, details of which can be found on pages 86 to 94.

We have aligned our climate-related risks and opportunities to our cross-industry metrics and targets in 4. Metrics and Targets on page 95. For example, the Emissions Management Fund reflect the capital available to be invested in emission reduction projects to mitigate the impact of transition risks, such as carbon pricing, and utilise low-carbon transition enabling technology opportunities. Risk of restrictions of use of carbon intensive assets is considered when we conduct sensitivity analysis and calculate the anticipated impact to the business. Additionally, our CO₂ emissions performance metrics are directly linked to the targets in our Net Zero Roadmap. Emissions reduction incentives are part of all employee and directors' remuneration and annual bonus schemes, further incentivising our emission reduction efforts.

TCFD REPORT - CONTINUED

Assessing the impact of transition and physical risks on our business



1. TRANSITION RISKS AND OPPORTUNITIES

The most material transition risks and opportunities facing Pharos have been identified through literature review and discussions with our TCFD consultant as well as other commercial, risk and operational Pharos colleagues. The potential impacts of these transition risks and opportunities are assessed under two different emissions scenarios, in the short, medium and long term (0-3 years, 3-5 years and 5-10 years respectively) and based on timeframe, severity and likelihood rating. We consider medium term to be 3-5 years and long term to be 5-10 years, as our producing licences in Vietnam are currently due to expire within the next 10 years. This assessment has enhanced the Group's overall critical strategic decision-making and tests the resilience of its business strategy against different possible futures.

The two scenarios considered in this assessment were:

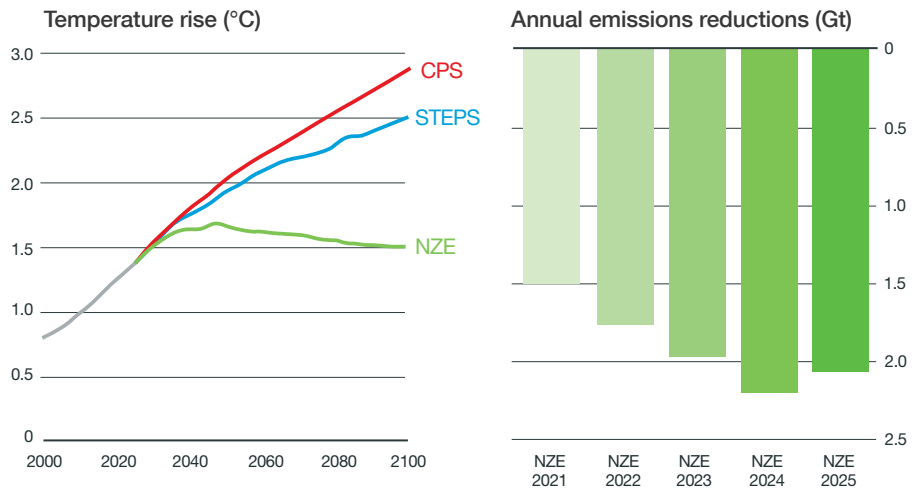
- Net Zero Pathway: based on the IEA's Net Zero Emissions by 2050 Scenario (NZE), assumes that there is rapid implementation of policies that reduce global carbon emissions. We have chosen this scenario for this assessment as it aligned with the objectives of the Paris Climate Agreement and limit warming to 1.5°C.
- Stated Policies Scenario (STEPS): provides a more conservative view of the future compared to NZE, in which only current and planned policies are enacted, and fossil fuels play a greater role in the energy system, and society more widely, for longer. According to the IEA, under STEPS, warming is projected to reach almost 2.5°C by the end of the century.

For the purposes of these assessments, the Net Zero transition pathway (NZE) assumes a rapid transition away from fossil fuels. Investment in existing oil and gas assets continues, although no new long lead time conventional oil and gas projects are approved for development and, after 2030, a number of projects are closed before they reach the end of their technical lifetime. Carbon prices are introduced albeit at different levels for countries and sectors. The energy sector, government policy and industry initiatives focus on CO₂ emissions from production, as well as incentivising alternative low-carbon solutions. Under the IEA's NZE scenario, oil and gas demand decline by more than 5% each year on average to 2050, and crude oil prices are projected to decline significantly to approximately \$33/bbl by 2035 before declining further to \$25/bbl by 2050. For STEPS, total final consumption grows 1% annually to 2035, with most emerging markets and developing economies leading demand growth. It increases more slowly than in the past decade as efficiency gains accelerate to 2.2% per year, driven by the increasing electrification of end-uses. Oil demand peaks at 102 million barrels per day (mb/d) around 2030 before gradually declining. Global electric car sales share rises from over 20% today to over 50% by 2035. From the 2030s, STEPS assumes renewables in aggregate meet all additional global energy demand, and its share in electricity generation rises from one-third today to over half by 2035 and two-thirds by 2050, led by solar and wind power with support from batteries.

We consider our business to be resilient when stress-tested using the IEA's Net Zero Emissions by 2050 scenario. Key drivers of the Group's resilience include operational stability and the ability to meet production guidance, as well as mitigations against the transition and physical risks outlined in this report. Of the scenarios considered in our Transition Risk Assessment, only the Net Zero Emissions scenario matched the Paris Climate Agreement objectives of limiting warming to "well below 2°C". Therefore, we continue to stress test the going concern and viability resilience of our business using the NZE. These sensitivity analyses are conducted bi-annually and form a crucial part of our financial planning process. We believe that the NZE price curve has already incorporated carbon tax considerations into its price deck. Although there are currently no carbon tax policies in Egypt and Vietnam, our sensitivity test assumed a carbon tax is effective from 2027 at \$10/ tonne CO₂ gradually increasing to \$40/tonne CO₂e at 2030. More information on our going concern and viability statement can be found on pages 57 to 58.

We aim to regularly review and enhance our processes and standards to help these reflect the potential impacts of climate change. We continue to maintain a watching brief as both compliance-based and voluntary carbon pricing mechanisms continue to evolve.

Global average temperature rise, and annual emissions reductions from peak to 2035 in past NZE Scenario editions



Source: IEA World Energy Outlook 2025

TCFD REPORT - CONTINUED

The risks and opportunities are assessed using a system that assigns a rating of the perceived severity and likelihood of occurrence under the Net Zero Emissions Pathway, with input from Pharos's internal risk register and risk management framework. These ratings are re-assessed and updated annually to reflect key developments in the wider ESG landscape as well as any changes in our internal risk register. Analysis of the current political context in key regions and key global trends is also used in the assessment. With respect to the energy transition and the risk assessment undertaken by Pharos, four global trends have been identified that are pertinent to our areas of operation, Egypt and Vietnam, that help inform the analysis and the risk and opportunity ratings in this report:

- Affordability and security will determine approaches to energy transition
- Carbon capture, utilisation and storage (CCUS) and carbon markets increasingly moving to the forefront
- Greater grid investment is required to serve effective renewables power markets
- Developing countries collectively demand greater financial assistance to achieve climate goals

Severity	Likelihood	Timeframe
Severe	Very unlikely (<15%)	Short-term (0-3 years)
Major	Unlikely (15-40%)	Medium-term (3-5 years)
Moderate	Medium likelihood (40-60%)	Long-term (5-10 years)
Minor	Likely (60-85%)	
Low	Very likely (>85%)	

Transition risks			
Risk	1. Commodity prices: Oil and gas price volatility		
Description	<ul style="list-style-type: none"> • Increased costs due to shifts in supply and demand for resources • Potential impact on both assets, Egypt and Vietnam 		
Potential impact	Short term: 0	Medium term: 0	Long-term: \$55.9m ⁽¹⁾
Timeframe, Severity & Likelihood	Short term: Major severity, Medium likelihood	Medium term: Major severity, Medium likelihood	Long term: Major severity, Likely
Business area impacted	Operations, Supply Chain, Manufacturing		
Methodology	<ul style="list-style-type: none"> • Analyse historical trends in oil and gas prices • Evaluate geopolitical factors impacting supply • Assess supply chain vulnerabilities in sourcing raw materials • Conduct stress testing on cost structures under various price scenarios 		
Mitigations	<ul style="list-style-type: none"> • Oil commodity hedging • Close monitoring of business activities, financial position, cash flows • Control over procurement costs / effective management of supply chains • Stress test scenarios and sensitivities via principal compound risk analysis • Capital discipline with focus on controlling and managing costs • Discretionary spend actively managed • Maintain and cultivate good relationships with lenders 		

TCFD REPORT - CONTINUED

Transition risks - continued

Risk	2. Restriction of use of carbon intensive assets: Countries may place caps on imports / use of carbon intensive fuels and energy / carbon intensive products (e.g. through EU's Carbon Border Adjustment Mechanism (CBAM))		
Description	<ul style="list-style-type: none"> • Depreciation of carbon-intensive assets and stranded investments • Egypt and Vietnam both have plans to increase the proportion of gas, and decrease the proportion of oil, in the energy mix. Therefore, this risk will have an impact on all of Pharos' assets • However, Pharos believes this risk remains moderately unlikely in the 5 to 10-year timeframe, as it would take time for Vietnam and Egypt to completely phase out oil and gas. According to MBS industry report, with the rising demand for new projects in Asia generally, and in Vietnam in particular, 2026 is expected to see an even stronger push for domestic oil and gas development than in 2025, driven by the urgent need to replenish the depleting supply of oil and gas from declining fields • Additionally, 100% of our products are sold and consumed locally, which reduces the impact & likelihood of this risk in the short and medium term 		
Potential impact	Short term: \$0	Medium term: \$2.5m	Long-term: \$10.6m ⁽²⁾
Timeframe, Severity & Likelihood	Short term: Minor severity, Unlikely	Medium term: Moderate severity, Unlikely	Long term: Moderate severity, Medium likelihood
Business area impacted	Upstream Operations, Asset Management, Finance		
Methodology	<ul style="list-style-type: none"> • Conduct a thorough risk assessment on regulatory changes affecting carbon-intensive assets • Estimate asset depreciation under different regulatory scenarios • Evaluate potential stranded assets through scenario analysis • Stress test asset valuations based on evolving environmental regulations 		
Mitigations	<ul style="list-style-type: none"> • Managing our carbon footprints through flaring and venting reduction; exploring decarbonisation technologies to achieve our emission reduction interim targets as detailed in our Net Zero Roadmap; utilising the Emissions Management Fund; and engaging in regular conversations with lenders to understand their ESG concerns and requirements 		
Risk	3. Lack of portfolio diversification: Transition towards low-carbon economy will see a reduced demand for oil		
Description	<ul style="list-style-type: none"> • Increased vulnerability due to concentrated investments • While this risk may have an impact on both our assets, the likelihood of completely phasing out of oil and gas usage in Vietnam and Egypt will have a longer time horizon than 5 to 10 years • Additionally, 100% of our products are sold and consumed locally, which reduces the impact & likelihood of this risk in the short and medium term 		
Potential impact	Short term: 0	Medium term: 0	Long-term: \$55.9m ⁽¹⁾
Timeframe, Severity & Likelihood	Short term: Moderate severity, Medium likelihood	Medium term: Moderate severity, Medium likelihood	Long term: Major severity, Likely
Business area impacted	Finance, Investment Strategy		
Methodology	<ul style="list-style-type: none"> • Conduct stress testing on portfolio performance under different market conditions • Consider calculating the cost of diversification under opportunities 		
Mitigations	<ul style="list-style-type: none"> • Explore options towards investment in low-carbon technology, as part of our Net Zero Roadmap • Stress test scenarios and sensitivities via principal compound risk analysis 		

TCFD REPORT - CONTINUED

Transition risks - continued

Risk	<p>4. Accelerating electrification: Of the transport and heating sectors, and advances in plastic recycling could result in lower demand for hydrocarbons in the long term</p>		
Description	<ul style="list-style-type: none"> Increased demand for electrification solutions and grid upgrades Potential impact on both assets, Egypt and Vietnam. However, similar to our analysis above, Pharos believes this risk remains moderately unlikely in the 5 to 10-year timeframe 		
Potential impact	Short term: 0	Medium term: 0	Long-term: \$55.9m ⁽¹⁾
Timeframe, Severity & Likelihood	Short term: Moderate severity, Medium likelihood	Medium term: Moderate severity, Medium likelihood	Long term: Major severity, Likely
Business area impacted	Technology, Energy, Infrastructure		
Methodology	<ul style="list-style-type: none"> Analyse market trends in renewable energy and electrification Model the costs associated with potential infrastructure upgrades (rig electrification) Conduct scenario analysis on electrification adoption rates and technology advancements 		
Mitigations	<ul style="list-style-type: none"> Managing our carbon footprints through flaring and venting reduction Exploring decarbonisation technologies to achieve our emission reduction interim targets as detailed in our Net Zero Roadmap Utilising the Emissions Management Fund Engaging in regular conversations with lenders to understand their ESG concerns and requirements Stress test scenarios and sensitivities via principal compound risk analysis 		



TCFD REPORT - CONTINUED



Transition risks - continued

Risk	5. Carbon pricing: Increased price of carbon through national and international schemes		
Description	<ul style="list-style-type: none"> Financial impact due to costs associated with carbon emissions pricing NZE Scenario assumes that carbon prices are introduced in all regions and most energy sectors, and prices reach \$55/t CO₂ for emerging market and developing economies. Therefore, this risk has potential impacts on both assets, Egypt and Vietnam Egypt is not yet subject to a carbon price. As of year-end 2025, Vietnam is in the process of developing a pilot carbon pricing mechanism but do not currently have a fully operational, comprehensive national carbon tax or emissions trading system (ETS) in place. As the pilot phase will run until December 2028, we believe this reduces the impact and likelihood of this risk in the short term 		
Potential impact	Short term: \$0	Medium term: \$2.5m	Long-term: \$10.6m ⁽²⁾
Timeframe, Severity & Likelihood	Short term: Moderate severity, Very unlikely	Medium term: Moderate severity, Unlikely	Long term: Major severity, Medium likelihood
Business area impacted	Operations, Regulatory Compliance, Finance		
Methodology	<ul style="list-style-type: none"> Assess current and potential future carbon pricing mechanisms in relevant jurisdictions Utilise commercial models to assess potential cost burden of operational emissions, using carbon prices from different scenarios and timeframes Undertake stress testing on financial resilience using different carbon price points Assess potential financial benefits of emission reduction initiatives and participation in carbon credit markets 		
Mitigations	<ul style="list-style-type: none"> Pharos currently uses the NZE prices to stress test. We believe that the NZE price curve has already incorporated carbon tax considerations into their price deck Although there is currently no carbon tax in Egypt and Vietnam, we still conduct a sensitivity test where carbon tax is effective from 2027 at \$10/tonne CO₂ gradually incrementing to \$40/tonne at 2030 To mitigate the impact of this risk in the medium to long term, Pharos is exploring options towards investment in low-carbon technology, as part of our Net Zero Roadmap 		

***Notes:**

- 1) The long-term impact of this risk has been considered as part of our cash flow consideration and is incorporated into our disclosure in the Financial Statements.
- 2) The long-term impact of this risk is calculated based on Pharos production profile and associated increase in carbon tax in the 10-year time frame.

TCFD REPORT - CONTINUED



2. PHYSICAL RISKS & OPPORTUNITIES

This assessment adopts a data-driven approach to identify and analyse the most material physical climate risks facing Pharos Energy’s activities in Egypt and Vietnam and how those risks may manifest differently under three emissions scenarios. It assesses current climate extreme, such as flooding, heat stress and storms, as well as how long-term shifts in climate will affect these events. For physical climate risk, this scenario analysis helps Pharos understand how climate impacts may vary by geography, severity and timing under different emissions scenarios, and assess the subsequent implications for its operations, assets and supply chains. The Company is able to identify weaknesses, vulnerabilities and opportunities to help prioritise capital and resource allocation.

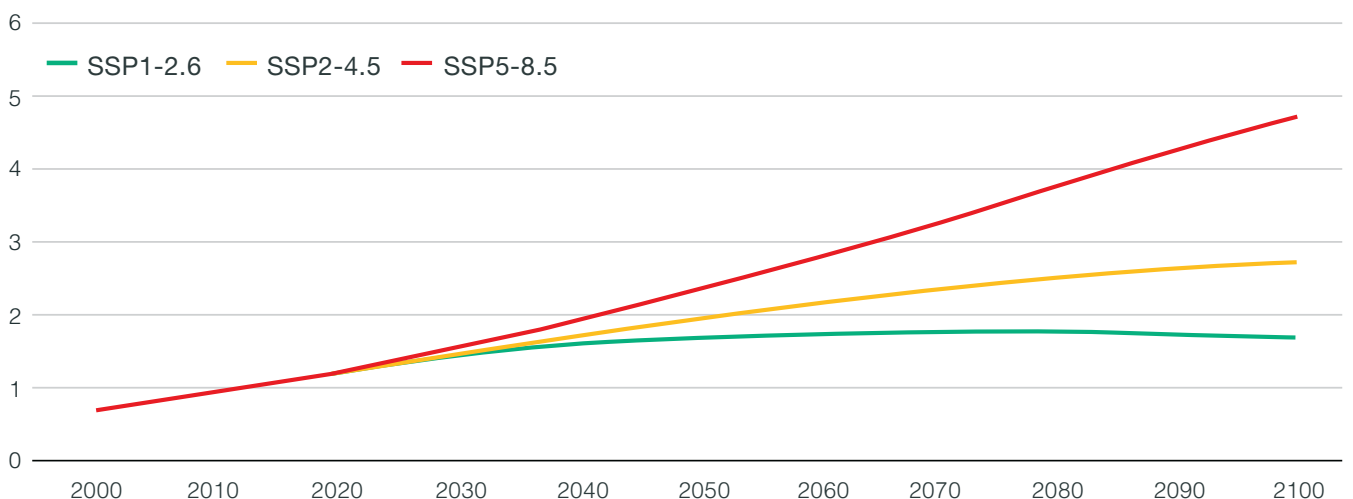
This assessment considers the impacts of climate change under three Shared Socio-economic Pathways (SSPs). We have chosen the below SSPs as they provide a broad range of temperature projections, thus allowing us to fully assess the impact of extreme physical risks such as heat stress on our business.

- **SSP1-2.6** = Sustainable future. A scenario with low greenhouse gas emissions and less than 2°C temperature rise by 2100. This scenario represents the lower end of the future concentration pathways. Under this scenario, CO₂ emissions begin to decline after 2020 and reach net zero by 2100.
- **SSP2-4.5** = Middle of the road. A scenario with intermediate greenhouse gas emissions with a best estimate temperature rise of 2.7°C by 2100. This scenario represents the middle of the range of future concentration pathways. Under this scenario, CO₂ emissions start to decline around 2045 but do not reach net zero by 2100.

- **SSP5-8.5** = Fossil fuelled development. A scenario with very high greenhouse gas emissions and a best estimate temperature rise of 4.7°C by 2100. This scenario represents the high end of the future concentration pathways. Under this scenario, emissions continue to increase towards the end of the century, peaking around 2080.

Of the scenarios considered in our physical risk assessment, the SSP1-2.6 scenario matched the objectives the Paris Climate Agreement of limiting warming to “well below 2°C”, but does not limit it to 1.5°C.

Global temperature (relative to 1850-1900) in °C



TCFD REPORT - CONTINUED

For Pharos’ physical risk assessment, the Company used its TCFD consultant’s climate risk indices as guidance to evaluate and identify the most material physical climate risks facing our operations in Egypt (El Fayum Concession and North Beni Suef Concession) and offshore Vietnam (Offshore Vietnam Blocks 125 & 126 and Blocks 9-2 (CNV) and 16-1 (TGT)). For the purposes of these assessments, assumptions are made based on the degree to which each country is exposed to a range of chronic and acute climate hazards by 2050, forming a climate hazard index. It is constructed at a resolution of 50km² and is comprised of two pillars: Acute Climate Hazards and Chronic

Climate Hazards. The Acute Climate Hazards index is comprised of Extreme High Temperatures, Extreme Precipitation and Heatwave Hazard. The Chronic Climate Hazards Index is comprised of Chronic Change in Temperature, Chronic Change in Precipitation, Chronic Change in Wind Speed, Temperature Variability and Precipitation Variability. These assessments are updated annually to reflect key changes in our internal risk register and take into account operational measures implemented to mitigate these physical risks. Under these Physical Risk assessments and their associated ratings, Pharos consider our business resilient, as the key drivers of the Group’s resilience

include operational stability and the ability to meet production guidance, as well as mitigations against the physical risks, details of which are outlined in the table below.

The assessment can also help Pharos on when and where to invest in new ventures, how to allocate resources for resilience building, or to risk-adjust strategic decision making. The results of assessments helped Pharos identify the significance and impact of each physical risks and which area of operations might be impacted, which are detailed in the table below.

Physical risks			
Risk	6. Reduced water availability: May affect operations where water is crucial for drilling and extraction		
Description	<ul style="list-style-type: none"> Financial impact due to interruptions or slowdown in oil and gas operations due to reduced water availability Higher expenses for securing water from alternative sources This risk may have a potential impact on both of our assets; however, its impact is unlikely to be significant as the majority of our production comes from offshore operations in Vietnam, where water availability is not a concern. In Egypt, Pharos uses high-salinity water for our operations, which is recycled and reused. Therefore, we do not consider this a material risk for Pharos in all time frames 		
Potential impact	Short term: Negligible	Medium term: Negligible	Long-term: Negligible
Timeframe, Severity & Likelihood	Short term: Minor severity, Very unlikely	Medium term: Minor severity, Unlikely	Long term: Medium likelihood
Business area impacted	Operations		
Methodology	<ul style="list-style-type: none"> Use historical data on operational disruptions during water scarcity events Estimate production losses and increased downtime based on projections and their financial consequences Assess the financial impact of delayed or halted operations Assess the cost of securing water from alternative sources Estimate transportation costs for bringing water from distant sources Compare these costs with baseline water procurement costs 		
Mitigations	<ul style="list-style-type: none"> Monitoring water usage in our operations 		

TCFD REPORT - CONTINUED



Physical risks - continued			
Risk	7. Increased temperatures and heat stress: Affecting both equipment and personnel, potentially affecting safety and operational efficiency		
Description	<ul style="list-style-type: none"> • Costs associated with implementing measures to mitigate the impact of heat stress on personnel and equipment • Financial losses due to potential slowdown or interruptions in operations • While this risk has the potential to impact both of our operations, its impact is considered to be minimal thanks to our operational adaptations, which is already in place 		
Potential impact	Short term: Negligible	Medium term: Negligible	Long-term: Negligible
Timeframe, Severity & Likelihood	Short term: Low severity, Likely	Medium term: Minor severity, Very likely	Long term: Minor severity, Very likely
Business area impacted	Operations, Health and Safety, Finance		
Methodology	<ul style="list-style-type: none"> • Use risk exposure assessments and health and safety records • Identify and assess potential adaptation measures (e.g., cooling systems, personal protective equipment) based on physical risk data and projections • Estimate the costs of implementing these measures, including installation, maintenance, and training • Leverage existing data on operational disruptions during periods of increased temperatures • Estimate production losses and increased downtime based on historical patterns and their financial consequences • Assess the long-term effects on overall operational efficiency and competitiveness based on historical data and projections 		
Mitigations	<ul style="list-style-type: none"> • Health and safety training for the operational team in cases of heat stress 		

TCFD REPORT - CONTINUED

Physical risks - continued

Risk	8. Storm frequency: Operations may be impacted from high winds (and waves if offshore)		
Description	<ul style="list-style-type: none"> Financial losses due to repair and restoration expenses for damaged infrastructure Increased costs from production losses and downtime, impacting overall operational efficiency This risk can have an impact on our operations in Vietnam, particularly during monsoon season. However, historically, our operational team plans drilling programmes ahead of time and is mindful to avoid monsoon seasons. We also take every precaution to protect all operational equipment and our workforce from any effects of monsoon storms. Therefore, this risk is unlikely to have a major impact on our Vietnam assets This risk is unlikely to impact our Egypt operations as our operations are onshore and not near any shores where large waves or storms may have an impact 		
Potential impact	Short term: \$1.6m	Medium term: \$1.6m	Long-term: \$1.6m
Timeframe, Severity & Likelihood	Short term: Minor severity, Medium likelihood	Medium term: Minor severity, Medium likelihood	Long term: Minor severity, Medium likelihood
Business area impacted	Infrastructure, Operations		
Methodology	<ul style="list-style-type: none"> Estimate the cost of repairs for different types of infrastructure based on historical data or engineering assessments Assess vulnerability and exposure of infrastructure to high winds Analyse historical data on operational disruptions during storm events, including downtime and production losses and shut-down and start-up costs Estimate the financial impact of delayed or halted operations Consider the long-term effects on overall operational efficiency and competitiveness 		
Mitigations	<ul style="list-style-type: none"> To mitigate this risk and reduce downtime, our operational team plans drilling programmes ahead of time and is mindful of monsoon seasons Operational adaptations are in place to provide flexibility in number of wells drilled and time of drilling to accommodate storm frequencies 		



TCFD REPORT - CONTINUED

Climate-related opportunities			
Opportunity	Technology: Reduce carbon intensity of products through production efficiencies		
Description	<ul style="list-style-type: none"> Improve the environmental performance of products by enhancing production processes to reduce carbon intensity Reduce the potential impact of carbon tax due to reductions in carbon emissions via production efficiencies Potential impact on both assets, Egypt and Vietnam 		
Potential benefit	Short term: c.\$1m	Medium term: \$1m	Long-term: \$1.2m
Business area impacted	Research and development, operations		
Methodology	<ul style="list-style-type: none"> Conduct a comprehensive analysis of the current production processes Identify areas for efficiency improvements and emissions reduction Implement breakthrough technologies and innovative practices to enhance production efficiency Monitor and assess the impact on carbon intensity through continuous performance measurement Engage in life cycle assessments to quantify improvements 		
Adaptions	<ul style="list-style-type: none"> As part of our Net Zero Roadmap, Pharos is exploring several decarbonisation levers to achieve our Net Zero target by 2050. This includes: reducing and eliminating gas venting, reducing gas flaring via flare stacks installation, process optimisation, gas utilisation, and carbon capture and removal Pharos have implemented some of these technologies to reduce fuel consumption in recent years. For example, in Vietnam, we manage gas flaring by carefully monitoring and optimising the processing facilities in the TGT FPSO, including adjusting the gas turbine compressors (GTC) set-points to reduce flaring. We also reduce fuel consumptions in field operations by using LED lightings on the FPSO and wellhead platforms. In Egypt, we continue the usage of associated gas-powered electricity generators for field operations and are also piloting our first hybrid (solar PV and diesel) pumping system. This is part of a broader plan to utilise produced associated gas and solar energy instead of diesel for power generation, along with flare reductions In 2022, Pharos also established an Emission Management Fund to provide support for carbon reduction projects 		
Opportunity	Technology: Low-carbon transition enabling technology		
Description	<ul style="list-style-type: none"> Strategically invest in fuels and technologies with lower carbon intensity to align with broader company corporate responsibility goals Potential impact on both assets, Egypt and Vietnam 		
Potential benefit	Short term: \$0.5m	Medium term: \$1.2m	Long-term: \$2.6m
Business area impacted	Strategy		
Methodology	<ul style="list-style-type: none"> Assess the current portfolio of fuels and technologies Identify investment opportunities in less carbon-intensive fuels and technologies Develop a comprehensive investment strategy aligned with corporate responsibility goals Implement investments and monitor their impact on the overall carbon intensity Conduct scenario analysis to evaluate the resilience and potential returns on the investments 		
Adaptions	<ul style="list-style-type: none"> While many climate-related opportunities and decarbonisation levers are being explored by the Group as part of our pathways towards Net Zero, as mentioned above, one emission-reduction opportunity already identified is the associated gas-powered electricity generators in Egypt. This is part of a broader plan to utilise produced associated gas instead of diesel for power generation, along with flare reductions. The generators reduce CO₂e emission by using the associated gas that otherwise would have been flared, and generate electricity to be used for field operations in Egypt 		

TCFD REPORT - CONTINUED



3. RISK MANAGEMENT

Climate risk is a principal risk for Pharos, and it is assessed and managed in line with Pharos' overall risk management framework. The framework comprises:

- A risk management process through which we carry out regular and robust risk assessment to identify and manage principal and emerging risks. The process considers relevant interconnections within the assets and across all business functions and entities.
- Continued monitoring of macroeconomic environment, commodity price uncertainties and production volatilities.

- Management deep-dive exercises to gauge its risk appetite on the risk matrix and recalibrate its risk tolerance to ensure the appropriate mitigating actions were implemented. Staff from all functions, entities and asset locations are invited to participate in these exercises to contribute to the risk matrix.
- An internal control system, including Code of Business Conduct and Ethics and corporate policies which form part of the Group's Business Management System, to enable risks to be managed in line with our defined risk appetite.
- The Board of Directors supported by the Audit and Risk Committee (ARC) to ensure that the internal control functions in place are appropriate, effective and on target. As the Board believes the Group's risk matrix is a living dynamic document, it is agreed that additional risk-assessment meetings, aside from the quarterly scheduled ARC meetings, can be called if a new emerging risk is deemed significant. Quarterly risk reports, conducted by the Group's Risk Manager, are submitted to the Board ahead of every Board meeting.

For more information, please see our Risk Management Report on pages 45 to 56.

In addition to the above framework, for climate-related risks, the Company also use scenario analyses, conducted by our TCFD consultant and outlined in this report, to help us identify and assess the size, scope and significance of climate-related risks and opportunities relative to other risks in the matrix. The Group also consider regulatory requirements and emerging trends related to climate change of each host government, such as assessing Vietnam and Egypt's national energy plans as well as STEPS and SDS. Our Climate Change Policy is available on our website and reviewed annually by the Board, together with other corporate policies.

We carefully consider the environmental performance of assets and opportunities as part of our decision-making process, underpinned by our Net Zero commitment. Our approach to climate risk management is continually developing. How we identify, manage, assess, mitigate and determine the impacts of each climate-related risk and opportunities will vary by type, as detailed in the transition and physical risks tables in this report. We will continue to review our risk management framework when determining the materiality of its exposure to climate-related risks.



4. METRICS & TARGETS

2025 CLIMATE CHANGE RISK-RELATED METRICS & TARGETS

356 tCO₂e

Scope 1 & 2 GHG intensity by production

(2024: 302 tonnes CO₂e per 1,000 tonnes of hydrocarbon produced)

79,550 tCO₂e

Total Scope 1 & 2 GHG emissions (tCO₂e) by equity

(2024: 84,402 tonnes CO₂e)

\$55.9m

Maximum anticipated impact to the business in the long term due to a transition risk

\$1.6m

Maximum anticipated impact to the business in the long term due to a physical risk

\$2.6m

Maximum anticipated benefit to the business in the long term due to adoption of a climate opportunity

\$0.25

Of revenue set aside into the Emission Management Fund for every barrel net to Pharos sold at an oil price above \$75

c.\$964,000

Total capital accumulated in the Emissions Management Fund as at year end 2025 to provide support for emissions management projects

\$10-\$40

Carbon price range per tonne CO₂e from 2027 to 2030 used in Going Concern and Viability stress testing, in alignment with NZE pathway

Zero

Proportion of GHG emissions subject to carbon pricing regulations

20%

Total remuneration weighting linked to corporate ESG target, including GHG emissions improvements in 2025 KPI

552,971

Scope 3 total GHG emissions (tCO₂e) by equity

(2024: 718,693 tonnes CO₂e)

TCFD REPORT - CONTINUED

Our GHG emissions in 2025 are recorded on Scope 1 & 2 CO₂e (absolute and intensity), and we report on jointly operated companies in Egypt and Vietnam. We also measure total hydrocarbon flared as one of our Corporate Responsibility Non-Financial Indicators. Both of these metrics are directly related to our commitment to achieve Net Zero emissions across all assets by 2050. For our year-on-year progress on GHG emissions, please see our Corporate Responsibility Non-Financial Indicators on page 80.

In addition to GHG emissions, we also measure other industry metrics such as energy consumption, process emissions, combustion, venting, waste usage and recycled, freshwater use, and oil spills, which we track as part of our HSE performance and can be found in the Corporate Responsibility report on pages 73 to 79 and our Corporate Responsibility Non-Financial Indicators on page 80.

In December 2023, Pharos published its Net Zero Roadmap, which was researched and developed by the Company in close consultation with specialist advisors and consultants. The Net Zero Roadmap models emission reduction pathways to achieve net zero Scope 1 (direct) and Scope 2 (indirect) GHG emissions from all existing and proposed future assets by 2050 or before. Based on this modelling, the roadmap contains interim targets set against the Company's 2021 baseline year, which have been approved by the Board and sets out a 5% reduction goal in the short-term and 15% in the medium-term. We use GHG % reduction against the 2021 baseline as the main metrics to identify projects and opportunities with the most potential to reduce our environmental impact. We also monitor the reduction of our year-on-year emission to make sure we are on track to achieve Net Zero by 2050 ambition and meet the Remuneration Committee's corporate responsibility targets as part of our annual corporate KPIs.

Pharos made a commitment to renew and update our Net Zero Roadmap every year, and the updated version of the Roadmap can be found in this report on pages 97 to 99.

The Company also uses a number of other corporate responsibility metrics for our KPI (applicable for all staff and Board members) and LTIP (applicable only to Board members), such as Lost Time Injury, environmental spills, diversity and inclusion, which can be found in the Directors' Remuneration Committee Report on pages 137 to 161.

Scope 3

We recognise that Scope 3 value chain emissions can help companies have a better and more comprehensive understanding of their overall emissions footprints. In 2023, Pharos, together with our climate specialist, carried out an initial high-level materiality assessment across our portfolio against 15 categories listed in the GHG Protocol to understand which categories are relevant, material and reportable for Pharos. This assessment was then reviewed internally in 2025 and 2026 to better ensure Pharos is reporting in line with peers and meeting all required disclosure requirements.

In the initial assessment, a review of peer companies was carried out by our climate specialist to observe and understand trends in reporting of the 15 Scope 3 categories. The group of peer companies were selected with due consideration to their diverse industry representation, comparable Scope 3 emissions reporting, industry similarity, data availability, and relevance to the Group's operational context. Following this, an evaluation of Pharos' sustainability reports and our upstream and downstream value chain activities was conducted to identify all indirect emissions associated with the company's operations. The 15 Scope 3 emission categories were then reviewed with consideration given to factors such as relevance to Pharos' operations, materiality thresholds, and the availability of data within our HSE reports. The overarching objective of this review was

to identify the key categories that hold material significance for Pharos, thereby ensuring alignment with the IPIECA/ API and Greenhouse Gas Protocol (Greenhouse Gas Protocol, 2013; IPIECA, 2016).

Following this review, the 15 Scope 3 categories were organised by materiality into four groups:

1	High materiality
2	Moderate materiality
3	Potentially moderate materiality
4	Not material to Pharos

In light of this materiality assessment, we have calculated emissions from Category 6 – Business travel, which has moderate materiality to Pharos and is relatively reliable to measure, and Category 4 – Upstream transportation and distribution and Category 11 – Use of Sold Product, two categories with high materiality for Pharos. More information on our Scope 3 emissions can be found in the Corporate Responsibility Report on page 74 and in the Non-Financial Environmental Metrics table on page 80.

Activity data pertaining to GHG emissions in Vietnam and Egypt is reported to Pharos. Telos NRG assisted with data collation and GHG emissions calculations. Verification of the 2025 GHG Emissions Report has been undertaken by RPS Consulting UK & Ireland using the principles in BS EN ISO 12064-3:2019 (the Standard). The RPS' 2025 GHG verification report is unqualified and covers all of our GHG metrics, including Scope 3 emissions.

Like other oil and gas companies, our emissions targets are not approved by the Science Based Targets Initiative (SBTi) because the organisation is still developing the tools needed to validate them for our sector. Nevertheless, we respect the science and base our decisions on guidance from widely-used frameworks such as the Taskforce for Climate-related Financial Disclosures (TCFD) and CDP (formerly known as the Carbon Disclosure Project). We consider our targets to be robust, having been underpinned by independent analysis and technical evaluation of our emissions profile, which we used to identify decarbonisation initiatives on our operated assets. We will not engage in any memberships that run counter to our net zero commitments. We will be transparent about our memberships in the sector and beyond. We plan to address our residual, hard to abate emissions (which is estimated to be around 20-40% of our total emissions) through carbon capture and removal.

NET ZERO ROADMAP

Our ongoing commitment to Net Zero

OUR NET ZERO ROADMAP








NET ZERO ROADMAP - CONTINUED

Reducing our climate impacts

In September 2022, we announced a commitment to achieve net zero on our Scope 1 (direct) and Scope 2 (indirect) GHG emissions from all our current and future assets by no later than 2050. In December 2023, we published our first ever Net Zero Roadmap - a living document that we will provide an update on every year.

As we evaluate any potential development of our business, such as license extensions, acquisitions and further exploration, we will take this commitment into account in our decision-making and it will fall under our Net Zero target.

 <p>Scope 1&2</p> <p>Our target covers our Scope 1 and 2 emissions</p>	 <p>All assets</p> <p>All our current assets are included in the target</p>	 <p>All GHGs</p> <p>All greenhouse gases are included in the target</p>	 <p>Future assets</p> <p>All future assets are also covered by the target</p>	 <p>Carbon removal</p> <p>For 20-40% that is hard-to-abate we remove carbon</p>
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Implementing our strategy

Pharos is not currently an operator on any of our producing assets and therefore has no direct control over our oil and gas production. This is in the hands of the JOCs, each of which is staffed by experienced oil and gas professionals with strong track records of delivering responsible production. Certain Pharos personnel are seconded to senior positions in the JOCs in Vietnam, providing a degree of influence in operational planning and execution.

We also recognise that the support of host governments, state oil companies and regulators is key to pushing our strategy forward.

On track to achieve our interim targets

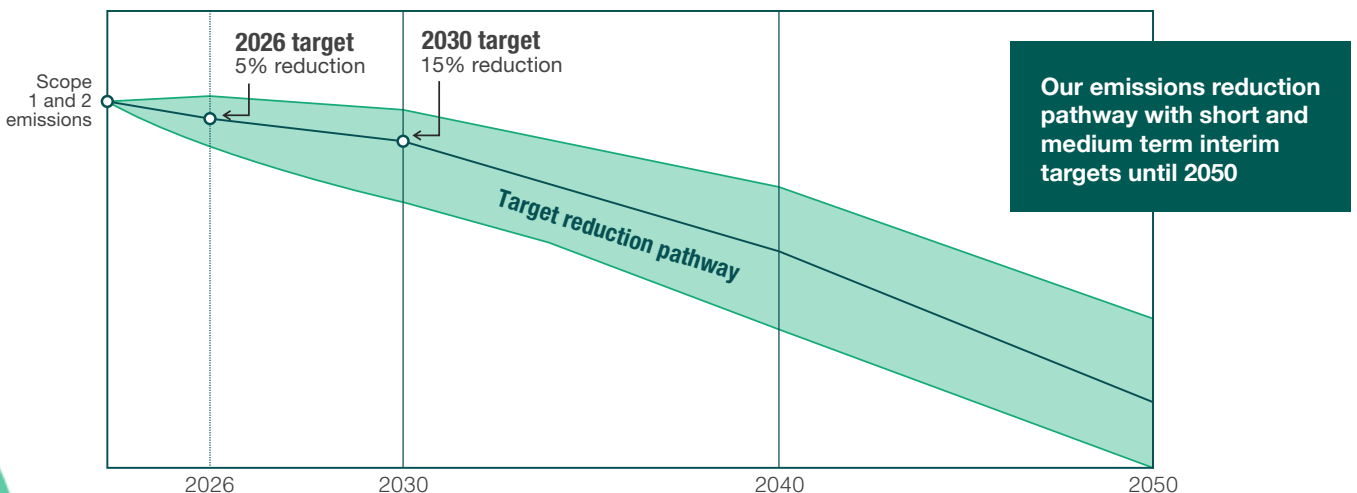
We worked with a specialist consultancy to model our emissions reduction options in order to identify interim targets. We set the following short- and medium- term goals on the way to net zero:

- **2026:** 5% reduction
- **2030:** 15% reduction

The below pathway, published in our first Net Zero Roadmap in 2023, shows a simplified model of our road towards net zero by 2050, with short- and medium-term interim targets by 2026 and 2030 respectively. As at year end 2025, Pharos is on track to achieve our first interim target of 5% emissions reduction compared to 2021 baseline level by year end 2026.

Alongside our absolute carbon emissions reduction target, we also target carbon intensity reductions from our baseline of 48 kg CO₂e (2021 net entitlement). As we develop our emissions reduction plans, we will look to accelerate this 2050 target whenever we can. We will look to embed low carbon technology from the beginning on new development assets.

Pharos does not currently foresee exploring the use of carbon credits and/or offsets to help reduce its climate impacts.



NET ZERO ROADMAP - CONTINUED

How we are reaching our target

Approaches to reducing emissions

Starting with our biggest impact, our first priority is to eliminate routine venting in Egypt and try to reduce routine flaring across both our assets. After that, we aim to invest in replacing the power consumption of our facilities with less impactful energy sources.

In Vietnam, we continue to manage gas flaring by carefully monitoring and optimising the processing facilities in the TGT FPSO, including adjusting the gas turbine compressors (GTC) set-points to reduce flaring. We also reduce fuel consumptions in field operations by using LED lightings on the FPSO and wellhead platforms. In Egypt, we continue the usage of associated gas-powered electricity generators for field operations and are also piloting our first hybrid (solar PV and diesel) pumping system. This is part of a broader plan to utilise produced associated gas and solar energy instead of diesel for power generation, along with flare reductions. The generators reduce CO₂e emissions by using the associated gas that otherwise would have been flared, and generate electricity to be used for field operations in Egypt. The focus continues to be on exploring more opportunities and technologies to reduce gas venting in Egypt, which can potentially reduce our Scope 1 emissions while also resulting in economic gains, such as increased used of gas generators, additional implementation of Solar PV to reduce diesel consumption and further deployment of flare stacks, among other gas utilisation opportunities.

Tackling hard-to-abate emissions

We anticipate that there will be between 20-40% of our emissions inventory that is hard-to-abate and for which technological innovation may not arrive swiftly enough. For these GHG emissions we will consider nature-based solutions that will remove carbon from the atmosphere in an effort to move closer towards net zero.

Using capex to unlock change

As non-operators currently, we have no direct control over the production facilities associated with our assets. That is why we established an Emissions Management Fund at the end of 2022. For every barrel net to Pharos sold at an oil price above \$75, we will set aside \$0.25 into this Fund. As of December 2025, the Fund has reached a value of c.\$964,000. The intended purpose of the fund is to provide support for emissions management projects for Pharos and our operational partners that are not economically feasible for individual parties.

Our decarbonisation levers as part of our net zero pathway

	EGYPT		
Gas venting	Reducing gas venting		Eliminate gas venting
Reducing gas flaring	Install flare stacks	Process optimisation	Gas utilisation (Vapor Recovery Units (VRUs), microturbines)
Reducing fuel consumption	Install renewable energy		
Hard-to-abate emissions	Carbon capture and removal		

	VIETNAM		
Gas venting			
Reducing gas flaring	Improve flare efficiency	Process optimisation	Gas utilisation (VRUs, microturbines)
Reducing fuel consumption	Switch to alternative marine fuels		
Hard-to-abate emissions	Carbon capture and removal		

NET ZERO ROADMAP - CONTINUED

Approval of the Strategic Report

This report was approved by the Board of Directors on 24 March 2026 and is signed on its behalf by

KATHERINE ROE
Chief Executive Officer



GOVERNANCE REPORT

Pragmatic and disciplined



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CHAIR'S INTRODUCTION TO GOVERNANCE

Robust corporate governance to build value

Dear Shareholders,

I am pleased to introduce the Corporate Governance Report for the year ended 31 December 2025 – my first as Chair of Pharos. Over the past year, the Board has been deeply engaged in overseeing strategy, performance and risk, while supporting the continued development of a culture that reflects our values and long-term ambitions. As part of my induction, I met extensively with Directors, the executive team and key stakeholders to gain a rounded perspective on the business and the governance environment which we operate.



JOÃO SARAIVA E SILVA
Non-Executive Chair

Robust corporate governance remains essential to building sustainable value and maintaining the highest standards of safety, ethics and environmental responsibility. 2025 was the first year in which the 2024 revision of the UK Corporate Governance Code (the "2024 Code") applied to the Company. The Board believes that the updated Code, supported by new guidance from the Financial Reporting Council continues to provide a strong framework for governance, stewardship, risk oversight, reporting transparency and investor confidence. In line with the updated 2024 Code, we have enhanced elements of this year's governance report to provide clearer insight into key Board decisions, their outcomes and how they support Pharos's strategic objectives.

We have also undertaken significant preparatory work ahead of the 2026 financial year, when Provision 29 of the 2024 Code relating to the Board's responsibility for monitoring and review of the effectiveness of the Company's risk management and internal control framework has taken effect. This preparatory work has included an in-depth identification and review of Pharos's material internal controls, including financial, operational, compliance and reporting controls, and implementation of processes that will enable the Board to provide the formal annual declaration of the effectiveness of those material controls required by Provision 29 in future annual reports. The review has also considered how the deficiency in any of these material controls could impact the

interests of the Company, shareholders and other stakeholders. This strengthening of internal control oversight reflects not only regulatory expectations but our own continuing commitment to high-quality governance.

Further details of our governance arrangements, preparations for Provision 29 and explanations for any areas of non-compliance are set out in the following report.

CHAIR'S INTRODUCTION TO GOVERNANCE - CONTINUED



Maintaining a well-balanced Board is a priority. We continue to ensure an appropriate blend of skills, experience and independence, supported by disciplined succession planning and a commitment to diversity. Throughout the year the composition of the Board complied with Provision 11 of the 2024 Code, which requires at least half of the Board, excluding the Chair, to be non-executive Directors that the Board considers independent. The external perspective and constructive challenge of our independent non-executives remain integral to the quality of our decision-making.

The Board's responsibilities are wide-ranging: setting Group strategy; approving budgets and financing; monitoring performance; talent retention and remuneration; overseeing relationships with operators and joint venture partners; and ensuring effective governance across the organisation. We also remain focused on culture—both monitoring it and assessing how well it is embedded across the business—so that behaviours and values consistently support our strategy.

Directors are expected to lead by example. Our values—Safety & Care, Energy & Challenge, Openness & Integrity, Empowerment & Accountability, and Pragmatism & Focus—continue to guide the way we work, underpinning disciplined risk management and operational excellence in all jurisdictions.

The Board is supported by five principal committees: the Audit and Risk Committee, Remuneration Committee, Nominations Committee, ESG Committee and Reserves Committee. Each committee brings specialist focus and is chaired by an independent non-executive Director. In response to changes in the 2024 Code, our Audit and Risk Committee updated its terms of reference to reflect the transfer of certain audit-related provisions to the Audit Committees and External Audit: Minimum Standard. Further details can be found on page 130 of the Audit and Risk Committee Report.

Transparency and accountability remain central to our approach to remuneration. In accordance with Provision 38 of the 2024 Code, our Directors' Remuneration Report now includes expanded disclosure on malus and clawback provisions, detailing when they may be applied, the relevant timeframes and why they are best suited to the Company, and any actions taken during the year. This reinforces the alignment between executive incentives and the creation of long-term shareholder value.

Operationally, 2025 was a year of significant progress for Pharos. In Vietnam, our six-well infill and appraisal programme on TGT and CNV commenced – representing the most substantial investment in these assets since their original development. On Blocks 125 & 126, the two-year extension to the PSC Exploration Period strengthened our position as we pursued potential farm-in partnerships. In Egypt, approval

of a consolidated Concession Agreement created an improved investment framework for both us and our partner IPR. While ending the year with a \$20 million payment from EGPC, doubling our year end cash balance and reducing receivables to their lowest level since 2021 materially strengthened our financial position.

We enter 2026 with positive momentum—continuing our drilling campaign in Vietnam, preparing for the new work programme in Egypt under the improved fiscal terms of the consolidated concession, and evaluating opportunities to unlock further growth from our asset portfolio. Our position of financial and operational strength is a testament to the quality and effectiveness of governance across the business. We remain steadfast in our commitment to the highest standards of safety, ethical conduct and environmental responsibility and to deepening our relationships with strategic partners.

On behalf of the Board, I would like to thank our employees, Directors, shareholders, partners, contractors and other stakeholders for their continued support throughout 2025. Their dedication and professionalism underpin all that we achieve.

JOÃO SARAIVA E SILVA
Non-Executive Chair

LEADERSHIP AND GOVERNANCE

Leadership and Governance

Board Members

JOÃO SARAIVA E SILVA

Non-Executive Chair and Chair of Nominations Committee and ESG Committee

KATHERINE ROE

Chief Executive Officer, ESG Committee member

SUE RIVETT

Chief Financial Officer, ESG Committee member and Reserves Committee member

GEOFFREY GREEN*

Non-Executive Director and Senior Independent Director, Chair of Remuneration Committee, Nominations Committee member, Audit and Risk Committee member and ESG Committee member

LISA MITCHELL*

Non-Executive Director, Chair of Audit and Risk Committee, Remuneration Committee member, Nominations Committee member and ESG Committee member

DR BILL HIGGS*

Non-Executive Director, Chair of Reserves Committee and ESG Committee member

* Independent Non-Executive Directors or, in the case of João Saraiva e Silva, independent on appointment as Chair.

Diversity of Skills, Backgrounds and Experience

The Board places importance on the diversity of gender, experience, knowledge, skills, and professional, educational and cultural backgrounds. This diversity has brought an international outlook which has been particularly beneficial to the Board's discussions about the strategic positioning of its current and new business ventures. As at 31 December 2025, the Board comprised six Directors.

Meeting attendance

During each Director's respective term of office during 2025.

Director	Board meeting scheduled quarterly x4	Board meeting additional x4	Audit and Risk Committee x4	Remuneration Committee ⁴ x4	Nominations Committee x3	ESG Committee x4	Reserves Committee x3
João Saraiva e Silva ¹ (Non-Executive Chair)	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■	■ ■ ■ ■	■ ■ ■
Katherine Roe (CEO)	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■	■ ■ ■ ■	■ ■ ■
Sue Rivett (CFO)	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■	■ ■ ■ ■	■ ■ ■
Geoffrey Green [^]	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■	■ ■ ■ ■	■ ■ ■
Dr Bill Higgs [^]	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■	■ ■ ■ ■	■ ■ ■
Lisa Mitchell [^]	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■	■ ■ ■ ■	■ ■ ■
John Martin ^{^2,3}	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■	■ ■ ■ ■	■ ■ ■

KEY

[^] Independent Directors

■ Attended as member

■ Attended as invitee

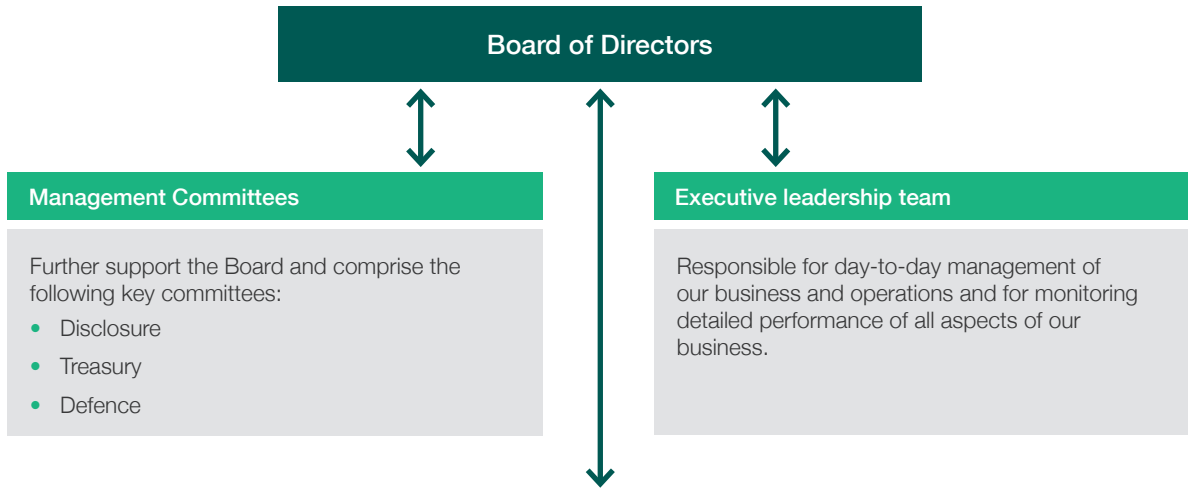
■ Not attended

In addition to the four scheduled quarterly meetings, the Board met in 2025 on an additional four occasions to deal with specific business matters which required Board approval. Furthermore, the Board attended a corporate strategy meeting in November 2025. All Directors on the Board at that time attended the AGM.

Notes:

- 1) Appointed to the Board on 26 June 2025 as Non-Executive Chair, and as Chair of the ESG and Nominations Committees.
- 2) John Martin stepped down from the Board on 25 June 2025.
- 3) John Martin recused himself from the June Board and Nominations Committee meetings.
- 4) Directors do not participate in decisions of the Remuneration Committee when the Committee is considering such Directors' Remuneration.

LEADERSHIP & GOVERNANCE - CONTINUED



Principal Committees of the Board

Audit and Risk Committee	Remuneration Committee	Nominations Committee	Environmental, Social and Governance (ESG) Committee	Reserves Committee
<p>L Mitchell (Chair) G Green</p>	<p>G Green (Chair) L Mitchell</p>	<p>J Saraiva e Silva (Chair)* L Mitchell G Green</p>	<p>J Saraiva e Silva (Chair) L Mitchell G Green S Rivett B Higgs K Roe</p>	<p>B Higgs (Chair) S Rivett Aldo A. Lopez Marmolejo **</p>

Responsible for oversight of the integrity of the Financial Statements and narrative reporting, including annual and half year reports.

Responsible for the design, development and implementation of the Company's remuneration policy.

Responsible for ensuring the leadership needs of the Company are addressed appropriately to ensure continued ability to compete effectively in the marketplace.

** João Saraiva e Silva was appointed to the Board, Nominations & ESG Committee on 26 June 2025.*

Responsible for defining the Group's corporate responsibility strategy, review of the Group's corporate responsibility policies, programmes and initiatives and, more generally, oversight of the Group's management of corporate responsibility matters and Net Zero ambition.

Responsible for the evaluation of the effectiveness of the Company's reserves processes and legal and regulatory compliance, reviewing asset development and reserves accounting annually, approving reserves data statements and changes, providing input to work programmes and budgets and meeting before key financial results and ensuring the Audit and Risk Committee and Board are informed of significant changes to reserves and resources.

*** Appointed to the Reserves Committee on 4 August 2025.*

BOARD OF DIRECTORS

Experienced leaders guiding our future



JOÃO SARAIVA E SILVA

Non-Executive Chair

Appointed: June 2025

João holds a degree in Economics from Nova School of Business and Economics and completed the Stanford Executive Program in 2017. He has over 25 years of experience in private equity and investment banking, with a particular focus on the energy sector. He is currently a Partner at Pamplona Capital Management and serves as a Non-Executive Director at BlueNord ASA. Previously, he held senior roles leading energy investments for established asset managers and family offices, including The Carlyle Group, Och-Ziff, Seatankers, and L1. João began his career at Goldman Sachs in London, where he spent nine years advising energy clients on capital markets and M&A transactions.



KATHERINE ROE

Chief Executive Officer

Appointed: July 2024

Katherine has over 25 years of senior corporate, industry and capital markets experience and most recently served as the CEO of Wentworth Resources plc (Wentworth), having been appointed to that role in 2019 after initially serving as Wentworth's Chief Financial Officer. During her time at Wentworth, Katherine successfully worked with the company's partners and government stakeholders to optimise the asset, materially increase production and secure future re-investment. As a key strategic partner for host government, Wentworth balanced positive social, economic and environmental impact alongside tangible shareholder returns by way of both dividend and capital. These tangible returns were ultimately realised when, as CEO, Katherine negotiated and oversaw the successful sale of Wentworth by way of recommended cash offer to Maurel et Prom, which completed in December 2023. Prior to joining Wentworth, Katherine spent 11 years at Panmure Gordon & Co, where she headed up the Natural Resources team, with a principal focus on the oil and gas sector. Katherine has experience across a number of international jurisdictions with exposure to emerging and development markets.



SUE RIVETT

Chief Financial Officer

Appointed: July 2021

Sue, previously Group Head of Finance and UK General Manager, has been with the Company for over ten years. Prior to joining Pharos, Sue held senior finance roles with Conoco, ARCO British (subsidiary of Atlantic Richfield Company), JKC Oil & Gas plc and Seven Energy. Sue's various roles have included heading up full FTSE finance functions including finance, taxation, treasury, IT, corporate planning and Company Secretary. She was Head of ARCO British trading arm's back office and mid office and has considerable joint venture experience and numerous years' merger and acquisition experience. Sue is a Fellow of the Chartered Institute of Management Accountants ("FCMA") with international experience and over 40 years in the energy business.

BOARD OF DIRECTORS - CONTINUED

**GEOFFREY GREEN**

Non-Executive Director and Senior Independent Director

Appointed: May 2020

Geoffrey has many years of legal and commercial experience in advising major UK listed companies on corporate and governance issues, mergers and acquisitions and corporate finance. Geoffrey retired as a partner of Ashurst LLP in 2013, a leading international law firm, after 30 years as a partner and 10 years of service as the senior partner and chair of its management board. He served as head of Ashurst's Asia practice from 2009 to 2013, based in Hong Kong, and was responsible for leading the firm's strategy and business development for the region. He served on the Board of Vedanta Resources Limited, (formerly Vedanta Resources plc, a London Stock Exchange listed company) from 2012 to 2021 and was Chair of the Remuneration Committee. Geoffrey was the Non-Executive Chair of the Financial Reporting Review Panel, one of the main subsidiary bodies of the Financial Reporting Council, from 2015 to 2022, and is also a non-executive director of a Hong Kong based investment fund. He has a degree in law from Cambridge University and qualified as a solicitor at Ashurst LLP.

**DR BILL HIGGS**

Non-Executive Director

Appointed: January 2024

Bill has over 35 years of global exploration, development and operations experience, including more than 15 years in executive and non-executive roles for both public and private exploration and production companies. He is a qualified geologist with extensive expertise in all engineering and other technical and commercial aspects of hydrocarbon exploration, development and production. Bill was Chief Executive Officer of Genel Energy between 2019 and 2022, having served as Chief Operating Officer from 2017. Preceding his roles at Genel, Bill was Executive Director and Chief Operating Officer for Ophir Energy plc, responsible for managing the global asset portfolio. Before that, he served as Chief Executive Officer of Mediterranean Oil and Gas, overseeing the successful sale of the company in 2014. Bill began his industry career at Chevron, spending 23 years across a number of global roles. Bill previously served in Non-Executive Director roles as Chairman of Chappal Energies Mauritius Limited and San Leon Energy plc. He is currently serving as Executive Chairman of Natrium Redox Technologies Limited, a technology company focused on the carbon neutral production of the primary feedstocks for the steel and cement industries.

**LISA MITCHELL**

Non-Executive Director

Appointed: April 2020

Lisa is currently the Chief Financial Officer of Orca Energy Group Inc. a TSX-V listed company. Lisa is an experienced CFO with over 25 years' international experience, across the oil and gas, mining and the pharmaceutical industries. She was most recently CFO and Executive Director of San Leon Energy plc and was previously CFO and Executive Director of Lekoil Limited, the African-focused oil and gas exploration and production company with interests in Nigeria. Prior to this, Lisa was CFO and Executive Director at Ophir Energy plc, formerly a FTSE 250 company where she was responsible for contributing to the overall business strategy of Ophir; leading the finance function including all financial, taxation, treasury and funding requirements and investor relations. Lisa's previous roles include CSL Limited, and Mobil Oil Australia. Lisa is a Certified Practising Accountant (FCPA Australia) and holds a Bachelor of Economics (major in Accounting) from La Trobe University, Melbourne and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia.

UK CORPORATE GOVERNANCE CODE

2025 statement of compliance with the 2024 Code

We are committed to the highest standards of corporate governance and to compliance with the 2024 UK Corporate Governance Code, which sets out the principles that emphasise the value of good corporate governance to long-term sustainable success.

In prior years, the Company reported against compliance with the 2018 UK Corporate Governance Code. This is the first annual report in which the Company reports against compliance with the 2024 Code, under which the majority of provisions were effective from 1 January 2025. The Company was in full compliance with the applicable provisions of the 2024 Code throughout the year, though attention is drawn to the commentary on the appointment of a new Chair below under "Composition, Succession and Evaluation".

The Company has also undertaken significant preparatory work in advance of the application of Provision 29 of the 2024 Code ("Provision 29") to the financial year commencing 1 January 2026. Provision 29 requires Boards to make a declaration in relation to the effectiveness of their material internal controls in the annual report, together with a description of how the board has monitored and reviewed the effectiveness of the Company's risk management and internal control framework and, if applicable, a description of any material controls which have not operated effectively and the action taken, or proposed, to improve them.

In preparation for Provision 29, the Company has undertaken a holistic review and evaluation of its risk management and internal control framework, including:

- determining an appropriate definition and thresholds for material controls;
- identification of the material internal controls across the Group and relevant personnel with responsibility or ownership, to be maintained, reviewed and updated on a continuous basis;
- mapping material controls to principal risks where appropriate within the Group;
- ascertaining whether the Group's policies, procedures and assurance framework were sufficient to ensure the effectiveness of material internal controls and, to the extent that any gaps or shortcomings were identified, developing remediation plans or actions;
- planning a programme of assurance testing for the effectiveness of material internal controls;
- establishing a framework for the continuous review and periodic testing of material internal controls and for regular reporting to the Board, including in relation to any open items requiring further remedial action.

The Board considers that the Company is in a position to comply in full with Provision 29 in the financial year commencing 1 January 2026.

The remainder of this section of the Governance Report sets out in more detail the Company's practical application of the Principles of the 2024 Code as set out in the five sections below:

- Board Leadership and Company Purpose;
- Division of Responsibilities;
- Composition, Succession and Evaluation;
- Audit, Risk and Internal Control; and
- Remuneration.

This Governance Report concludes with a final summary statement in relation to the significant votes against certain resolutions proposed at the 2025 AGM, in accordance with Provision 4 of the 2024 Code.

UK CORPORATE GOVERNANCE CODE - CONTINUED

Board Leadership and Company Purpose

Purpose and Culture

At Pharos, our purpose is to provide energy to support the development and prosperity of the countries, communities and families wherever we work, in line with recognised social and environmental practices. We have a focused strategy of delivering long-term, sustainable value for all our stakeholders through regular cash returns and organic growth that, together with a strong corporate culture, help us fulfil our purpose.

It remains important to the Board to preserve and enhance the strong and resilient culture of our workforce. The Board monitors adherence to these principles through a number of different engagements, both formal and informal, ensuring that they are evidenced in behaviours, embedded into day-to-day operations, and not simply as words on a page.

Stakeholder engagement

Colleague engagement

The Board understands that the strategy and long-term success of the Group is dependent on a strong culture and set of values that is clear and guide everything we do. Our approach is driven by the strength, skills and imagination of our people, and our shared purpose to make a positive impact. The way we work and do business is based on five guiding principles (the Pharos Guiding Principles): Safety & Care, Energy & Challenge, Openness & Integrity, Empowerment & Accountability, and Pragmatism & Focus. The Pharos Guiding Principles are reinforced by our Code of Conduct and Business Ethics and other corporate-level policies, procedures and guidance. The Board has responsibility for assessing and monitoring the culture of the Group and ensuring that the Group's policies and practices are aligned with this. There are a number of ways in which the Board monitor and assess the culture through engagement with colleagues in various forms, as detailed below.

The Board places great importance on the level of engagement with senior management and other colleagues. The Board remains passionate about workforce engagement and fostering a genuine dialogue between the Company and staff. All staff are kept informed about important business developments in the Company and have channels through which they can ask questions and provide input. The now well practised route of using video calls facilitates more frequent engagement across our offices worldwide. There are biweekly calls between the UK management and staff and the teams in the Group's Cairo and Ho Chi Minh City offices, in addition to a number of other regularly scheduled cross-functional calls. "Lunch and Learn" training sessions covering particular areas of interest, importance or topicality are arranged on an ad hoc basis throughout the year. In addition, the Group's relatively flat organisational structure means shorter lines of management and more direct, accessible channels of communication with leadership.

The Executive Directors receive regular updates on colleague engagement to understand any complaints or challenges arising from their work and working environment, including those related to hybrid and remote working. At the beginning and end of each calendar year, every employee is encouraged to set their own personal and professional development objectives for the upcoming year and assess their own performance against those objectives in conjunction with their line manager. Each employee has at least two meetings with their line manager during the year to discuss and agree the objectives and to review progress mid-year. Line managers also provide additional support where needed and assist the employee in overcoming any difficulties they might be facing.

During the first half of the year, John Martin, as Chair of the Board and the director responsible for workforce engagement, made himself available to all employees and encouraged all staff members to share their concerns, feedback and views about the Company. Following John's retirement from the Board in June 2025, Geoffrey Green was appointed in his place as Non-Executive Director responsible for workforce engagement. Geoffrey held town hall meetings with all employees in September 2025, during which everyone could share their feedback about the Company without the presence of senior management. Outcomes of these meetings were then communicated back to the Board on an anonymous basis.

Additionally, there have been other forms of engagement with the Group's global workforce, including extending participation in the Company's share incentive schemes and the corporate bonus scheme. Employees also have access to both the Company's grievance procedure, set out in the regularly reviewed and updated employee handbook, and a confidential and anonymous whistleblowing facility.

UK CORPORATE GOVERNANCE CODE - CONTINUED

Shareholder engagement

The Board as a whole has responsibility for maintaining a satisfactory dialogue with shareholders. The Executive Directors are responsible for ensuring on a day-to-day basis that effective communication is maintained with key stakeholders and partners, including an appropriate level of contact with major shareholders and ensuring that their views are communicated to the Board. The Executives have primary responsibility for investor relations, but senior management and other members of the Board are also regularly involved in conversations with shareholders.

To maintain a clear understanding of the views of shareholders, all Directors receive a quarterly investor relations report, which includes market updates, brokerage and communications reports, share register and share performance analysis and comments and notes from research analysts and proxy agencies. Additionally, a section of the agenda for each regularly scheduled meeting of the Board is dedicated to investor and stakeholder considerations. Investor relations is also a standing agenda item for weekly management meetings. In dialogue with key stakeholders, the Board understands that scale and strategic relevance remain a key priority. In recognition of this, the Board regularly evaluates strategic priorities, ensuring that we direct resources to opportunities that can drive growth and longevity for the business.

Pharos engaged in open and active dialogue with its institutional, private and retail shareholders in several formats throughout the year. The Board is committed, so far as is reasonably practical, to providing all shareholders, however small their holding, with a fair opportunity in each year to access the Chair, other Directors and senior management. The Company uses its online presence to post and disseminate key information promptly to a wide audience, as a complement to the use of the normal regulatory news service. The "Contact" section of the Company's website is regularly used by shareholders and stakeholders for email communication with management. The official X (formerly known as Twitter) and LinkedIn accounts of Pharos continue to be used actively. The Company uses a communications agency to provide assistance in the presentation and dissemination of information to shareholders and the general public and also to solicit active feedback as to the effectiveness of such efforts. Additionally, the Company also provides a platform for everyone to access an analyst research

feed via its corporate website at www.pharos.energy/investors/analyst-research/. This allows for a wider audience of private and retail shareholder to freely access analyst research notes about the Company. The Company's existing analyst coverage comprises the established houses Peel Hunt, Shore Capital, Auctus Advisors, Cavendish, together with the more retail-focussed Progressive Research. All of these analysts produce regular research notes on the Company, ensuring a broad and relatively diverse mix of equity research and investment opinion are available to all shareholders. The Company has continued its policy of regular liaison with proxy advisory and corporate governance services on responsible investment, ESG, board composition, executive remuneration and the terms of shareholder resolutions.

Also in 2025, the Company continued its engagement with online platform Investor Meet Company to host online meetings with a Q&A session in March and September, allowing shareholders and the wider public a free platform to put questions directly to the Executive Directors. At the annual Strategy Day held in London in November 2025, the Board received presentations and inputs from several key internal and external parties, including professional advisers. During the year, the Executive Directors, senior management, and investor relations colleagues also met with over 20 different institutional investors, family offices, media journalists and analysts in various engagements and events, including investor roadshows, analyst meetings and media interviews.

The NEDs are each responsible for taking sufficient steps to understand shareholder views, including any issues or concerns relating to the management of the Company. This includes engagement outside general meetings with major shareholders to understand their views on governance and performance against strategy, and responding to requests for additional communication with the Chair, the Senior Independent Director or other NEDs.

Additionally, both before and after the formal proceedings of each AGM of the Company, all Directors and senior management, including the Chairs of the principal Board committees, make themselves available to answer shareholder questions and respond to any specific queries.

Local communities, governments and employees

Our goal is to have a responsible and positive presence in the regions in which we operate, creating value for host countries, local communities, employees, contractors, suppliers, partners and shareholders. We engage with all of those stakeholders on a regular basis. Additionally, we carefully monitor compliance with the Modern Slavery Act 2015 in relation to the Group's international operations, including through regular compliance checks and the requirements our due diligence and on boarding processes with suppliers, service companies and other contractors.

In Vietnam, commitment to local sourcing, employment, training and industry capacity building has continued with a training levy of \$300,000 per year in a ring-fenced fund to support developing future Vietnamese expertise in the industry. In Egypt, under the El Fayum and North Beni Suef Concession Agreements, the Contractor parties contribute a total of \$200,000 per year split equally between the two Concessions to support training and development in industry. Under the consolidated Concession Agreement, when signed, the Contractor parties expect to make an annual contribution of up to \$200,000 towards training and development, with the exact amount dependent on the status of exploration and development areas within the Concession from time to time.

During the year we sought to align our social investment programme with the United Nations Sustainable Development Goals (UN SDGs). In 2025, in addition to the training levy mentioned above, a further \$417,867 was invested in 28 healthcare, education, infrastructure and other community projects across all three host countries. The JOCs approached and consulted with local partners to determine which areas of the country would need the greatest assistance in order to ensure that we were investing in local projects that would bring the most sustainable positive impact to the community. For full details of all the projects in which Pharos invested during the year, please see our Corporate Responsibility report on pages 70 to 72.

UK CORPORATE GOVERNANCE CODE - CONTINUED

As previously reported, the Company established an innovative Emissions Management Fund in September 2022, to provide financial support for emissions management projects with Pharos and its JOC that are otherwise not economically feasible. The establishment of the Fund by Pharos was, in part, to reflect that, with its producing assets all operated through JOCs, the Group has limited control over the production facilities and is not in a position to unilaterally introduce measures or initiatives to manage emissions from those facilities. From every barrel net to the Company sold at an oil price above \$75, this Fund is provided with \$0.25. As at 31 December 2025, the value of the fund was c.\$964,000 (2024: c.\$830,000).

Whistleblowing, Ethics and Business Conduct

Our Whistleblowing Policy and associated procedures ensure that employees are protected from possible reprisals when raising concerns in good faith. In addition to internal reporting channels, we have a dedicated, anonymous and confidential ethics hotline with numbers displayed in our local offices available 24 hours a day all year round. Zero calls were made to the hotline in 2025.

Additionally, the Group's Code of Business Conduct and Ethics and associated policies, which are reviewed, updated, and re-approved by the Board annually, were followed rigorously in 2025, with no known or reported breaches. All employees are encouraged to place these policies at the forefront of our engagement with suppliers, vendors, partners, and public officials. It is also a requirement for all Group employees and the Board to complete and successfully pass their ABC and corporate crime E-Learning training every year to ensure that the expected standards of business conduct are communicated and recognised across the organisation.

In addition to the overarching Code of Business Conduct and Ethics, the Company has also established governance and policy standards in response to specific circumstances, such as the introduction of a Group Sanctions Policy and working group in response to the Russian/Ukraine conflict and the waves of economic and other sanctions that have followed in response. The Board recognises that 2025 and 2026 has seen a further increase in geopolitical instability, with far reaching effects on the global economy, international trade and the security and sovereignty of nation states. This instability, and the risks it poses to the Group and its business, are discussed in more detail in the Risk Management Report on page 47. The Group continues

to support colleagues and contractors during this difficult time, as well as ensuring that our business can continue to function unaffected. At an operational level, the Group continues to work with the JOCs and its partners on contingency planning and mitigation in the event that these conflicts, and any associated sanctions, have a direct impact on the Group's business.

Division of Responsibilities

Responsibilities of the Board

The statutory duty of the Directors is to act in what they consider to be in the best interests of the Company and, as a unitary Board, they are responsible for the long-term success of the Company. The Board determines and develops the strategy for the business and provides it with the necessary entrepreneurial leadership. It ensures the Company is adequately resourced to meet its strategic objectives and can meet its obligations to its stakeholders. The Board sets the values, standards and controls necessary for risk to be effectively assessed and managed. Some of its responsibilities have been delegated to committees of the Board, including the Audit and Risk, Remuneration, Nominations, ESG and Reserves Committees.

The roles of the Chair and Chief Executive Officer (CEO) are separate and their responsibilities are clearly established, set out in writing and agreed by the Board. Both are collectively responsible for the leadership of the Company. The Chair chairs the Board meetings, leads the NEDs in the constructive challenge of the Executive Directors' strategy and day-to-day management and is accountable for the Board's effectiveness. This includes encouraging an open and frank boardroom culture, setting the Board's agenda, facilitating the NEDs' contribution, and ensuring sufficient time and information to promote effective and challenging discussions.

The CEO is responsible for the everyday management of the Company. The CEO leads the Executive Directors and management team in the implementation of the Board's strategy and management's performance in running the business. The Executive Directors and other members of the Company's senior management team meet at least once a week to discuss all matters relating to the Group, its business and assets.

The NEDs have a supervisory role that contributes to the development of the strategy through supportive and challenging inquiry. They scrutinise the Executive Directors' performance in meeting their agreed goals and objectives and play a key role in their appointment or removal.

The Company Secretary is appointed by the Board. He facilitates the communications and processes of the Board, the induction programme for new Directors and provides advice through the Chair as may be required in the ongoing discharge of the Directors' duties. This includes ensuring that the Company provides the necessary resources for access to independent advice and any individual professional training and development needs agreed with each Director.

The Board operates within a framework that distinguishes the types of decisions to be taken by the Board, including determination of strategy, setting the principal operating policies and standards of conduct, approval of overall financial budgets and financing agreements, approval for establishing key corporate relationships and approval of any actions or matters requiring the approval of shareholders.

Board composition

As at 31 December 2025, the Board comprised of six Directors, being the Chair (who was independent on appointment), two Executive Directors and three independent Non-Executive Directors.

Tony Hunter was Company Secretary throughout the year and his appointment was approved by the Board as a whole.

Responsibilities and composition of the principal Board committees

There are five principal committees of the Board:

- The Audit and Risk Committee - responsible for oversight of the integrity of the Financial Statements and narrative reporting, including annual and half year reports
- The Environmental, Social and Governance (ESG) Committee - responsible for defining the Group's strategy related to ESG matters.
- The Nominations Committee - responsible for ensuring the leadership needs of the Company are sufficiently appropriate to ensure continued ability to compete effectively in the marketplace

UK CORPORATE GOVERNANCE CODE - CONTINUED

- The Remuneration Committee - responsible for the design, development and implementation of the Directors' Remuneration Policy
- The Reserves Committee - responsible for the review of reports of the Group's oil and gas producing activities and monitoring compliance with applicable law and regulation regarding disclosure of information relating to the Group's oil and gas reserves and resources

Each principal Board committee has formal Terms of Reference (TORs), which sets out the relevant committee's delegated role and authority and is approved by the Board. The TORs for each committee, as well as the current committee members, are available on the Company's website www.pharos.energy/about-us/governance/committees/.

Time commitment

The Board has four scheduled meetings a year, with additional meetings scheduled as required in connection with the efficient and diligent operation of the business of the Company.

In 2025, in addition to the four scheduled quarterly meetings, the Board also met on an additional four occasions to deal with specific business matters which required Board approval. In addition, a Corporate Strategy Day was held in November 2025, attended by all members of the Board, certain other colleagues and a number of external stakeholders and advisers.

For meetings of the board committees, only Directors that are members of the relevant committee are required to attend. Other Directors are invited to attend meetings of committees of which they were not members, where determined to be appropriate or beneficial. In addition, the chairs of the principal Board committees provide an update on committee activities at each full Board meeting. The attendance table for the Board and principal Board committee meetings in 2025 can be found on page 105.

Composition, succession and evaluation

Board composition and succession

The Nominations Committee ensures the leadership needs of the Company are met and maintained appropriately to allow it to compete effectively in the marketplace. Board appointments are made through a formal process led by the Nominations Committee.

The most significant development in 2025 from the perspective of Board composition and succession was the retirement of the former Chair, John Martin, with effect from 25 June 2025, and the appointment of his replacement, João Saraiva e Silva, with effect from 26 June 2025. The Nominations Committee recognises that Provision 20 of the 2024 Code states that an external search consultancy or the open advertising of vacancies should generally be used for the appointment of the Chair and other NEDs. However, in the relation to the appointment of the Chair in 2025, neither an external search consultancy nor open advertising were used.

The Nominations Committee, on behalf of the Board, considered engaging an external search consultancy to identify potential candidates for the position of Chair, but determined that doing so would not have been necessary or proportionate. The Committee consulted with the Company's largest shareholders, who had expressed a desire for refreshed leadership, and sought recommendations from industry contacts on potential candidates. In considering suitability of candidates for the position of Chair, the Committee assessed the capabilities needed to support the Company's strategic priorities, with particular weight given to relevant industry experience. When a preferred candidate was identified, a full due diligence process was undertaken by the Committee, including interviews, references and an assessment against the Company's strategic and governance requirements. The Committee also recognised the importance of selecting a Chair considered independent on appointment, including when taking into account the matters set out in Provision 10 to the 2024 Code.

The Committee determined that, taking into account the preferred candidate's close alignment with the role specification, the robustness of stakeholder endorsement and the time sensitive nature of the transition, an external search was unlikely to produce a stronger candidate. Accordingly, the Committee determined that the circumstances were such that a

departure from the 2024 Code's direction that open advertising or an external search consultancy should "generally" be used was justified. The Committee accordingly made its recommendation to the Board of the preferred candidate for Chair, João Saraiva e Silva. The Board accepted the Committee's recommendation and its rationale for not using open advertising or an external search consultancy for the position.

While the Board and the Nominations Committee recognise the importance of external search firms in safeguarding objectivity and widening the candidate pool, in this case the strength of the recommendation and the thoroughness of the Committee's assessment provided sufficient assurance of a merit-based appointment. The Board and the Committee remain committed to using open advertising and/or external search consultancies for future Board appointments where appropriate.

The Directors' roles are established in writing and approved by the Board. Biographical details are provided on pages 107 to 108.

Diversity and Inclusion

We believe in a workforce with a diversity of experience, nationalities, ethnicities, cultural backgrounds and gender, to support our business strategy of long-term sustainable growth. We are proud that we are able to recruit talents from diverse backgrounds and ethnicities. As at year-end 2025, our global staff comprises 32 people from 10 different nationalities, of which women accounted for approximately 50%, which ensures that we cultivate a culture that recognises and promotes diversity in all forms and where every voice is heard. Our Code of Business Conduct and Ethics, associated policies and procedures, and the Pharos Guiding Principles commit us to providing a workplace free of discrimination where all employees can fulfil their potential based on merit and ability. They also commit us to providing a fully inclusive workplace, while providing the right development opportunities to ensure existing staff have rewarding careers.

During the year, the Company also undertook a Group-wide survey of staff on questions and perceptions of diversity, equity and inclusion within the organisation. The results of this survey are expected to form the basis for a workshop, seminar or similar event for staff during 2026.

UK CORPORATE GOVERNANCE CODE - CONTINUED

Throughout the year, the Company complied with 2 out of 3 targets set by UKLR 6.6.6R(9)(a) of the FCA's Listing Rules. As at 31 December 2025, the Company had:

- Three female Directors, representing half of the Board
- All Executive Director positions (Chief Executive Officer and Chief Financial Officer) held by women

The UKLR 6.6.6R(9)(a) target with which the Company did not comply in 2025 related to ethnic diversity. That Listing Rule establishes a target for listed commercial companies of having at least one member of the Board from a minority ethnic background. Unfortunately, the accelerated process to identify and appoint a new Chair during 2025 in consultation with the Company's largest shareholders limited the opportunity to consider minority ethnic candidates for the position. In the future recruitment of both NEDs and Executive Directors, the Company will continue to seek and welcome candidates for the Board from a minority ethnic background. There is also significant diversity within the wider organisation. Equality, diversity and inclusion sit at the heart of our recruitment, development and promotion processes.

For more information on the gender and ethnic diversity of our corporate employees and senior management, please see page 69 of the Corporate Responsibility report.

Annual re-election of Directors

All Directors annually retire and seek re-election by shareholders at the Company's AGM. The Nominations Committee makes its recommendation to the Board on each election or re-election resolution. Pending the Chair confirming his satisfaction that each Director continues to perform effectively and with the appropriate commitment to the role, the full Board then determines its own recommendation to shareholders in relation to those resolutions.

The Nominations Committee formed its recommendations regarding the re-election resolutions at the 2025 AGM following assessments of Board balance, composition and independence. At the AGM, all re-election resolutions were passed, but five of the six resolutions to re-elect directors (excluding Katherine Roe) received votes against in excess of 20% of the votes cast. For further information on the actions taken by the Company in response to the voting results at the AGM, please refer to the section below headed "Significant Dissenting Votes at the 2025 AGM – Final Summary".

Board effectiveness and performance review

The Nominations Committee assesses the Board's balance of skills, experience, independence, diversity, tenure and knowledge of the Company and the industry on an annual basis. The assessments in 2025 included consideration of the Company's leadership needs within the context of growth, portfolio diversification and long-term strategy. Those assessments were another key factor in the appointment of João Saraiva e Silva as Non-Executive Chair following the retirement of John Martin, with the Nominations Committee keen to ensure that the current balance of the Board remained appropriate and sufficient to effectively promote the long-term success of the Company.



UK CORPORATE GOVERNANCE CODE - CONTINUED

Audit, Risk and Internal Control

Financial reporting and significant accounting issues

During the first half of 2025, the Group's accounting policies, in accordance with best practice, were reviewed by management and the Audit and Risk Committee to ensure that they remained appropriate for the Group's activities. Following this review, the Group's accounting policies were judged to be fully up-to-date and there were no significant changes recommended to the Board by the Audit and Risk Committee.

Significant issues related to the 2025 Financial Statements

The Audit and Risk Committee identified the significant issues (disclosed in more detail in the Audit and Risk Report) that should be taken into consideration in relation to the Financial Statements for the year ended 31 December 2025, being key issues which may be subject to heightened risk of material misstatement.

Fair, balanced and understandable

The Audit and Risk Committee advised the Board whether it considered the Annual Report and Accounts taken as a whole are fair, balanced and understandable and provide the range of information necessary for shareholders to assess the Group's performance, business model and strategy. The Directors have confirmed this in their Responsibility Statement set out on page 166 of the Directors' Report.

Viability statement and Going concern

In accordance with the UK Corporate Governance code, the Board assessed the prospects of the company over a period longer than the twelve months required to support the Going Concern. The appropriate length which the Viability Statement should cover is 3 years. A significant factor in the Group's forward cash position is the oil price assumption, and as most of the source data relates to a 3-year period, this is considered as the appropriate lookout period for the Viability Statement.

In undertaking this assessment, the Board has carried out a robust review of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity, with particular attention given to the principal and emerging risks.

Management's Going Concern assessment supporting the 2025 Financial Statements was challenged and reviewed by the Audit and Risk Committee. The assessment included a "Base Case" for the Group, including cash flow estimates for both Vietnam and Egypt, as well as a "Reasonable Worst Case" scenario, giving particular regard to the continuing impact of commodity price volatility. A further assessment was also undertaken on the impact of climate change on commodity prices and a sensitivity on carbon taxes.

Based on this detailed analysis, management has concluded that the Group will continue as a Going Concern for 12 months from the date of signing of the 2025 Financial Statements.

Following its review of management's paper on the Going Concern assessment and in-depth walk through of assumptions contained in that assessment, the Audit and Risk Committee is satisfied that it is appropriate to prepare the 2025 Financial Statements on a Going Concern basis.

For more information, please see the Viability Statement in the Strategic Report on pages 57 to 58 and Note 2 on page 180.

Internal controls and risk management systems

The Group's internal control framework and risk management processes are designed to ensure that risk identification, assessment and mitigation is properly embedded throughout the organisation. The risk management approach is designed to provide the Audit and Risk Committee and the Board with reasonable assurance that financial irregularities and control weaknesses will be identified to mitigate risks that could potentially have a material adverse impact on the Group's operations, earnings, liquidity and financial prospects.

During 2025, the Group continued to carry out comprehensive reviews of the overall effectiveness of its internal controls framework and continued to work on improvements.

The Board is primarily responsible for the effectiveness of the Group's internal control systems which are monitored and improved on an ongoing basis.

The Audit and Risk Committee has been delegated the authority to monitor the effectiveness of the control systems operated by management. The external auditor, Ernst & Young LLP, also provides feedback and recommendations on controls which are brought to the attention of the committee.

Internal controls and risk management issues are discussed and reviewed at each Audit and Risk Committee meeting, with a report being provided to the Board.

KPMG LLP was appointed to carry out various internal audits. During 2024 KPMG commenced a review of the IT environment and their review of the operator's compliance with the Egyptian Joint Operating Agreements for the financial year from 1 July 2023 to 30 June 2024 started in the first half of 2025.

Internal controls focus for 2025

The Audit and Risk Committee and the Board conducted a review of the effectiveness of the Group's risk management and internal control systems.

Overall, the control environment was considered to be operating effectively. Our Strategic Framework takes into consideration the range of potential risks and the nature of their impact on the business. The strategic ambitions of the Group, achieving our financial and ESG objectives, maintaining operational effectiveness, ensuring our reputation to markets, partners, and stakeholders are all assessed in the context of our appetite for risk.

The Board is responsible for maintaining a sound system of internal controls to safeguard shareholders' investment and the assets of the Company. There is an effective internal control function within the Company which gives reasonable assurance against any material misstatement or loss. The Board and management will continue to review the effectiveness and the adequacy of the Company's internal control systems and update such as may be necessary.

For more information about the Board's internal controls focus, please refer to the Audit and Risk Committee Report on page 129.

UK CORPORATE GOVERNANCE CODE - CONTINUED

Risk assessment

The Audit and Risk Committee conducted a detailed risk assessment in which it reviewed existing risks and identified new risks as appropriate. The likelihood and significance of each risk was evaluated along with proposed mitigating factors and was reported to the Board. All new risks or changes to existing risks were monitored throughout the year and discussed at each committee meeting. The Group maintains a comprehensive bribery risk assessment and mitigation procedure to ensure that the Group has procedures in place to mitigate bribery, and that all employees, agents, contractors, and other associated persons are made fully aware of the Group's robust policies and procedures on a regular basis.

External auditor

Ernst & Young LLP was re-appointed as our external auditor with effect from the financial year commencing 1 January 2025.

In each year, the committee assesses the performance of the external auditor based on their experience, the quality of their written and oral communication and input from management, prior to making any recommendations as to the re-appointment of the external auditor at the AGM. The committee also assesses the independence of the external auditor once a year and the lead partner is required to be rotated every five years. The current Ernst & Young LLP lead partner is Andrew Smyth.

External auditor - non-audit services

The external auditor is appointed primarily to carry out the statutory audit and their continued independence and objectivity is crucial. In view of their knowledge of the business, there may be occasions when the external auditor is best placed to undertake other services on behalf of the Group. The committee has a policy which sets out those non-audit services which the external auditor may provide and those which are prohibited. Within that policy, any non-audit service must be approved by the committee. The current version of this policy is available on the Company's website at <https://www.pharos.energy/responsibility/policy-statements/>.

Before approving a non-audit service, consideration is given to whether the nature of the service, materiality of the fees, or the level of reliance to be placed on it by the Group would create, or appear to create, a threat to independence.

If it is determined that such a threat might arise, approval will not be granted unless the committee is satisfied that appropriate safeguards are applied to ensure independence and that objectivity is not impaired. The auditor is prohibited from providing any services which might result in certain circumstances that have been deemed to present such a threat, including auditing their own work, taking management decisions for the Group or creating either a mutuality or conflict of interest. The Company has taken steps to develop resources and relationships in order to establish availability of alternate advisers for financial and other matters.

Principal and emerging risks

On page 46, we set out our assessment of the principal and emerging risks facing the business. The Group Risk Management framework requires that all business units within the Group conduct ongoing risk management and reporting to the Audit and Risk Committee and the Board. The Group Risk Management Policy defines the specifics of the risk management process, describes the risk tools (for example, the preparation and maintenance of a Group risk matrix and risk register) and outlines the reporting process and responsibilities within the overall risk management framework.

Remuneration

Remuneration principles

The Remuneration Committee is responsible for the design, development and implementation of the Directors' Remuneration Policy.

In determining the remuneration packages awarded to management, the Board and the Remuneration Committee have continued to aim at providing incentive schemes that reflect the characteristics of attractive rewards, fairness and restraint. Appropriate advice on best practice is taken from an independent advisor.

In accordance with Provision 38 of the 2024 Code, the Directors' Remuneration Report now includes expanded disclosure on malus and clawback provisions. Details of when they may be applied, the relevant timeframes and why they are best suited to the Company, and any actions taken during the year can be found on page 162.

Directors' Remuneration Policy

Our overarching aim is to operate a Directors' Remuneration Policy which rewards senior management at an appropriate level for delivering against the Company's annual and longer-term strategic objectives. The policy is intended to create strong alignment between Executive Directors and shareholders.

In line with applicable law, we are required to review and propose to shareholders the Directors' Remuneration Policy at least once every three years. As the policy was last reviewed, updated and approved at the 2023 AGM, a revised policy will be put to shareholders for approval at the 2026 AGM. The terms of the proposed new policy are set out on pages 154 to 156 of this report.

Pension and benefits

All eligible employees have the same access to the same pension contribution rate (15% of salary) and access to a similar level of benefits.

Directors' shareholdings and share interests

The Board has a policy requiring Executive Directors to build a minimum shareholding of 200% of their annual salary. Additionally, Long-Term Incentive Plan (LTIP) awards to the Executive Directors have a two-year holding period following vesting. This is intended to emphasise a commitment to the alignment of Executive Directors with shareholders and a focus on long term stewardship.

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Final Summary on Results of 2025 AGM

In accordance with Provision 4 of the 2024 Code, this is a final summary in relation to votes of 20% or more cast against resolutions at the 2025 AGM, held on Thursday 22 May 2025. At the 2025 AGM, 20% or more of votes were cast against the following resolutions:

- **Resolution 3:** To approve the Directors' Remuneration Report included in the Annual Report and Accounts for the financial year ended 31 December 2024
- **Resolution 4:** To reappoint John Martin as a Director
- **Resolution 5:** To reappoint Sue Rivett as a Director
- **Resolution 6:** To reappoint Geoffrey Green as a Director
- **Resolution 7:** To reappoint Dr Bill Higgs as a Director
- **Resolution 8:** To reappoint Lisa Mitchell as a Director
- **Resolution 12:** To authorise the Directors to allot securities (s.551 of the Companies Act 2006)
- **Resolution 13:** To disapply pre-emption rights (s.570 and s.573 of the Companies Act 2006)
- **Resolution 14:** To disapply pre-emption rights (s.570 and s.573 of the Companies Act 2006) for acquisitions or specified capital investments
- **Resolution 16:** To authorise the Directors to call general meetings of the Company (other than an annual general meeting) on not less than 14 clear days' notice

This is a final summary on the actions taken by the Company since the 2025 AGM, including the views received from shareholders. The Company had previously explained, when announcing the 2025 AGM voting results, what actions it intended to take to consult shareholders in order to understand the reasons behind the result. An update on the views received from shareholders and actions taken was then published on the Company's website on 13 November 2025.

It is important to set some context to the significant dissenting votes on the ten 2025 AGM resolutions listed above. In each of those resolutions, the votes against reached or exceeded the relevant threshold under Provision 4 of the 2024 Code because a single shareholder of the Company, then holding an interest in just under 20% of the voting rights, voted against those resolutions. If this shareholder had abstained on any of the resolutions, the remaining percentage of votes cast against that resolution would be lower than 5%.

It is also important to note the Board does not believe that any of the significant dissenting votes on the 2025 AGM resolutions set out above are attributable to any underlying shortcoming in the Company's governance. The proxy and governance advisory services ISS and Glass Lewis recommended a vote in favour of all resolutions proposed at the 2025 AGM, and the Institutional Voting Information Service awarded all 2025 AGM resolutions a "Blue Top", indicating no areas of major concern. As a consequence, the Board has not considered it necessary to seek the views of these advisory services on the significant dissenting votes cast at the AGM.

Finally, it should be recognised that, in relation specifically to Resolution 4 proposed at the 2025 AGM, the Company's former Chair, John Martin, announced at the conclusion of the AGM that he would be stepping down from the role as soon as a successor could be identified. He subsequently stepped down as Chair and director of the Company on 25 June 2025, and on the following day João Saraiva e Silva was appointed as the Company's new Chair. The appointment was made only after consultation with the Company's largest shareholders, as discussed earlier in this Governance Report.

In addition to the appointment of a new Chair, the Board has continued since the 2025 AGM to consult with shareholders on their views on a range of matters related to the governance and strategy of the Company. This has included active engagement with the largest shareholder that voted against 2025 AGM resolutions on their reasons for doing so. Overall, the Board considers the feedback from shareholders, including that shareholder, to be positive. In particular, no shareholder has expressed concern on the remuneration of directors or on the composition of the Board following replacement of the Chair.

The Board will continue to engage regularly with shareholders. Specifically in relation to the Company's largest shareholder, the Board has, in advance of the 2026 AGM, asked the shareholder whether there are any specific actions or explanations that would assist that shareholder when considering the merits of the resolutions to be proposed at the meeting.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) COMMITTEE REPORT

Environmental, Social and Governance (ESG) Committee Report

Dear Shareholders,

I am pleased to present this Environmental, Social and Governance (ESG) Committee Report for the year ended 31 December 2025, which sets out the role and work of the committee during the year. The ESG Committee has focused its work on reviewing and overseeing the Group’s HSE performance, progress towards emission reduction targets, compliance with climate-related reporting and disclosure requirements, and social investment projects during the year.



JOÃO SARAIVA E SILVA
ESG Committee Chair

Meeting attendance

Committee member	2025 attendance			
João Saraiva e Silva (Chair) ^				
Katherine Roe				
Sue Rivett				
Geoffrey Green ^				
Dr Bill Higgs ^				
Lisa Mitchell ^				
John Martin ^				

KEY

Attended as member

Not attended

^ Independent Directors

Notes:

- a) Joao Saraiva e Silva was appointed as Chair of the ESG Committee on 26 June 2025.
- b) John Martin stepped down as Chair of the ESG Committee on 25 June 2025.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) COMMITTEE REPORT - CONTINUED

Membership and responsibilities

During 2025, the ESG Committee was comprised of myself as Chair, Katherine Roe, Sue Rivett, Geoffrey Green, Dr Bill Higgs, and Lisa Mitchell. John Martin stepped down from the Board and all Board Committees on 25 June 2025.

As Chair of the ESG Committee, I convene meetings on a regular basis and report to the Board throughout the year.

The ESG Committee has a Terms of Reference outlining its responsibilities, which is reviewed and updated as appropriate by the Board on an annual basis. This is available on our website at www.pharos.energy/about-us/governance/committees/.

Key responsibilities

The Committee is constituted by the Board to:

- Oversee the Group's management and compliance with climate-related reporting and disclosure requirements, including applicable rules and principles of corporate governance, and applicable industry standards;
- Assist the Board in defining and implementing the Group's corporate responsibility strategy;
- Review the policies, programmes, practices and initiatives of the Group relating to corporate responsibility matters, ensuring they remain effective and up to date;
- Report on these matters to the Board and, where appropriate, make recommendations to the Board; and
- Report as required to shareholders of the Company on the activities and remit of the Committee, and in achieving corporate responsibility and Net Zero targets.

ESG Committee meetings in 2025

The Committee met four times during 2025. These meetings were regularly scheduled Committee meetings held in March, May, September and December. At each meeting, the Committee reviewed and discussed:

- HSES quarterly performance reports, which includes review of KPIs for both safety and environmental matters, and all HSES plans, policies and procedures
- GHG emissions in Egypt and Vietnam
- Proposed carbon-reduction initiatives in Egypt and Vietnam
- Progress towards emission reduction targets set out in the Net Zero Roadmap
- Annual review and update of the Net Zero Roadmap
- Emissions Management Fund
- TCFD reporting, CDP disclosure and annual Corporate Responsibility (CR) Report
- Development of environmental regulations and COP events
- Procedures and practices in place to ensure a safe workplace
- Updates from the Charity and Community Projects Committee as a sub-committee of the ESG Committee to oversee the Group's social investment projects

In addition to members of the Committee, additional non-committee members, such as technical, legal and investor relations staff were invited to attend the regularly scheduled Committee meetings.

During 2025, the following additional areas were reviewed and discussed at each meeting:

March

- 4Q 2024 HSES performance report
- GHG emission performance, noting reductions in total emissions compared to previous year
- Budgets for the Charity and Community Projects Committee
- ESG reporting trends and voluntary disclosures including the CDP
- Draft ESG Committee report to be included in the Annual Report 2024

May

- 1Q 2025 HSES performance report
- GHG emission performance, noting higher emissions intensity due to flaring and the natural decline of the fields
- HSE audit plans and alignment of HSE management systems with partners, focusing on crisis management
- Additional environmental objectives
- Updates on social investment projects approved by the Charity and Community Projects Committee

September

- 2Q 2025 HSES performance report
- GHG emission performance, noting planned maintenance and increased drilling activity expected in the second half of the year
- KPIs for safety and environmental matters, noting no safety incidents and one spill across the Group
- Updates on decarbonisation projects across the Group, noting alignment with the JOCs, the importance of cost/benefit analyses, and investor focus on investment returns
- Updates on the Charity and Community Projects Committee's terms of reference and budget

December

- 3Q 2025 HSES performance report
- GHG emissions performance, noting actions taken and lessons learnt following the spill incident during 3Q and IOGP market standards
- ESG disclosure updates, industry reporting trends and peer reviews
- Update on social investment projects and committee roles in the Charity and Community Projects Committee

JOÃO SARAIVA E SILVA
ESG Committee Chair

RESERVES COMMITTEE REPORT

Reserves Committee Report

Dear Shareholders,

I am pleased to present the Reserves Committee Report for the year ended 31 December 2025 – the second Reserves Committee Report for Pharos Energy - which sets out the role and work of the committee during the year. The Reserves Committee have focused their work on evaluating and reviewing the effectiveness of the Company's processes for the estimation of technical reserves and resources, asset development planning, and annual work programme and budget development.



DR BILL HIGGS
Reserves Committee Chair

Meeting attendance

Committee member	2025 attendance			
Dr Bill Higgs (Chair) ^	■	■	■	■
Sue Rivett	■	■	■	■
Mohamed Sayed	■			
Aldo Lopez Marmolejo		■	■	

KEY

■ Attended as member

■ Not attended

^ Independent Directors

Notes:

- Katherine Roe attended all four meetings, all as non-committee member.
- Aldo Lopez Marmolejo was appointed to the Reserves Committee on 4 August 2025.

RESERVES COMMITTEE REPORT - CONTINUED

Membership and responsibilities

The Committee was formed in May 2024 and convened for the first time in August that year. During 2025, the Reserves Committee was comprised of myself as Chair, CFO, and Principal Reservoir Engineer, following the departure of the COO. As Chair of the Reserves Committee, I convene meetings at least twice a year and report to the Board at each Board meeting.

The Reserves Committee has a Terms of Reference outlining its responsibilities, which is reviewed and updated as appropriate by the Board on an annual basis. This is available on our website at www.pharos.energy/about-us/governance/committees/.

Key responsibilities

The Committee is constituted by the Board to:

- Evaluate the effectiveness of the Company's and the Group's technical reserves and resources evaluation, determination and reporting processes and standards;
- Assist the Board in the Company's compliance with legal, regulatory requirements and perform any other activities consistent with these terms of reference, as the Board deems necessary or appropriate;
- Review the Company's asset development planning and reserves and resources accounting procedures annually, providing information to the Company's independent qualified reserves evaluator(s) for the purposes of its report on the Company's reserves and resources data and providing guidance to the Board on the underlying procedures for the assessment of reserves and resources information subject to disclosure under applicable law;
- Review and, where applicable, approve the content of (a) any statement of reserves and resources data and other information that may be used to value the Company's upstream assets, this includes publication by the Company of any statement of reserves or resources data and other oil and gas information, (b) any report of an independent qualified reserves evaluator and (c) any significant changes in reserves volumes or changes in assumptions or forecasts;

- Review asset development plans for each of the Group's producing and preproduction assets annually as an input to the annual setting of work programmes and budgets; and
- Ensure the Audit and Risk Committee and the Board are kept apprised of any potential significant changes to the Group's reserves and resources.

Reserves Committee meetings in 2025

The Committee met three times during the year. These meetings were held in February, August and November. At each meeting, the Committee reviewed and discussed:

- Production performance during the period, including well performance and progress on RFDPs
- Future work programme ('Annual Work Programme & Budget, or 'WP&B') and forecast
- Proposals for next third-party Competent Person's Report (CPR)

Notable matters discussed during the year:

Terms of Reference

The Committee noted its terms of reference approved by the Board and distributed in advance of the meeting. The Committee confirmed that, as well as being convened when there were any material changes to reserves, it would in any case meet in connection with capital allocation during the budgeting process, and in advance of results announcements to review reserves, production volumes, assumptions and forecasts. The Board would continue to receive regular reports on production and forecasts.

As such, it was agreed to update the terms of reference to include a committee call ahead of the half year results along with a meeting ahead of the Board budget cycle.

Review of 2025 production performance

The 2025 production versus guidance was reviewed at all three meetings and it was noted that the production was within the guidance range for 2025.

Review of proposed 2026 WP&B

The proposed work programme for 2026 was reviewed in terms of cost, schedule and resulting well and field performance ahead of finalising for presentation to the Board. This included a review of the group production estimation for 2026, including risks and uncertainties.

Proposals for next third-party CPR

Pharos Energy usually commissioned a third-party Competent Person's Report at the end of the year. This report is an independent assessment of the Group's petroleum reserves and resources; it serves as an additional layer of assurance to the Group's internal estimates. The Committee discussed whether the next third-party CPR should await next year's half year update when the Group would have more performance data, early results from the Vietnam drilling campaign and a clearer view on regulatory approvals in Egypt. The Committee agreed this would be appropriate unless an earlier report became necessary for other purposes.

Notable matters discussed post year end:

Year-end 2025 reserves assessment

The Committee convened to review and discuss the Group's internal assessment of the year-end 2025 reserves and resources. The Committee endorsed their assessment of the 2P Reserves as reflected in the following tables.

RESERVES COMMITTEE REPORT - CONTINUED

Group Reserves and Contingent Resources

The Group Reserves Statistics table below summarises our reserves and contingent resources based on the Group's unitised net working interest in each field.

Group Reserves Statistics

Net working interest, mmmboe	Vietnam	Egypt	Group
Oil and Gas 2P Commercial Reserves^{1,2}			
As at 1 January 2025	8.9	12.4	21.3
Production	(1.5)	(0.5)	(2.0)
Revision	(0.2)	(0.7)	(0.9)
2P Commercial Reserves as at 31 December 2025	7.2	11.2	18.4
Oil and Gas 2C Contingent Resources^{1,2}			
As at 1 January 2025	7.8	8.3	16.1
Revision	-	0.7	0.7
2C Contingent Resources as at 31 December 2025	7.8	9.0	16.8
Total of 2P Reserves and 2C Contingent Resources as at 31 December 2025	15.0	20.2	35.2

1) Reserves and Contingent Resources are categorised in line with 2018 SPE/WPC/AAPG/SPEE/SEG/SPWLA/VEAGE Petroleum Resource Management System.

2) Assumes an oil equivalent conversion factor of 6,000 standard cubic feet per barrel of oil equivalent.



RESERVES COMMITTEE REPORT - CONTINUED

Group's Net Working Interest Reserves and Contingent Resources**Vietnam at 31 December 2025 (mmbœ) (net to Group's working interest)**

Reserves ²	1P	2P	3P
Oil	5.1	6.0	6.7
Gas ¹	0.9	1.2	1.3
Total	6.0	7.2	8.0

Contingent Resources ²	1C	2C	3C
Oil	4.1	6.5	8.9
Gas ¹	0.8	1.3	1.9
Total	4.9	7.8	10.8

Sum of Reserves and Contingent Resources ³	1P & 1C	2P & 2C	3P & 3C
Oil	9.2	12.5	15.6
Gas ¹	1.7	2.5	3.2
Total	10.9	15.0	18.8

- 1) Assumes oil equivalent conversion factor of 6,000 standard cubic feet per barrel of oil equivalent.
- 2) Reserves and Contingent Resources have been prepared by the Company.
- 3) The summation of Reserves and Contingent Resources has been prepared by the Company.

Egypt at 31 December 2025 (mmbœ) (net to Group's working interest)

Reserves ¹	1P	2P	3P
Oil	5.8	11.2	13.1

Contingent Resources ¹	1C	2C	3C
Oil	3.3	9.0	17.7

Sum of Reserves and Contingent Resources ²	1P & 1C	2P & 2C	3P & 3C
Total	9.1	20.2	30.8

- 1) Reserves and Contingent Resources have been prepared by the Company.
- 2) The summation of Reserves and Contingent Resources has been prepared by the Company.

DR BILL HIGGS
Reserves Committee Chair

NOMINATIONS COMMITTEE REPORT

Nominations Committee Report

Dear Shareholders,

I am pleased to present this Nominations Committee Report for the year ended 31 December 2025, which sets out the role and work of the committee during the year. The Nominations Committee has focused its work on ensuring the composition of the Company’s leadership remains effective, reviewing the Board balance, structure and composition, and leading the process for Board and committee appointments.



JOÃO SARAIVA E SILVA
Nominations Committee Chair

Meeting attendance

Committee member	2025 attendance		
João Saraiva e Silva ^ (Chair)			
John Martin^			
Lisa Mitchell ^			
Geoffrey Green ^			

KEY

Attended as member

Not attended

^ Independent Directors

Notes:

- a) Katherine Roe, Sue Rivett, and Bill Higgs attended all three meetings as non-members.
- b) João Saraiva e Silva was appointed to the Board on 26 June 2025. Two of the three meetings of the Nominations Committee in 2025 took place before his appointment.
- c) John Martin stepped down from the Board on 25 June 2025.
- d) John Martin recused himself from the Committee’s June meeting.

NOMINATIONS COMMITTEE REPORT - CONTINUED

Role of the Committee

The Nominations Committee (the 'Committee') has responsibility for:

- Ensuring the composition of the Company's leadership remains effective and competitive;
- Leading the process for Board and committee appointments and making recommendations to the Board;
- Annually reviewing the Board balance, structure, composition, diversity and succession planning; and
- Establishing an ongoing process for evaluating the Board's performance and effectiveness.

The Committee has continued to ensure that Board independence was preserved during 2025 and will continue into 2026, taking into account the Board composition and independence requirements of the 2024 UK Corporate Governance Code (the '2024 Code'), the majority of which came into force for the financial year commencing 1 January 2025.

Membership

At the start of the year, the Committee comprised John Martin as Chair, and two Independent Non-Executive Directors ('INEDs'), Lisa Mitchell and Geoffrey Green. John Martin stepped down from the Board and as a member of the Committee on 25 June 2025 and I was appointed as a Director and assumed the role of Committee Chair on 26 June 2025. There were no other changes to the membership of the Committee during the year.

The qualifications of each of the Chair and members of the Committee are set out on pages 107 to 108.

Meetings

The Committee conducted its duties through three meetings held during 2025. During the year the following areas were discussed at the Committee meetings:

2025	Matter
1H (two meetings)	<ul style="list-style-type: none"> • Review and approval of Nominations Committee report for inclusion in the 2025 Annual Report and Accounts • Annual review of Directors' conflicts of interest register • Annual Director reappointment • Annual Committee Performance Evaluation • Discussion on search for a new Chair • Selection of Chair for recommendation to the Board
2H	<ul style="list-style-type: none"> • Succession planning

As at 31 December 2025, the Board comprised two Executive Directors and four NEDs, including the Chair. All of those NEDs (discounting the Chair, who the Board determined was independent on appointment) were considered independent for the purposes of the 2024 Code.

I serve as Chair of the Board, the ESG Committee and the Nominations Committee. Lisa Mitchell serves as Chair of the Audit and Risk Committee, Geoffrey Green serves as Chair of the Remuneration Committee, and Dr Bill Higgs serves as Chair of the Reserves Committee. Geoffrey Green is also designated as the Senior Independent Director and, succeeding John Martin in this capacity, as the Director responsible for workforce engagement.

Board refreshment and succession planning

Board refreshment and succession planning continue as ongoing processes. In 2025, a key priority for the Committee was the process to identify and recommend a new Chair with Geoffrey Green the Senior Independent Director leading this process. This process, and the Committee's role within it, is summarised in "Appointments Process" below.

Appointments Process

Board appointments are made through a formal process led by the Nominations Committee.

During 2025, the only new appointment to the Board was my appointment as Chair following the retirement of John Martin. John announced at the 2025 AGM his intention to step down as soon as a successor could be identified, after which the Board delegated to the Committee the process of identifying one or more candidates for Chair and making a recommendation to the Board as quickly as practicable. The Committee consulted with the Company's largest shareholders, who had expressed a desire for refreshed leadership, and sought recommendations from industry contacts on potential candidates. In considering suitability of candidates for the position of Chair, the Committee assessed the capabilities needed to support the Company's strategic priorities, with particular weight given to relevant industry experience. When a preferred candidate was identified, a full due-diligence process was undertaken by the Committee, including interviews, references and an assessment against the Company's strategic and governance requirements. The eventual outcome of the process, supported by the Company's largest shareholders, was the Committee's recommendation to the Board of my appointment.

NOMINATIONS COMMITTEE REPORT - CONTINUED

Compliance with the UK Corporate Governance Code

The Company has applied the principles of the 2024 UK Corporate Governance Codes (the "2024 Code") throughout the year. As reported in the UK Corporate Governance Report on pages 109 to 118, the Company was in full compliance with the applicable provisions of the 2024 Code throughout the year. However, the report includes a commentary on my appointment as Chair in the context of Provision 20 of the 2024 Code. Provision 20 states that an external search consultancy or the open advertising of vacancies should generally be used for the appointment of the Chair and other NEDs. The Corporate Governance report notes that, in relation to my appointment as Chair, neither an external search consultancy nor open advertising were used by the Committee or the Board. An explanation of the decision not to use either of these approaches is set out in the report.

While the Committee recognises the importance of external search firms in safeguarding objectivity and widening the candidate pool, in this case the strength of the recommendation and the thoroughness of the Committee's assessment provided sufficient assurance of a merit-based appointment. The Committee remains committed to using open advertising and/or external search consultancies for future Board appointments where appropriate.

Independence

As at the date of this report, the Committee and the Board are satisfied that all of the NEDs (discounting the Chair, who the Board determined was independent on appointment), are independent. In reaching this assessment, the Committee and the Board have taken into account the considerations described in the 2024 Code.

Board balance

The Committee assesses the Board's balance of skills, experience, independence, diversity, tenure and knowledge annually. My appointment as Chair in June 2025 reflects the Company's leadership needs within the context of growth and long-term strategy. The Committee considers the balance of the Board appropriate but keeps it under review.

The Board's current balance and composition in 2025 are shown on page 106.

Diversity

Our approach to diversity and inclusiveness is embedded within the Group's Human Rights Policy available on the Company's website at www.pharos.energy/responsibility/policy-statements/. A key aim of the Policy is a workplace that is inclusive and free from discrimination.

In applying the Human Rights Policy to Board composition, the Committee pursues diversity of approach, experience, knowledge, skills, and professional, educational and cultural backgrounds. The international and global perspective achieved has enhanced the Board's discussions on business development, M&A and operational and financial integration. The Committee, and the Board as a whole, recognises the value of diversity across the organisation, including but not limited to better decision-making, higher employee engagement and productivity, increased innovation and an improved understanding of risks and opportunities within the business. Diversity is an important component in the Committee's decision-making process as it relates to Board appointments and succession planning.

At present, the Board scores highly on gender diversity, with 50% female representation. The Company meets the requirement for at least one senior Board role to be held by a woman. The average age of the Board is 60.75. The Company does not currently meet the UK Listing Rules target of having at least one Director from a minority ethnic background, although the Group's wider workforce is more ethnically diverse. The board is committed to broadening outreach through existing Board, executive and industry networks and peers to identify candidates from a minority ethnic background.

At Senior Leadership Team level, the team comprises both operational managers and Executive Directors. Female representation is present at Executive Director level, whilst the operational management cohort is currently all male. The Committee recognises the importance of developing a broader pipeline to ensure gender and ethnic diversity is represented across all tiers of senior leadership. Below SLT level, the Group's wider workforce reflects a more diverse profile across gender, ethnicity, and background, and the Committee is focussed on ensuring this diversity is nurtured and progresses through the talent pipeline into future leadership roles.

As part of its commitment to diversity within the organisation, the Committee also conducts an annual review of the Board and management, taking into consideration diversity of gender, age, demographics, skills, professional backgrounds, experience and education. Where this review identifies any gaps or areas for potential improvement, such as the absence of a Board member from a minority ethnic background, the Committee will take that into consideration in succession planning and when determining the process for future appointments.

NOMINATIONS COMMITTEE REPORT - CONTINUED

Board performance

In line with the 2024 Code, at the end of 2025, the Board carried out its annual review of its own performance and effectiveness. In doing so, it also evaluated the effectiveness of its principal Committees and that of the Chair and the individual Directors. The Committee Chair led the process which was facilitated by the company secretariat and followed a similar format to that of prior years. Directors completed confidential questionnaires which included questions structured to encourage full, in-depth responses on each area of focus. As well as the current context, the outcomes of last year's review were also considered and action points were integrated into this year's process. Questions covered the following key areas:

- Strategy
- Risk
- Shareholder and stakeholder relations
- Succession planning
- The Chair's effectiveness
- Board effectiveness and operation
- The operation of each of the principal Board committees
- Director effectiveness
- Any other general matters Directors wished to raise

The results were reported on an unattributed basis and discussed by the Nominations Committee, led by the Committee Chair, then shared with the whole Board. The results of the evaluation of the Chair's performance were discussed with the other NEDs, led by the Senior Independent Director, and communicated to the Chair. Following the review process, the results of which were positive, a number of areas of focus were identified for the coming year, including:

- Continued development and implementation of strategy
- Ongoing assessment and management of risk
- Enhancement of shareholder and stakeholder interests
- Talent development and succession planning

Re-election

All Directors annually retire and seek re-election by shareholders at the Company's AGM. The Committee makes its recommendation to the Board on each re-election resolution. Pending the Chair confirming his satisfaction that each Director continues to perform effectively and with the appropriate commitment to the role, the full Board then determines its own recommendation to shareholders in relation to those resolutions, considering the recommendations of the Committee.

All six Directors holding office at the 2025 AGM retired and offered themselves for re-election at that meeting. At the meeting, John Martin announced he would be stepping down as Chair and as a Director as soon as a successor could be identified and appointed. All Directors were duly re-elected or, in the case of Katherine Roe, elected for the first time at the AGM.

Five of the resolutions, with the exception of the resolution to reappoint Katherine Roe, received more than 20% of votes cast against the resolutions. In response to the significant number of votes against these resolutions, and in accordance with Provision 4 of the 2024 Code, the Company explained, when announcing the voting at the AGM, what actions it intended to take to consult shareholders in order to understand the reasons behind the result. The Company then published on its website an update statement on 13 November 2025 commenting on the views received from shareholders and actions taken. A final summary, also required by Provision 4 of the 2024 Code, is contained in the Corporate Governance Report on page 118.

The Committee is satisfied that each individual Director's performance continues to be effective and demonstrates commitment to the role and, accordingly, has recommended to the Board that each such Director remains in office subject to re-election by shareholders at the AGM. In my case, I will seek election by shareholders for the first time at the 2026 AGM, having been appointed by the Board since the 2025 AGM. The Committee and the Board both recommend that shareholders vote in favour of my election at the AGM, as they do in respect of the resolutions for the re-election of all other Directors.

The Committee formed its recommendations regarding re-election following assessments of Board balance, composition and independence.

Workforce engagement

The Committee also includes within its scope of responsibility the review of the Board's engagement with staff across the Group.

In his role as Non-Executive Director responsible for workforce engagement, Geoffrey Green joined London office staff for a meeting at which staff members were able to discuss matters of interest. In addition to this event, I held individual meetings with each regional office and encouraged colleagues that to approach me directly to discuss matters related to the Company or the business.

The Board's commitment to regular and meaningful workforce engagement across the Group has proved an effective communication route for the employees and underpins the Pharos guiding principles of openness and integrity.

Board development, information and support

Throughout 2025, all Directors received ongoing access to resources for the update of their skills and knowledge; both on an individual and a full Board basis. Comments are solicited in the annual Board performance review and discussed with the Chair.

Conflicts of interest

The Board may authorise actual or potential conflicts of interest in accordance with section 175 of the Companies Act 2006 and the Company's Articles, subject to appropriate conditions. Directors must notify the Company of any conflicts or potential conflicts, including those relating to connected persons. Only non-conflicted Directors may approve such matters, acting in good faith to promote the Company's success, and may impose limits or conditions as needed—for example regarding confidential information or attendance at meetings.

All Directors have reported either the existence or absence of conflicts. The Board reviews each notification on its merits and conducts ongoing monitoring throughout the year, including a scheduled annual review in March.

JOÃO SARAIVA E SILVA
Nominations Committee Chair

AUDIT AND RISK COMMITTEE REPORT

Audit and Risk Committee Report

Dear Shareholders,

I am pleased to present this Audit and Risk Committee Report for the year ended 31 December 2025, which sets out the role and work of the committee during the year. The Audit and Risk Committee have focused their work on financial controls, prudent financial management, including risk management and mitigation.



LISA MITCHELL
Non-Executive Director

Meeting attendance

Committee member	2025 attendance			
Lisa Mitchell (Chair) ^	■	■	■	■
Geoffrey Green ^	■	■	■	■

KEY

■ Attended as member

■ Not attended

^ Independent Directors

Notes:

- a) Sue Rivett and Katherine Roe attended all four meetings, Dr Bill Higgs attended one meeting and John Martin and João Saraiva e Silva attended two meetings, all as non-committee members.
- b) John Martin stepped down from the Board on 25 June 2025.
- c) João Saraiva e Silva appointed as Non-Executive Chair from 26 June 2025.

AUDIT AND RISK COMMITTEE REPORT - CONTINUED

Membership and responsibilities

During 2025, the Audit and Risk Committee comprised of two members, me as Chair and Geoffrey Green.

As Chair of the committee, I convene meetings on a regular basis and report to the Board throughout the year.

The Audit and Risk Committee has a formal document outlining its responsibilities, which is reviewed and updated as appropriate by the Board on an annual basis.

The Audit and Risk Committee Terms of Reference are available on our website at www.pharos.energy/about-us/governance/committees/.

Key responsibilities

- Reviewing key financial, operational and corporate responsibility risk management processes;
- Reviewing the effectiveness of internal control processes and systems, including IT control platforms;
- Monitoring the integrity of the Financial Statements of the Group and formal announcements relating to the Group's financial performance;
- Reviewing any significant financial reporting judgements;
- Reviewing and testing the integrity of the Group's Financial Statements to ensure full compliance with International Financial Reporting Standards and other requirements;
- Overseeing the planning and execution of the ongoing external audit programme including a review of audit quality and results.

Audit and Risk Committee meetings in 2025

The committee met four times during 2025. These meetings were the regularly scheduled committee meetings held in March, May, September and December.

The committee examines and discusses at each meeting:

- Detailed review of internal controls and implementation of upgrades;
- Review of the risk register and risk management reports, including updates on Russian sanctions and the monitoring of sanctions against Israel or Israeli state actors in relation to actions in Gaza, a comprehensive report is also presented to the Board.

In addition to members of the committee, all members of the Board, the finance management team, operational management and the Group's external auditor, Ernst & Young LLP (EY), attended each of the Audit and Risk Committee meetings.

During 2025, the following additional areas were discussed at meetings of the committee:

March

- Review of the proposed updates of the Modern Slavery and Human Trafficking Statement, Climate Change Policy, HSE Policy, Social Responsibility Policy, Security Policy, Biodiversity and Conservation Policy, Human Rights Policy, Code of Business Conduct and Ethics, Policy on the Provision of Non-Audit Services by External Auditors, Water Resource Management Policy, Security Policy, Anti-Facilitation of Tax Evasion Policy, the Tax Strategy Statement and Sanctions Policy;
- Finance update including the Internal Controls Report, Reserves Update, Impairment Analysis, Going Concern and Viability Statement, Treasury and Dividend, and Market capitalisation review;
- Review and approval of the 2024 Financial Statements, including reviews that they were fair, balanced and understandable, reviews of the Going Concern and Viability Statements;
- Review of the 2024 external audit status, including analyses of findings of the external audit and key judgemental areas;

- Review and update of the Audit and Risk Committee governance matters, with attention to internal controls processes and systems, and a detailed review of Risk management issues and mitigations;
- Review and discuss KPMG's report on IT risk and the cyber security assessment process;
- Update on partner's responses to the prior year audit findings of the Joint Venture in Egypt.

May

- Finance update including the Internal Controls Report, Treasury review and update on Risks;
- Reviewed and discussed KPMG's update on IT risk and the cyber security assessment process.

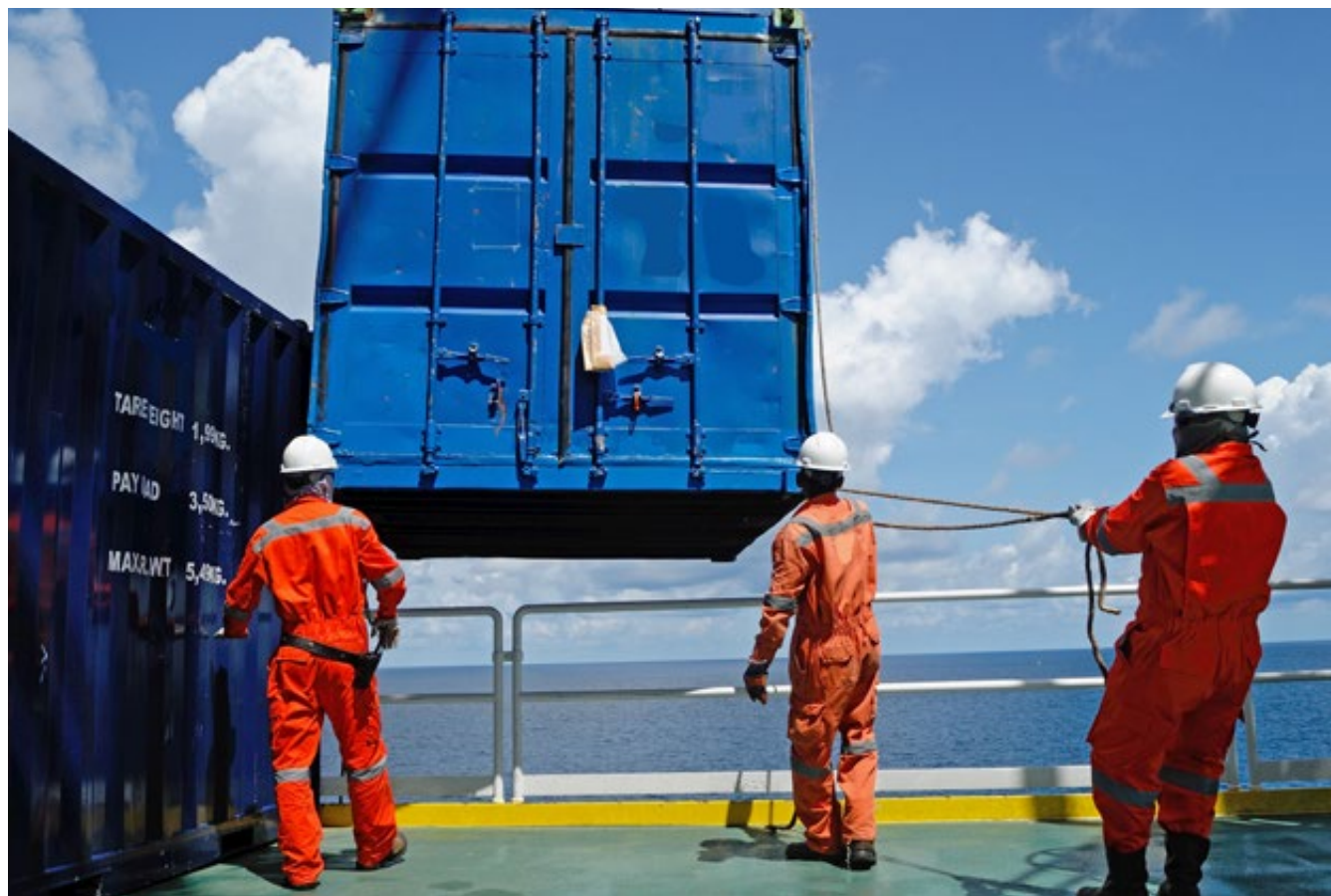
September

- Finance update including the Internal Controls Report, Reserves Update, Impairment Analysis, Market capitalisation, Going Concern and Viability Statement, Treasury review and Internal Audit update;
- Verbal update on Material Controls in connection with the upcoming requirements of Provision 29 of the 2024 UK Corporate Governance Code, applicable to the Group with effect from the financial year commencing 1 January 2026;
- Review of 2025 year-end planning, including the external auditor's Audit Planning Report;
- Review and approval of the 2025 Interim Accounts, including presentation by the external auditor, EY, and Audit and Risk Committee comments.

December

- Finance update including Treasury, Risk and Internal audit update;
- Review and discuss KPMG's report on the operator's compliance with the Egyptian Joint Operating Agreements;
- Verbal update on Material Controls in connection with the upcoming requirements of Provision 29 of the UK Corporate Governance Code;
- Review of the 2025 Actuals versus Budget;
- Annual Review and Approval of the Terms of Reference of the Audit and Risk Committee.

AUDIT AND RISK COMMITTEE REPORT - CONTINUED



During the year, the committee focused on the following matters:

Financial reporting and significant accounting issues

During the first half of 2025, the Group's accounting policies, in accordance with best practice, were reviewed by management and the committee to ensure that they remained appropriate for the Group's activities. Following this review, the Group's accounting policies were judged to be fully up-to-date and there were no significant changes recommended to the Board by the committee.

Significant issues related to the 2025 Financial Statements

The committee identified the significant issues (disclosed in more detail below) that should be taken into consideration in relation to the Financial Statements for the year ended 31 December 2025, being key issues which may be subject to heightened risk of material misstatement.

Fair, balanced and understandable

The committee advised the Board whether it considered the annual report and accounts taken as a whole are fair, balanced and understandable and provide the range of information necessary for shareholders to assess the Group's performance, business model and strategy. The Directors have confirmed this in their Responsibility Statement set out on page 166 of the Directors' Report.

Going Concern

Management completed their going concern assessment which was challenged and reviewed by the committee. The assessment included a "Base Case" for the Group, including cash flow estimates for both Egypt and Vietnam, as well as a "Reasonable Worst Case" scenario, giving particular regard to the continuing impact of commodity price volatility. A further assessment was also undertaken on the impact of climate change on commodity prices and a sensitivity on carbon taxes.

Under these scenarios, management has assessed the risks around commodity pricing, operational risk and political and regional risks, particularly in Egypt. The assessments also took into account the impact of potential discretionary reductions in capital expenditure, as well as the hedging of production volumes to mitigate against commodity price fluctuations.

Based on this detailed analysis, management has concluded that the Group will continue as a going concern for 12 months from the date of signing of the 2025 Financial Statements.

Following its review of management's committee paper and in-depth walk through of assumptions, the committee is satisfied that it is appropriate to prepare the 2025 Financial Statements on a going concern basis.

AUDIT AND RISK COMMITTEE REPORT - CONTINUED

Key judgements and estimates in financial reporting

Key judgements and estimates in financial reporting	Audit and Risk Committee review	Outcomes
Asset carrying values and impairment testing – including judgements on future oil pricing, discount rates, production profiles, reserves and cost estimates	Reviewed the Group's oil price assumptions	The Group's short and long commodity price assumptions were reviewed. The variation in the long-term average Brent price forecast does not indicate any significant change in the underlying value of oil and gas assets.
	Reviewed the Group's discount rates for impairment testing, where applicable	The Group's discount rates were reviewed. Macroeconomic factors, including the risk-free rate, equity market risk premium, and country risk premium, have not changed significantly, and the overall market outlook remains stable.
	Internal and external indicators of impairment and reversal of impairments were reviewed	No impairment or reversals
Significant risks that could potentially impact on Financial Statements – including DD&A estimates, management override of controls	Reviewed DD&A estimates, based on reserves reports, units of production and future development costs	Management's assessments of DD&A judged to be reasonable based on supportable assumptions.
	Reviewed risks of management override of controls	No exceptions were noted
Oil and gas reserves accounting – including management's assumptions for future oil prices which have a direct impact on the estimate of the recoverability of asset values reported in the Financial Statements. Reserve estimates are inherently uncertain and are revised over the producing lives of oil and gas fields as new reserves estimates become available and economic conditions evolve.	Reviewed the Group's guidelines and policy for compliance with oil reserves disclosure regulations; including governance and control	
	Reviewed exploration costs	No impairment or reversals
	Reviewed at each committee meeting the status of all updated estimates	<ul style="list-style-type: none"> In 2024 the Company formed a Reserves Committee of the Board (pages 121 to 124) to provide enhanced governance over the Company's Reserves and Resources. For 2025 YE reserves, the Reserves Committee reviewed, in conjunction with management, the reserves audit conducted internally for all the group's producing fields. The reserves are described in the Reserves Committee report on pages 123 to 124.

AUDIT AND RISK COMMITTEE REPORT - CONTINUED

Exploration and evaluation assets and impairment review

The committee reviewed the Group's intangible exploration and evaluation assets individually in Egypt and Vietnam for any indications of impairment, including the various indicators specified in paragraphs 18 to 20 as set out in IFRS 6 – "Exploration for and Evaluation of Mineral Resources". Please refer to Note 2 (a) to the Financial Statements for more information on climate change and energy transition.

At both the half year and year end 2025, the committee considered whether various indicators of impairment existed, and also whether there were issues arising from the results of impairment reviews by management. Such reviews are carried out in relation to both exploration and evaluation assets, with the role of the committee being focused on challenging management's underlying assumptions and estimates and to judge whether they are realistic and justified.

Detailed drilling engineering studies for the proposed well on Prospect A in Block 125 commenced in 3Q 2024 with long lead items ordered to progress the opportunity. The Company is continuing its discussions with potential farm-in partners and rig contractors to complete all necessary work to drill the first exploration well on this basin-opening play. Following the impairment review, the committee recommended to the Board that no impairment had been triggered for Block 125. Whilst ongoing costs for exploration are therefore forecasted and funds are available for future exploration, there is insufficient certainty of full recovery to justify the reversal of the previous impairment charges in 2020.

In Egypt, as part of the planned work programme for 2024, an exploration well was drilled on El Fayum in August 2024. Testing of the well was carried out at the beginning of February 2025. IPR, the operator of the El Fayum Concession, applied to EGPC for commercial discovery declaration and early production permission in February 2025. The development lease was approved and first production commenced at the end of June 2025. As a result, exploration costs of \$2.9m were reclassified to property, plant and equipment in 1H 2025.

Producing assets, property, plant and equipment ("PP&E") and impairment review

The committee reviewed individually the Group's oil and gas producing assets classified as PP&E on the balance sheet for impairment with reference to IAS 36 – "Impairment of Assets". During 2025, the Group's PP&E oil and gas assets comprised its two Vietnam producing licences, TGT and CNV, as well as the El Fayum and NBS Concessions in Egypt. These are described in the Reserves Committee report on pages 123 to 124.

This review focused on examining both internal and external indicators of impairment. The committee considered the various assumptions underpinning the assessment of the recoverable amount, including underlying reserves, commodity prices, production rates and discount rates.

Based on the Group's approved economic assumptions, the committee recommended to the Board that no impairment or impairment reversals were made on the two Vietnam fields and on the two Egypt fields.

Disposal of 55% interest in Egypt Concessions

On 21 March 2022 the farm-out transaction of Egyptian assets was completed.

Under the Farmout Agreement, the Group is entitled to contingent consideration depending on the average Brent Price each year from 2022 to the end of 2025 (with floor and cap at \$62/ bbl and c.\$90/bbl, respectively). The contingent consideration is calculated yearly and is capped at a maximum amount of \$5.0m per year (maximum total payment of \$20.0m in four years).

As at 31 December 2025, the final tranche of the contingent consideration, due and payable on 1 June 2026 in respect of the average Brent Price during the 2025 calendar year, amounts to \$1.7m (2024: \$5.1m, of which \$3.3m related to current assets and \$1.8m to non-current assets). A further \$0.3m remains outstanding in respect of the contingent consideration due on 1 June 2025.

Certain adjustments relating to the final consideration are still under discussion between IPR and Pharos. The financial exposure from finalising the consideration to Pharos, reflecting the remaining amounts still under discussion, is considered immaterial to the financial statements.

AUDIT AND RISK COMMITTEE REPORT - CONTINUED

Egypt Foreign Currency Risk

The committee took into consideration the economic environment in Egypt in respect of the trade receivables due from EGPC, assessing the risk of non-payment.

In Egypt, 2025 has brought about a general improvement in the macro-economic situation.

Following the policy measure implemented in early 2024, the Egyptian Government continued advancing its macroeconomic stabilisation programme through 2025.

- i) Loans with the International Monetary Fund (IMF)
 - a) Under the Extended Fund Facility of \$8 billion, Egypt has received successive disbursements totalling of \$3.2 billion. The fifth and sixth review, which has been completed by the IMF in December 2025, will unlock a further \$2.5 billion in early 2026;
 - b) Under the Resilience and Sustainability Facility, the IMF approved access to around \$1.3 billion, of which \$0.5 billion has already been disbursed and another \$0.2 billion is expected to be paid together with the abovementioned \$2.5 billion;
- ii) Landmark agreement with ADQ (an Abu Dhabi sovereign wealth fund), under which ADQ acquired development rights for the new coastal city of Ras El Hekma for \$35 billion (\$24 billion paid in cash and \$11 billion as conversion of UAE deposits at the Central Bank of Egypt); and
- iii) Additional support from the European Union, the World Bank and other multilaterals institutions, amounting to approximately \$14 billion.

Overall, out of the total of \$57 billion pledged to Egypt in the Spring of 2024, we understand that approximately \$40 billion has been received to date, with another \$2.7 billion from the IMF and EUR1 billion from the European Union expected shortly.

In addition, and very notably, in November 2025 another land/real estate deal (similar to the one for Ras El Hekma – see above) was signed with a Gulf neighbour, namely Qatar, in the Alam El Roum Area (on the Mediterranean coast). Under the terms of the deal, Egypt is set to benefit from the Qatari Real Estate sovereign fund (Diar) for a total of \$29.7 billion, including \$3.5 billion in cash for the purchase of the land (already received). The rest of the revenues will result from a \$1.8 billion “in kind” element (residential units, once built), with the rest (\$24.4 billion, over the years) being the estimated value of Egypt’s 15% of the net project profits, including returns from the project company and associated entities controlled by Qatari Diar.

These measures have provided a boost to confidence and a manoeuvring space for the Government to tackle structural reforms, such as removal of subsidies, privatisation of state- and military-owned assets and reduced spending on mega infrastructure projects. Notwithstanding existing structural challenges, particularly regarding debt sustainability, inflation, and long-term foreign currency liquidity, the Government policies have started to bear fruit. Lower inflation in the second half of 2025 has allowed the Central Bank to significantly reduce interest rates, while foreign currency reserves have continued to grow (to a record \$51.5 billion at end 2025), buying Egypt some additional breathing space.

In this improved liquidity context, which reflected in a significantly enhanced ability by EGPC to pay down their arrears, Pharos’ receivables have decreased to \$7.4m at 31 December 2025 prior to the application of a risk factor provision of \$0.1m (2024: \$29.5m receivables prior to the application of a risk factor provision of \$1.4m). The movement in 2025 is primarily driven by \$20.6m decrease from Egypt (2024: \$4.8m) following \$20m bullet payment received from EGPC on the last day of the year, which reduced the outstanding receivable balance to \$7.4m; its lowest level since December 2021.

The improvement was also made possible by the Company’s decision to accept part payments in EGP, as these can now be applied to fund operations, following the expiry of the carry with IPR. The fact that the receivables are contractually denominated in USD provides protection against any future devaluation of the EGP.

Commodity hedging – treasury management

The committee assessed the hedging programme and the approach adopted for hedging.

The Group actively managed its exposure to commodity price risk by entering into an ongoing programme of hedging. The objective of the hedging programme is to provide downside protection to cash flows in the event of commodity prices falling.

A Treasury Committee, comprising the Chief Financial Officer as Chair and senior members of the Group’s finance team, convenes on a regular basis to review the Group’s strategy and the open hedge positions to ensure that these are still fit for purpose in light of current market conditions. For the year end 31 December 2025, there were no realised gains or losses (2024: loss of \$0.1m).

Internal controls and risk management systems

The Group’s internal control and risk management framework is designed to ensure that risk identification, assessment and mitigation is properly embedded throughout the organisation. It provides the Board and the committee with reasonable assurance that financial irregularities and control weaknesses are identified to mitigate risks that could potentially have a material adverse impact on the Group’s operations, earnings, liquidity and financial position.

The Board is responsible for maintaining a sound system of internal controls to safeguard shareholders’ investment and the assets of the Company. The committee has been delegated the responsibility to monitor and assess the effectiveness of the control systems operated by management. During 2025, the Group continued to carry out comprehensive reviews of the overall effectiveness of its internal controls framework and continued to work on improvements.

Internal controls and risk management issues are discussed in detail and reviewed for effectiveness at each committee meeting, with a report being provided to the Board for approval. The external auditor, EY, also provides feedback and recommendations on controls which are brought to the attention of the committee.

AUDIT AND RISK COMMITTEE REPORT - CONTINUED

The Board approved the appointment of KPMG to carry out various internal audits. The programme of work for 2025 included the completion of a review of IT and Cyber security commenced in 2024, and a review of the operator's compliance with the Egyptian Joint Operating Agreements during the financial year from 1 July 2023 to 30 June 2024.

The Treasury Committee continued to meet regularly to review compliance of the RBL covenants during first half of 2025 prior to final maturity of that facility, and also to review the Group's liquidity, hedging requirements and investment strategy. The committee reviewed and approved the related compliance statements set out in the Risk Management Report.

The committee has also reviewed and approved the statements regarding compliance with the applicable provisions of the 2024 UK Corporate Governance Code, in the UK Corporate Governance Code Report on page 109. In addition, it reviewed and discussed with management and the external auditor the Company's relevant financial information prior to recommendation for Board approval. This included the Financial Statements and other material information presented in the annual and half year reports. This review included consideration of significant financial reporting issues, key accounting policies and judgements impacting the Financial Statements, and the clarity of disclosures. The committee conducted a review of its Terms of Reference for best practice, which were approved by the Board in 2025. These will be reviewed again during 2026.

Following its annual review, the committee and Board concluded that the Group's risk management and internal control systems were operating effectively.

The committee recognises that the oil and gas industry continues to face significant technical, financial, environmental and political challenges alongside the dual imperatives of production growth and progressing the transition to a low-carbon future. In this context, the Company's Net Zero roadmap to achieve net zero greenhouse gas (GHG) emissions by 2050 was reviewed and updated in 2025, and further details can be found on pages 97 to 99.

Our Strategic Framework takes into consideration the range of potential risks and the nature of their impact on the business. The strategic ambitions of the Group, achieving our financial and ESG objectives, maintaining operational effectiveness, ensuring our reputation to markets, partners, and stakeholders are all assessed in the context of our appetite for risk.

The Board and management will continue to review the effectiveness and the adequacy of the Company's internal control systems and update such as may be necessary.

Risk assessment

The committee conducted a detailed risk assessment in which it reviewed existing risks and identified new risks as appropriate. The likelihood and significance of each risk was evaluated along with proposed mitigating factors and was reported to the Board. All new risks or changes to existing risks were monitored throughout the year and discussed at each committee meeting. The committee maintains a comprehensive bribery risk assessment and mitigation procedure to ensure that the Group has procedures in place to mitigate bribery, and that all employees, agents, contractors, and other associated persons are made fully aware of the Group's robust policies and procedures on a regular basis.

Risk and internal control framework

Provision 29 of the 2024 UK Corporate Governance Code requires boards to monitor and review the effectiveness of their Company's internal controls and risk management framework.

In readiness for these changing requirements, the company is actively preparing to meet the requirements of Provision 29 ahead of the declaration of effectiveness of material controls, with management initiating a review of the Group's internal controls and risk management framework.

During the year, this review included a gap analysis conducted by management of the existing control framework and presented its findings to the committee identifying enhancements to the company's key business processes and controls to comply with the new Code requirements. Recommendations the committee considered were refinements to the Group's risk management framework, a formalisation programme of the Group's business management system to introduce greater rigour and standardisation to processes and controls, and the implementation of a documented material controls assurance programme.

During the year, the committee reviewed and approved a revision to the Group's risk management framework, revalidated the Group's risk appetite position, approved management's proposed definition of material controls for the Group.

In addition, management presented a roadmap to the committee setting out key actions required in advance of the first internal control declaration to be made in relation to the 2026 year end, including the agreed definition of material controls to be applied in identifying which controls fall into the scope of the declaration. The committee will continue to oversee management's progress against this plan to compliance during 2026.

We are aiming to report our compliance with Provision 29 within the 2026 Annual Report and Accounts, to be published in April 2027.

AUDIT AND RISK COMMITTEE REPORT - CONTINUED



External auditor

Ernst & Young LLP was re-appointed as our external auditor with effect from the financial year commencing 1 January 2025.

In each year, the committee assesses the performance of the external auditor based on their experience, the quality of their written and oral communication and input from management, prior to making any recommendations as to the re-appointment of the external auditor at the AGM. The committee also assesses the independence of the external auditor once a year and the lead partner is required to be rotated every five years. The current Ernst & Young LLP lead partner is Andrew Smyth, in his second year as lead audit partner.

External auditor – non-audit services

The external auditor is appointed primarily to carry out the statutory audit and their continued independence and objectivity is crucial. In view of their knowledge of the business, there may be occasions when the external auditor is best placed to undertake other services on behalf of the Group. The committee has a policy which sets out those non-audit services which the external auditor may provide and those which are prohibited. Within that policy, any non-audit service must be approved by the committee. The current version of this policy is available on the Company's website at <https://www.pharos.energy/responsibility/policy-statements/>.

Before approving a non-audit service, consideration is given to whether the nature of the service, materiality of the fees, or the level of reliance to be placed on it by the Group would create, or appear to create, a threat to independence.

If it is determined that such a threat might arise, approval will not be granted unless the committee is satisfied that appropriate safeguards are applied to ensure independence and that objectivity is not impaired. The auditor is prohibited from providing any services which might result in certain circumstances that have been deemed to present such a threat, including auditing their own work, taking management decisions for the Group or creating either a mutuality or conflict of interest. The Company has taken steps to develop resources and relationships in order to establish availability of alternate advisers for financial and other matters.

External audit fees

Total audit and non-audit fees in 2025 were \$0.7m and \$0.2m respectively. The committee approved all non-audit services provided by the external auditor in 2025. The principal non-audit fees during 2025 were \$0.1m for the interim review.

The committee reviews its non-audit services policy on an annual basis and current policy requires all non-audit services to be pre-approved by the committee. It is noted that the Group's policy sets out the permitted services and those that are prohibited.

Review of the effectiveness of the Audit and Risk Committee

During the year, the committee has undergone a comprehensive review of its effectiveness and results were reported to the Board. The committee was considered by the Board to be operating effectively and in compliance with the applicable provisions of the 2024 UK Corporate Governance Code and associated guidance.

LISA MITCHELL
Audit and Risk Committee Chair

DIRECTORS' REMUNERATION COMMITTEE REPORT

Directors' Remuneration Committee Report

Dear Shareholders,

On behalf of the Board, we are pleased to present the Directors' Remuneration Committee Report for the financial year ended 31 December 2025. This report has been prepared in accordance with section 421 of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).



GEOFFREY GREEN
Remuneration Committee Chair

Meeting attendance

Committee member	2025 attendance			
Geoffrey Green (Chair) ^	■	■	■	■
Lisa Mitchell ^	■	■	■	■

KEY

■ Attended as member

■ Not attended

^ Independent Directors

Role of the Committee

The Remuneration Committee is responsible for setting the remuneration of the Chair and the Executive Directors, has oversight of pay more generally, and is responsible for appointing any consultants it may engage in carrying out its duties.

Notes:

- a) Sue Rivett and Katherine Roe attended four meetings, João Saraiva e Silva attended two meetings, and Dr Bill Higgs and John Martin attended one of the meetings, all as non-committee members.

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

Highlights of Committee actions in 2025

The year has seen significant progress with our strategy. Activities undertaken by the Committee include:

- Board changes – At the AGM, John Martin announced his retirement and a new Chair, João Saraiva e Silva, joined on 26 June 2025
- Setting robust and stretching performance targets for the annual bonus scheme and LTIP
- Monitoring developments in market practice and reporting regulations
- Responding to shareholder feedback from the 2025 AGM vote on remuneration

An update statement on the results of the 2025 AGM was published on 13 November 2025 and noted that the low voting outcomes for a number of resolutions, which included that approving the 2024 Directors' Remuneration Report, were principally due to the dissenting actions of a single shareholder. The Committee does not believe that there was any underlying concern with the governance or implementation of the remuneration policy as evidenced by the support of proxy and governance advisory services ISS and Glass Lewis recommending a vote in favour of all resolutions proposed at the AGM, and the Institutional Voting Information Service awarded all AGM resolutions a "Blue Top", indicating no areas of major concern. As a consequence, the Committee has not considered it necessary to take any further action.

Performance factors reflected in the pay of our Executive Directors

As reported throughout the Strategic Report, 2025 was a year of good operational and financial performance across the Group.

We have continued to build on a culture of capital discipline to deliver material improvement to the Group's balance sheet, including a significant recovery of receivables in Egypt which doubled our bank balance at the end of the year. During the year, we were able to commence our six well drilling campaign in Vietnam, being the largest campaign since the original development and we delivered stable production performance in both Egypt and Vietnam. This has allowed the Board to continue our commitment to sustainable shareholder returns. In 2025, we returned \$6.8m to shareholders. These achievements are a testament to the hard work, dedication and commitment of the entire Pharos team.

As part of our continued commitment to help employees deal with the rising cost of living, the Company made early interim payments of c.25% of the bonus potential in September 2025 to employees other than the Executive Directors. A further interim payment was made in December with a final payment representing the final outturn for 2025 results being made in January 2026. Employees continue to receive support with their travel expenses, a policy that was introduced in 2023.

Strategic

Underpinned by a strengthened balance sheet and steady production base across the portfolio, Pharos continues to execute its strategy of sustainable value creation through a number of key priorities: regular shareholder returns, capital discipline, and focus on organic growth opportunities. Dividend is a key part of the Company's equity story since its inception, and in 2025, we returned \$4.7m to shareholders via a final dividend for the 2024 financial year of 0.847 pence per share. The original \$3m share buyback programme was supplemented by two further \$3m programmes in 2023 and 2024 which were part of the Company's broader strategy to deliver value to our shareholders. The 2024 programme was completed in January 2025.

Pharos is in a materially improved financial position and has stable production from its asset base with significant growth potential in both Vietnam and Egypt. Together, these put us in a strong position.

Operational

On an operational basis, the Company performed well across a broad range of metrics. Production levels in Vietnam were in line with guidance and Egypt marginally below.

Financial performance was strong, with cost control, cash generation and funding ahead of expectations. Safety results were excellent in Vietnam, continuing our record of zero LTIs since operations began, but unfortunately there was a recordable oil spill during 2025 in Egypt, where a contracted road tanker overturned on the Cairo-Suez desert road.

Following a robust assessment of the performance criteria the Committee determined the formulaic out-turn for bonuses at 76.96% of the maximum potential. The Committee considered the wider stakeholder experience and agreed that the formulaic outcome was appropriate. Bonus outcomes for the wider workforce also reflect corporate KPIs achieved as well as their personal performance. The March 2022 LTIP awards vested in part in March 2025, having met some of the performance criteria as set out in detail on page 144.



DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

Directors' Remuneration Policy

The current Directors' Remuneration Policy was approved at the 2023 AGM. The Company is required to review and propose to shareholders the Directors' Remuneration Policy at least once every three years and, accordingly, we will propose a revised Policy to shareholders for approval at the 2026 AGM, the details of which are listed in pages 153 to 156.

The Committee believes that the current Policy largely remains fit for purpose and continues to support the business strategy. The current Policy is well understood by participants and investors. It is also considered to be aligned to market practice and already includes standard corporate governance best practice features such as pension alignment and the use of post-cessation shareholding requirements. Accordingly, following a consultation process, there are only modest revisions proposed to the Policy to be submitted to the 2026 AGM for approval. These changes are considered to assist with the administration and operation of the Policy without changing any of the main terms or quantum.

Implementation of Policy for 2026

Base salaries for the Executive Directors were increased by 3.5% effective from 2026. The CEO, Katherine Roe, also received a further increase of 6.1% effective from 2026 noting that this resulted in a salary consistent with the 2024 level for the previous CEO, following her earlier substantially lower salary level on joining the company. Across the UK employee population, the average increase for 2026 is 6.2% which follows an increase of 6% in 2025.

The current annual bonus and LTIP maximum awards will remain unchanged. The annual bonus will continue to be subject to a scorecard of measures including safety, operations, financial and capital structure, sustainability and governance, reflecting the key priorities of the business and disclosed on a retrospective basis.

The LTIP measures and targets will be based on relative TSR (35% weighting), absolute TSR (20% weighting), cash flow from operations (15% weighting), ROCE (15% weighting) and an ESG condition (15% weighting).

Conclusion

The Remuneration Committee believes that the remuneration outcomes for 2025 are a fair reflection of the context in which decisions had to be made. A revised Directors' Remuneration Policy with only modest revisions to the current Policy will be submitted for approval at the AGM, and the Committee believes that the new Policy maintains the link between strategy and incentives, as well as being closely aligned to the market.

We look forward to receiving your support at the upcoming AGM.

GEOFFREY GREEN

Remuneration Committee Chair



DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

Annual Report on Remuneration (Audited section)

Single total figure of remuneration

The table below sets out the total remuneration in respect of qualifying services for both Executive and Non-Executive Directors for the financial year 2025.

2025	Fees/ Salary £000's	Benefits £000's	Bonus Cash ¹ £000's	Bonus Deferred ¹ £000's	LTIP ⁴ £000's	Pension £000's	Total £000's	Fixed £000's	Variable £000's
Executive Directors									
K Roe	415	14	319	160	-	62	970	477	493
S Rivett	306	21	235	118	330	46	1,056	352	704
Non-Executive Directors									
J Martin ²	93	-	-	-	-	-	93	93	-
J Saraiva e Silva ³	90	-	-	-	-	-	90	90	-
L Mitchell	82	-	-	-	-	-	82	82	-
G Green	98	-	-	-	-	-	98	98	-
Dr B Higgs	82	-	-	-	-	-	82	82	-
Total	1,166	35	554	278	330	108	2,471	1,274	1,197

The benefits receivable by Executive Directors include private medical insurance, permanent health insurance, life assurance cover, critical illness cover, travel, relocation and car benefits. The benefits column for Non-Executive Directors includes taxable travel and accommodation expenses to attend Board functions in the year and other benefits, and the tax payable thereon, in accordance with HMRC guidance. Fees and/or salaries paid to the Directors are in relation to their dates of service as a Director during the year.

- The total Directors' bonuses include the following: a) Cash bonus paid in December 2025 of £373k; b) Cash bonus paid in January 2026 of £181k following finalisation of 2025 annual bonus measures and out-turns; c) Deferred bonus of £278k granted under the Deferred Share Bonus Plan
- J Martin stepped down from the Board on 25 June 2025
- J Saraiva e Silva was appointed to the Board as Chair on 26 June 2025
- Value of the LTIP reflects the March 2022 LTIP awards which vested following the end of the performance period in March 2025. Value of awards vesting based on share price on 24 March 2025 (being £0.2755)

Comparative figures for 2024 are provided in the table below:

2024	Fees/ Salary £000's	Benefits £000's	Bonus Cash ¹ £000's	Bonus Deferred ¹ £000's	LTIP ⁶ £000's	Pension £000's	Total £000's	Fixed £000's	Variable £000's
Executive Directors									
J Brown ²	165	14	134	52	153	22	540	187	353
K Roe ³	185	8	131	65	-	28	417	213	204
S Rivett	297	20	210	105	203	45	880	342	538
Non-Executive Directors									
J Martin	170	-	-	-	-	-	170	170	-
M Daryabegui ⁴	25	-	-	-	-	-	25	25	-
L Mitchell	80	-	-	-	-	-	80	80	-
G Green	93	-	-	-	-	-	93	93	-
Dr B Higgs ⁵	71	-	-	-	-	-	71	71	-
Total	1,086	42	475	222	356	95	2,276	1,181	1,095

The benefits receivable by Executive Directors include private medical insurance, permanent health insurance, life assurance cover, critical illness cover, travel, relocation and car benefits. The benefits column for Non-Executive Directors includes taxable travel and accommodation expenses to attend Board functions in the year and other benefits, and the tax payable thereon, in accordance with HMRC guidance. Fees and/or salaries paid to the Directors are in relation to their dates of service as a Director during the year.

- The total Directors' bonuses include the following: a) Cash bonus paid in December 2024 of £319k; b) Cash bonus paid in January 2025 of £156k following formal approval of the licence extensions in Vietnam in December 2024; c) Deferred bonus of £222k granted under the Deferred Share Bonus Plan
- J Brown stepped down from the Board on 30 April 2024
- K Roe was appointed to the Board as CEO on 1 July 2024
- M Daryabegui stepped down from the Board on 23 May 2024
- Dr B Higgs was appointed to the Board on 16 January 2024
- Value of the LTIP reflects the October 2021 LTIP awards which vested following the end of the performance period in October 2024. Value of awards vesting based on share price on 6 October 2024 (being £0.2035)

The aggregate emoluments of all Directors during the year was £2.5m (2024: £2.3m).

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

Notes to the single figure table

Base Salaries

The salary for the CEO was increased by 12% effective from January 2025 to £415,000, which consisted of a normal salary increase of 3% and an additional 9% to bring her salary more into line with the market given the low positioning on appointment. The salary for the CFO was increased by 3% effective from January 2025 to £305,704, which was lower than the average inflationary impact salary increase of just under 6% across the wider workforce.

Pensions

Executive Directors receive a pension allowance of 15% of salary, which is aligned to the wider workforce.

Annual bonus

Setting measures

The Company seeks to set challenging, yet achievable, performance measures designed to link pay to performance against its core strategic objectives.

The performance measures were chosen to ensure that Executive Directors are focused on the near-term objectives that build the long-term delivery of value to shareholders, which results in a combination of measures being used covering strategic, operational, financial, business development and sustainability goals. While we monitor the Group's performance with a broader mix of financial and non-financial KPIs, the measures impacting the annual bonus emphasise those deemed most relevant to management performance and take into account the annual budget and the prevailing economic environment.

The maximum bonus opportunity for an Executive Director in 2025 was 150% of salary.

2025 annual bonus measures and out-turns

Metric	Weight	Bonus awarded	
Environmental, Social and Governance	20.00%	17.00%	
Zero LTIs	6.00%	6.00%	
Link to strategy <ul style="list-style-type: none"> Safety of our people Sound oil field practices 	Target <ul style="list-style-type: none"> Zero LTIs 	Performance <ul style="list-style-type: none"> There were no LTIs 	Outcome <ul style="list-style-type: none"> Achieved
TRIR Target of 0.8	3.00%	3.00%	
Link to strategy <ul style="list-style-type: none"> Safety of our people Sound oil field practices 	Target <ul style="list-style-type: none"> 0.8 	Performance <ul style="list-style-type: none"> No recordable incidents 	Outcome <ul style="list-style-type: none"> Achieved
Zero reportable environmental spills	3.00%	0.00%	
Link to strategy <ul style="list-style-type: none"> Sound oil field practices Management of our carbon footprint wherever we work 	Target <ul style="list-style-type: none"> Zero reportable environmental spills 	Performance <ul style="list-style-type: none"> In Egypt, a contracted road tanker overturned on the Cairo-Suez desert road, leading to a spillage of 178 barrels of oil 	Outcome <ul style="list-style-type: none"> Not Achieved

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

DE&I		3.00%	3.00%
Link to strategy	Target	Performance	Outcome
<ul style="list-style-type: none"> Strong governance and personal code of conduct 	<ul style="list-style-type: none"> Champion DE&I throughout the Group 	<ul style="list-style-type: none"> DE&I Group wide survey launched and 100% of responses received 1:1 sessions with CFO at Head Office, along with Egypt and Vietnam operations Online cultural awareness course 	<ul style="list-style-type: none"> Achieved
GHG Emissions		5.00%	5.00%
Link to strategy	Target	Performance	Outcome
<ul style="list-style-type: none"> Sustainability 	<ul style="list-style-type: none"> Decarbonisation initiatives utilising the Emissions Fund 	<ul style="list-style-type: none"> Vietnam – Process optimisation to reduce gas flaring and annual tree planting completed Egypt – replacement of diesel electricity generators for 20 production and water injection wells, recovering gas that would have been vented or flared <ul style="list-style-type: none"> Camp electricity supply from grid, resulting in reduced diesel consumption Solar PV trial – installation of solar power plants to supply electricity to Silah 1 and Silah 1-1 	<ul style="list-style-type: none"> Achieved
Metric		Weight	Bonus awarded
Financial and capital structure		30.00%	23.75%
Increase OCF		25.00%	18.75%
Link to strategy	Target	Performance	Outcome
<ul style="list-style-type: none"> Control expenditure Sustain shareholder returns 	<ul style="list-style-type: none"> Underlying operating costs < 2024 Underlying G&A < 2024 by 5% Increase OCF Sustain dividends 	<ul style="list-style-type: none"> Operating costs increased 1% to \$38.2m (2024: \$37.8m) Underlying G&A decreased by 12% to \$7.2m OCF increased by 3% to \$55.6m (2024: \$54.0m) Consistent return to shareholders 	<ul style="list-style-type: none"> Not achieved Achieved Achieved Achieved
Debt management		5.00%	5.00%
Link to strategy	Target	Performance	Outcome
<ul style="list-style-type: none"> Liquidity management 	<ul style="list-style-type: none"> Ensure funds are in place for drilling campaign and portfolio optimisation 	<ul style="list-style-type: none"> No requirement for further borrowings and funded from existing operations Two sidetrack wells on TGT – TGT-H1-19IPST and TGT-H5-32IPST – drilling completed during December 2025 Appraisal well TGT-H5-18X commenced drilling on 22 December 2025 Appraisal well on CNV – CNV-8P – commenced drilling on 3 December 2025 	<ul style="list-style-type: none"> Achieved

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

Metric		Weight	Bonus awarded
Operational		10.00%	3.71%
Production		10.00%	3.71%
Link to strategy	Target	Performance	Outcome
<ul style="list-style-type: none"> Prudent Management 	<ul style="list-style-type: none"> Vietnam production volumes 3,540 – 4,580 boepd Egypt production volumes 1,460 – 1,620 bopd 	<ul style="list-style-type: none"> Vietnam production outturn was 4,095 boepd Egypt production outturn was 1,303 bopd 	<ul style="list-style-type: none"> Partly achieved for Vietnam, within guidance Not achieved for Egypt
Metric		Weight	Bonus awarded
Business plan		40.00%	32.50%
Vietnam drilling campaign		10.00%	10.00%
Link to strategy	Target	Performance	Outcome
<ul style="list-style-type: none"> Continued development of Vietnam assets 	<ul style="list-style-type: none"> Commence drilling campaign on TGT and CNV following approval of licence extensions 	<ul style="list-style-type: none"> Two sidetrack wells on TGT – TGT-H1-19IPST and TGT-H5-32IPST – drilling completed during December 2025 Appraisal well TGT-H5-18X commenced drilling on 22 December 2025 	<ul style="list-style-type: none"> Achieved
Vietnam Exploration		17.50%	10.00%
Link to strategy	Target	Performance	Outcome
<ul style="list-style-type: none"> Continued development of Vietnam assets 	<ul style="list-style-type: none"> Secure licence extension on Block 125 Secure funding partner for Block 125 	<ul style="list-style-type: none"> Licence extension formally approved in June 2025 Negotiations ongoing with interested parties 	<ul style="list-style-type: none"> Achieved Not achieved
Egypt Consolidation		7.50%	7.50%
Link to strategy	Target	Performance	Outcome
<ul style="list-style-type: none"> Continued development of Egypt assets 	<ul style="list-style-type: none"> Progress consolidation of El Fayum and NBS concessions to achieve better commercial terms 	<ul style="list-style-type: none"> EGPC Executive Board approval received, Egyptian Parliamentary ratification expected 2026. 	<ul style="list-style-type: none"> Achieved
Stakeholder Engagement		5.00%	5.00%
Link to strategy	Target	Performance	Outcome
<ul style="list-style-type: none"> Mutually beneficial partnerships 	<ul style="list-style-type: none"> Engage transparently and constructively with stakeholders 	<ul style="list-style-type: none"> Increased CEO/CFO engagement with key shareholders and government stakeholders Analyst lunches Increased interaction with journalists/media 	<ul style="list-style-type: none"> Achieved
OVERALL	100%	TOTAL ASSESSMENT	76.96%

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

The Committee felt that the overall performance and the experience of stakeholders in 2025 was sufficiently recognised in the formulaic outcome and therefore no use of discretion was considered necessary.

Executive Directors receive a third of any bonus as awards under the Deferred Share Bonus Plan. This ensures their interests remain closely aligned with shareholders. For 2025, the total Directors' bonuses include the following: a) Cash bonus paid in December 2025 of £373k; b) Cash bonus paid in January 2026 of £181k following finalisation of annual bonus measures and out-turns and (c) Deferred bonus of £278k to be granted under the Deferred Share Bonus Plan.

	Paid Cash Bonus £000s	Accrued Cash Bonus £000s	Deferred Share Bonus £000s	Total Bonus £000s	% of max
K Roe	215	104	160	479	76.96%
S Rivett	158	77	118	353	76.96%

LTIP vesting in 2025

Part of the March 2022 LTIP awards vested in March 2025, having met the performance criteria. The performance conditions, targets and outcomes are set out below. Overall performance outcomes and the number of awards ultimately vesting was determined following the end of the TSR performance period which ended 25 March 2025. The table below sets out an overview of Pharos's relative TSR performance during that period.

Measure	Relative TSR -Performance against comparator group	Absolute TSR	Cash flow from operations	Return on Capital Employed	ESG
Weighting	40%	15%	15%	15%	15%
Threshold – 25% vesting	Median (Rank of 8)	20%	\$150m over 3 years	6% average over 3 years	10% reduction in emissions intensity
Maximum- 100% vesting	Upper Quartile (Rank of 4.25)	30%	\$200m over 3 years	10% average over 3 years	15% reduction in emissions intensity
Actual result	Above Upper Quartile (Rank of 5.05)	-10.6%	\$152.3m	13.7%	4.4% reduction in emission intensity
Vesting	83.92%	0%	28%	100%	0%
Vesting overall total	52.8%				

The resulting values for awards which vested are set out in the table below and the value is included in the single total figure table:

	No. of awards granted	No. of dividend equivalents	No. of awards vesting	Value of awards vesting ¹
S Rivett	2,032,667	95,860	1,196,429	£329,616

1) Value of awards vesting based on share price on 24 March 2025 (being £0.2755)

The Committee was comfortable that the formulaic vesting was reflective of performance over the three-year period. Awards remain subject to a two-year holding period.

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED



LTIP award grants made in 2025

The LTIP awards are usually made in March. For Katherine Roe and Sue Rivett this represented 200% of contractual salary at the time the award was made. It is anticipated that future grants, including the grants to be made in March 2026, will be made following the announcement of the preliminary results in March. These were made on a similar basis to prior years, with awards to Executive Directors over shares worth two times salary and subject to the same measures as in recent years.

	Date of grant	No. of shares	Face value of award	Award as % of salary
K Roe	27 March 2025	3,593,073	£830,000	200%
S Rivett	27 March 2025	2,646,787	£611,408	200%

Face value based on share price at the time of awards were determined on 26 March 2025 (being £0.231)

The performance measures for the 2025 awards are set out below, with 25% vesting for Threshold rising on a straight-line basis to full vesting at Maximum:

Metric	Weight	Targets
TSR – Relative vs bespoke peer group	35%	Median to Upper Quartile ranking
TSR – Absolute	20%	20% to 30% absolute growth
Cash flow from operations	15%	\$150m to \$200m over the three-year period
Return on Capital Employed	15%	6% to 10% average for the three-year period
ESG medium term measures	15%	10% to 15% reduction in emissions

Deferred Share Bonus Plan awards granted in 2025

The DSBP awards were granted in January 2025 in relation to the 2024 annual bonus outcome.

	Date of grant	No. of shares	Face value of award
K Roe	24 January 2025	265,304	£65,397
S Rivett	24 January 2025	425,434	£104,869

Face value based on share price at the time of awards were determined on 23 January 2025 (being £0.2465)

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED



Directors' interests as at 31 December 2025

The Board has a policy requiring Executive Directors to build a minimum shareholding of 200% of their annual salary. Additionally, LTIP awards require a two-year holding period following vesting. This is intended to emphasise a commitment to the alignment of Executive Directors with shareholders and a focus on long-term stewardship.

The table below sets out interests of Directors' who were in office during the year as at 31 December 2025 and any subsequent changes to their beneficially owned shares are shown as at the date of this report:

	Shareholding requirement		Beneficially owned shares as at 31 December 2025	Beneficially owned shares as at the date of this report	Awards subject to performance conditions as at 31 December 2025 ¹	Awards subject to Option Price 120 pence as at 31 December 2025	Awards subject to service conditions as at 31 December 2025 ¹
	(% of salary)	Achieved (Yes/No)					
Executive							
K Roe²	200%	No	106,318	119,167	6,861,852	–	276,905
S Rivett²	200%	No	1,829,053	1,837,562	8,491,907	90,000	875,677
Non-Executive							
João Saraiva e Silva³	–	–	250,000	250,000	–	–	–
G Green	–	–	95,000	95,000	–	–	–
L Mitchell⁴	–	–	51,958	51,958	–	–	–
B Higgs	–	–	–	–	–	–	–
J Martin⁵	–	–	N/A	–	–	–	–

1) Figures include accrued dividend equivalents.

2) At the date of this report, K Roe and S Rivett are yet to reach the 200% shareholding requirement.

3) Appointed to the Board on 26 June 2025.

4) These shares are held by Alexander Barblett (husband of L Mitchell), and a closely associated person to L Mitchell.

5) J Martin held 237,000 shares when he stepped down from the Board on 25 June 2025 and is not required to disclose his shareholding after that date.

6) Our share price at the close of business on 31 December 2025 was 21.1p and the range of the middle market price during the year was 17.9p to 27.5p.

While the Executive Directors, as potential beneficiaries, are technically deemed to have an interest in all ordinary shares held by the Company's EBT, the table above only includes those ordinary shares held by the EBT which are potentially transferable to the Directors pursuant to Options granted to them under the Company's incentive schemes. Details of the EBT and its holdings are set out in Note 28 to the Financial Statements.

There have been no changes to the Directors' interests subsequent to 31 December 2025 other than as set out above and as described in the notes to the table above.

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

Share awards outstanding at 31 December 2025

	Type of award	As at 1 Jan 2025	Granted/awarded	Adjusted ¹	Lapsed	Vested ³	Released	As at 31 Dec 2025	Date potentially vested ²	Expiry date
K Roe^{4,5}	LTIP	2,934,899	-	176,765	-	-	-	3,111,664	01.07.27	01.07.34
	LTIP	-	3,593,073	157,115	-	-	-	3,750,188	27.03.28	27.03.35
	DSBP	-	265,304	11,601	-	-	-	276,905	24.01.27	24.01.35
S Rivett^{3,4,5,6}	LTIP	2,229,008	-	35,240	1,067,819	1,196,429	1,196,429	-	25.03.25	25.03.32
	LTIP	2,729,298	-	164,381	-	-	-	2,893,679	23.03.26	23.03.33
	LTIP	2,674,616	-	161,088	-	-	-	2,835,704	30.04.27	30.04.34
	LTIP	-	2,646,787	115,737	-	-	-	2,762,524	27.03.28	27.03.35
	DSOP	25,000	-	-	-	-	-	25,000	31.05.19	31.05.26
	DSOP	65,000	-	-	-	-	-	65,000	31.05.19	31.05.26
	DSBP	416,411	-	6,583	-	422,994	422,994	-	13.01.25	13.01.33
	DSBP	407,121	-	24,519	-	-	-	431,640	30.04.26	30.04.34
DSBP	-	425,434	18,603	-	-	-	444,037	24.01.27	24.01.35	

- 1) Outstanding awards under the Company's share schemes were adjusted for dividend equivalents in accordance with plan rules (see Note 31 to the Financial Statements).
- 2) LTIP awards vest subject to the achievement of certain performance conditions and subject to a further holding requirement. The performance measures for the 2025 LTIP are set out on page 145. DSBP awards vest subject to continued service over a two-year vesting period.
- 3) The performance measures for the 2022 LTIP awards were partially met resulting in 52.84% of the awards vesting.
- 4) DSBP Awards to K Roe and S Rivett were structured as nil-cost options.
- 5) LTIP Awards to K Roe and S Rivett were structured as nil-cost options.
- 6) DSOP awards have an exercise price of 120 pence and do not have any performance conditions.

Payments for loss of office and payments to former Directors

There have been no payments for loss of office during the year, and no payments have been made to former Directors of the Company.

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

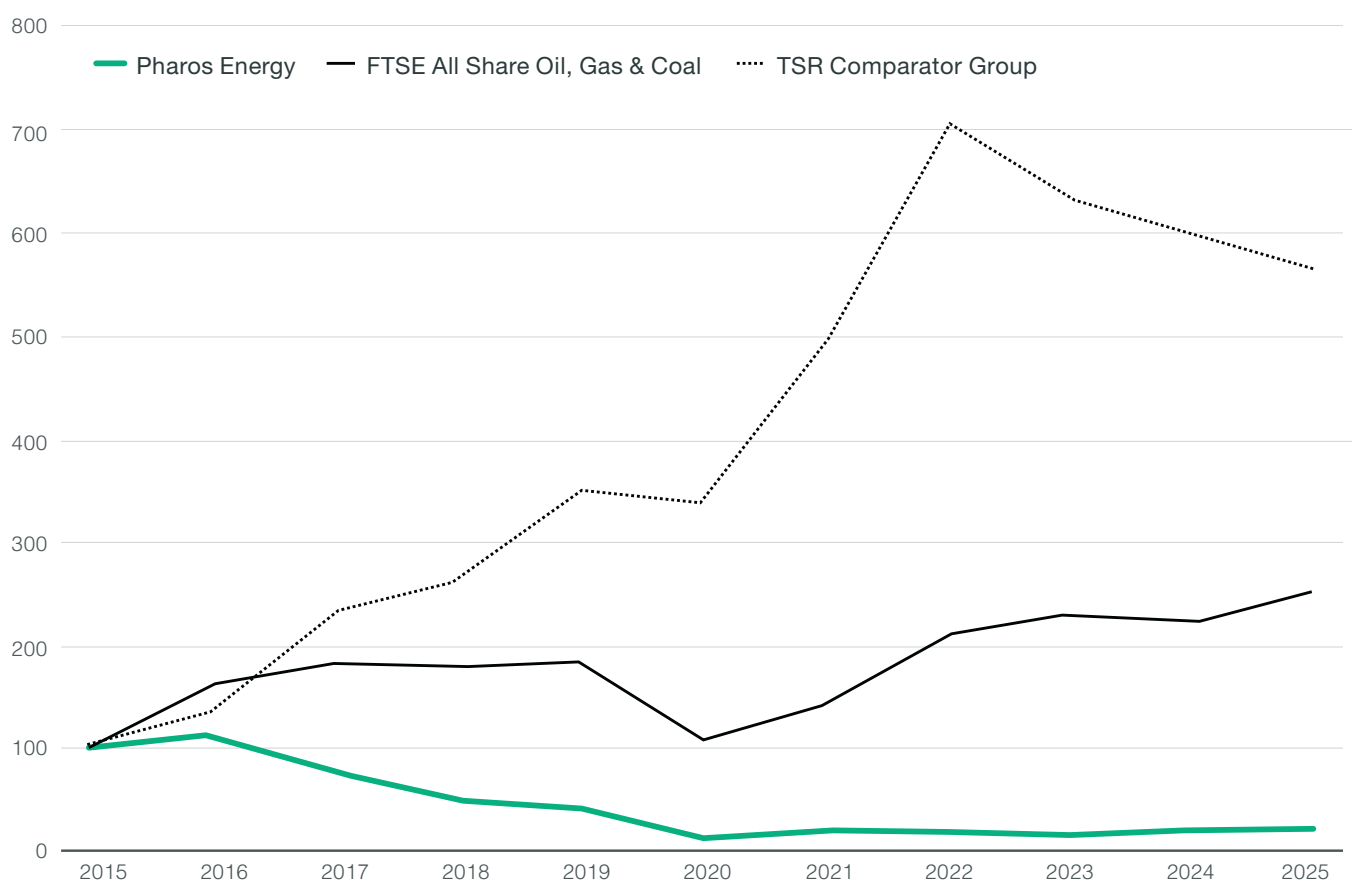
Unaudited Section

Historical TSR performance and CEO outcomes

TSR performance

The chart below illustrates Pharos' ten-year TSR performance against the FTSE All Share Oil & Gas Index, being a broad market index which is sector specific. In addition, we have shown a comparison against the TSR comparator group used for the LTIP award.

Total Shareholder Return (TSR) £



CEO outcomes

The table below shows the total remuneration paid to the CEO over the same ten-year period. In addition, the annual bonus and LTIP awards vesting are set out in respect of each year as a percentage of the maximum:

	2016	2017	2018	2019	2020	2021	2022 ¹	2023	2024 ²	2025
CEO single figure of remuneration (£000s)	1,632	1,716	1,829	1,567	669	894	909	925	804	970
Annual bonus pay-out (% of maximum)	35%	65%	105%	50%	0%	58%	66%	65%	71%	77%
LTIP vesting (% of maximum)	46%	0%	0%	0%	0%	0%	0%	0%	0%	0%

- 2022 includes the total remuneration of E Story for 1 January 2022 to 22 March 2022, reflecting the period he served on the Board as CEO. J Brown's total remuneration is then presented for the period 23 March 2022 to 31 December 2022.
- 2024 includes the total remuneration of J Brown for 1 January 2024 to 30 April 2024, reflecting the period she served on the Board as CEO. K Roe's total remuneration is then presented for the period from her appointment on 1 July 2024 to 31 December 2024.

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

Percentage change in remuneration of the Directors

The table below illustrates the percentage change in salary, benefits and annual bonus for each Director and all other employees.

	% change in salary (2025/ 2024)	% change in salary (2024/ 2023)	% change in salary (2023/ 2022)	% change in salary (2022/ 2021) ³	% change in benefits (2025/ 2024)	% change in benefits (2024/ 2023)	% change in benefits (2023/ 2022)	% change in benefits (2022/ 2021)	% change in annual bonus (2025/ 2024) ¹	% change in annual bonus (2024/ 2023)	% change in annual bonus (2023/ 2022)	% change in annual bonus (2022/ 2021)
J Brown ²	N/A	N/A	8.0%	35.1%	N/A	N/A	-10.3%	-0.8%	N/A	N/A	-7.7%	-5.4%
K Roe ⁴	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
S Rivett	3.0%	6.0%	1.1%	N/A	5.0%	-77.3%	450%	N/A	12.1%	16.2%	-0.7%	N/A
J Martin ⁵	N/A	13.3%	4.9%	26.7%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
J Saraiva e Silva ⁶	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
M Daryabegui ⁷	N/A	N/A	5.3%	26.7%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
L Mitchell	2.5%	6.7%	6.3%	26.7%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
G Green	5.4%	5.7%	11.2%	40.6%	N/A	N/A	-100.0%	100.0%	N/A	N/A	N/A	N/A
Dr B Higgs ⁸	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All other employees	8.3%	6.4%	9.9%	29.5%	2.5%	10.0%	-9.3%	15.5%	11.3%	16.2%	8.1%	24.1%

1) Bonuses are normally awarded in respect of the calendar year.

2) J Brown stepped down from the Board on 30 April 2024.

3) The figures detailed above reflect the salary reductions that have been taken by the Directors. The Executive Directors took a reduction of 35% of their salaries for the first quarter of 2021 and then further reduced this by another 15% (to a total reduction of 50%) from 1 April 2021 for the Executive Directors in office at that date. These reductions stayed in place for the remainder of 2021 and through to 20 March 2022. The Chair, who had reduced his fee by 25% on assuming the role in March 2020, also took an additional 25% reduction along with the other Non-Executive Directors from 1 May 2021 which continued through the full year 2021 and up until 20 March 2022.

4) K Roe was appointed to the Board on 1 July 2024.

5) J Martin stepped down from the Board on 25 June 2025.

6) J Saraiva e Silva was appointed to the Board on 26 June 2025.

7) M Daryabegui stepped down from the Board on 23 May 2024.

8) Dr B Higgs was appointed to the Board on 16 January 2024.

Chief Executive Officer's pay ratio

The Company currently has 16 UK employees and therefore has no statutory requirement to publish a CEO pay ratio. Given the relatively few employees, the Committee is aware of pay levels and does not feel the need to produce a ratio. The Committee will continue to review the appropriateness of publishing pay ratios in the future.

Relative importance of spend on pay

The chart below illustrates total remuneration as per Note 11 to the Financial Statements compared to shareholder returns, which would include capital returns, dividends and share buybacks.

Shareholder Returns (Share buyback) (\$m)



Shareholder Returns (Dividends) (\$m)



Wages and Salaries (\$m)



2025 2024

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED



External appointments

With prior approval of the Board, Executive Directors are allowed to accept non-executive appointments on other boards and to retain the associated directors' fees. During 2025, no Executive Director had non-executive appointments on any other board.

Implementation for 2026

Base salary

The following table shows the Executive Director base contractual salary levels.

	2026 Base salary 000s	2025 Base salary 000s	Increase from 2025 %
K Roe	£455	£415	9.6%
S Rivett	£316	£306	3.5%

The normal salary increases of 3.5% for the Executive Directors for 2026 are lower than the average inflationary impact salary increase of just over 6% across the workforce. Katherine Roe receives an additional 6.1% salary increase to bring her salary more into line with market. Katherine voluntarily invests an after-tax salary equivalent to £30,000 gross pay into buying shares in the Company, subject to share dealing restrictions. Furthermore, Sue Rivett voluntarily invests an after-tax salary equivalent to £20,000 gross pay into buying shares, subject to the same share dealing restrictions.

Benefits

For 2026, benefits available to Executive Directors will be consistent with those set out in the Directors' Remuneration Policy to be approved at the 2026 AGM.

Pension

For 2026, a pension benefit at 15% of salary will be provided to each Executive Director through contributions to the Company's money purchase plan up to plan limits or a cash supplement. Our Pension Policy for Executive Directors is already consistent with that for all employees (as a percentage of salary).

Annual bonus

It is intended that annual bonus awards will be considered for Executive Directors in January 2027. The maximum total bonus opportunity for an Executive Director is 150% of salary, including cash and deferred components in accordance with the approved Policy. The table on the next page sets out the weighted performance measures which will be applied in determining annual bonus awards for 2026, and identifies the link from each of these measures to our core strategy of:

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

2026 KPI's

Metric	Weight	Performance criteria which will be considered
Operational & Business Plan	65%	
Strategic objectives: to replace produced reserves and add to the reserve base in a way which is value and/or cash flow accretive.		<ul style="list-style-type: none"> Group working interest production guidance between 5,200 boepd and 6,400 boepd Successful drilling campaign in Vietnam Secure funding partner for Block 125 Unlock value in Egypt Agree M&A target to SPA which is materially value accretive, adding to future scale and cash flow
Financial	15%	
Strategic objectives: to control expenditure and access affordable sources of funding in order to maintain a strong balance sheet with sufficient liquid resource to fund planned activities.		<ul style="list-style-type: none"> Operating Cash Flow > 2025 actuals Underlying Operating Costs < budget on a bbl basis Sustain dividends
ESG	20%	
Strategic objectives: to preserve the safety of all our people, staff and contractors and preserve the environment through sound oil field practices and management of our own carbon footprint wherever we work.		<ul style="list-style-type: none"> Zero LTIs TRIR target < 0.8 Zero reportable environment spills GHG emissions – utilising the emissions fund Successful reporting under new accounting system

Note: The KPI for GHG emissions reduction is linked to the GHG emissions reduction interim targets in our Net Zero Roadmap, which was published on December 2023. The Group set a 5% reduction target on all Scope 1 & 2 emissions by year end 2026. More information can be found at on our website at <https://www.pharos.energy/media/b55c4sqz/pharos-energy-net-zero-roadmap-2023-official.pdf>. The roadmap was further reviewed and updated in 2025, further details can be found on pages 97 to 99.

Details of how the Committee assessed performance against these weighted measures will be set out in next year's report. The Committee retains discretion over the amount of bonus paid out to ensure that appropriate consideration is given to the relative importance of the achievements in the year and the actual contribution of these towards furthering the Group's strategy, as well as the prevailing economic environment.

LTIP

When determining the grant level for 2026, the Committee will take into account the share price at the date of grant and all other relevant circumstances into account. In normal circumstances, the awards will be granted at 200% of salary, in accordance with the approved Policy.

The performance conditions for the 2026 awards are expected to be a mixed weighting as follows: of TSR (35%) relative and (20%) absolute and 15% weighting to each of cash flow from operations, return on capital employed, and emission reduction targets.

Metric	Weight	Targets
TSR – Relative	35%	Same criteria/TSR group as above
TSR – Absolute Achieve 20% growth over the three-year period, sliding scale to 30% for the full 20%	20%	20% to 30%
Cash flow from operations Achieve \$115m cash flow from operations over the three-year period, sliding scale to \$150m for the full 15%	15%	\$115m to \$150m
Return on Capital Employed Achieve over 6% average per year for the three-year period, sliding scale to 10% for the full 15%	15%	6% to 10%
ESG medium term measures Achieve 10% reduction over a three-year period, sliding scale to 15% for the full 15%	15%	10% to 15% reduction in emissions

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

Shareholder dilution

Pharos monitors the number of shares issued under employee share plans and their impact on dilution limits. These will not exceed the limits set by The Investment Association Principles of Remuneration currently in force, in respect of all share plans (10% in any rolling ten-year period).

Malus and clawback provisions

All variable pay arrangements for Executive Directors are subject to provisions which enable the Committee to reduce vesting, or recover value delivered if certain circumstances occur. These circumstances include serious misconduct, an error in calculation, misstatement of the Company's financial results, fraud, insolvency of the Company or serious reputational damage to the Company. In each case the occurrence of those circumstances and the effect on variable pay arrangements will be determined by the Committee. The malus and clawback provisions are set out in the respective award plan rules, which participants agree to adhere to as part of any invitation process. The recovery period extends to two years post vesting (i.e. up to five years from grant for LTIP awards) which may be extended if action or conduct is under investigation. This is considered to be a sufficient period in which to identify any issues which require consideration of malus or clawback.

Non-Executive Director remuneration

Non-Executive Director fees, which have been set within the aggregate limits set out in the Company's articles of association and approved by shareholders, are set out in the table below:

	Fee from 1 January 2026	Fee from 1 January 2025
Chair of the Company	£175,000	£185,400
Non-Executive Director	£65,508	£65,508
Additional fee: Senior Independent Director	£13,647	£13,647
Additional fee: Chair of Audit and Risk Committee	£16,377	£16,377
Additional fee: Chair of Remuneration Committee	£16,377	£16,377
Additional fee: Chair of Reserves Committee	£16,377	£16,377
Additional fee: Workforce Engagement Nominated Director	£5,459	£5,459

For 2026, benefits available to Non-Executive Directors will be consistent with those set out in the Policy to be approved at the 2026 AGM. Non-Executive Directors are not eligible for participation in the Company's incentive or pension schemes.

Service Contract (reference Table A on page 163)

Consideration by Committee of matters relating to Executive Directors' remuneration

The Directors who were members of the Remuneration Committee when matters relating to Directors' remuneration for the year were being considered were Lisa Mitchell and Geoffrey Green as Remuneration Committee Chair.

The Committee received assistance from Katherine Roe and Sue Rivett, except when matters relating to their own remuneration were being discussed. The Committee additionally received assistance from other Non-Executives Directors when required.

The Committee has appointed FIT Remuneration Consultants LLP (FIT) as its remuneration advisers, and fees of £19,215 were paid in 2025 for their advisory services. FIT is a member of the Remuneration Consultants Group and complies with their professional code of conduct. FIT do not provide any other services to the Group which, along with FIT's credentials and proven performance, contributes to the Committee's view that the advice received has been appropriate, objective and independent.

The Committee reviews all aspects of remuneration on an annual basis and with respect to individual and corporate performance during the year. The review is aided by comparison to published data on executive pay in the sector and in similar sized companies. More detailed benchmarking may be conducted, such as upon an indication of a change in market ranges, with results being monitored for indications of potential unwarranted upward ratcheting. The Committee receives regular updates on evolving regulatory and market practice including market trends, key developments, and a broad range of published principles and guidelines. The Committee takes into account pay conditions elsewhere in the Company, and considered matters related to Group remuneration.

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

Shareholder voting

The most recent binding resolution on the Directors' Remuneration Policy was passed at 2023 AGM. The advisory vote on the Directors' Remuneration Report was approved at last years' AGM. The table below shows votes from shareholders on the relevant resolutions:

	Directors' Remuneration Report (2025 AGM)		Directors' Remuneration Policy (2023 AGM)	
	Votes	%	Votes	%
Votes in favour	126,339,902	59.51%	200,307,051	84.59%
Votes against	85,976,095	40.49%	36,478,777	15.41%
Total votes	212,315,997	100.00%	236,785,828	100.00%
Votes withheld	8,463	–	9,230	–

Service contracts

Executive Directors' contracts are for an indefinite period and are terminable by either party on giving one year's notice, which may be satisfied with a payment in lieu of notice. The contracts do not contain specific termination provisions.

The Committee has a duty to prevent the requirement to make payments that are not strictly merited and endorses the principle of mitigation of damages on early termination of a service contract. Any payment on early termination will be assessed on the basis of the particular circumstances, but in any event will not be in respect of any period beyond the notice period specified by the contract.

The Non-Executive Directors' appointments are terminable at the will of the parties but are envisaged to establish an initial term of three years after which they will be reviewed annually.

The Executive Directors' service contracts and the Non-Executive Directors' letters of appointment are available for inspection by arrangement at the Company's registered office.

Policy Report

This Remuneration Policy will be effective from the date of the 2026 AGM, subject to shareholder approval at that meeting.

The Policy is intended to apply for a period of three years. However, the Committee monitors the Remuneration Policy on a continuing basis including consideration of evolving market practice and relevant guidance; shareholder views and results of previous voting; policies applied to the wider employee base; and with due regard to the current economic climate. Should the Committee resolve that the Remuneration Policy should be revised, such revisions will be subject to a binding shareholder vote.

The overarching aim is to operate a Remuneration Policy which rewards senior Executives at an appropriate level for delivering against the Company's annual and longer-term strategic objectives. The Policy is intended to create strong alignment between Executive Directors and shareholders through a heavy focus on the use of equity. The Committee is comfortable that the structure and operation of the Policy does not create any environmental, social and corporate governance matters and is managed within an acceptable risk profile.

When reviewing the Policy, the Committee involved the use of our external advisers to provide data and opinion on market practice and developments in corporate governance. The Committee also reviewed the business strategy and wider employee context. The Committee made its decisions based on the outcomes of its own deliberations and considering feedback provided from shareholders and proxy agencies who were consulted at an early stage.

The Committee considered that the current Policy is operating effectively and supporting the business strategy. Therefore, only modest changes are proposed for the new Policy and are included in the following sections.

When considering the development of the new Policy, the Committee has had regard to the following factors:

- **Clarity**
- **Risk**
- **Proportionality**
- **Simplicity**
- **Predictability**
- **Alignment to culture**

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

Policy table for Executive Directors

The table below summarises our Policy for each component of Executive Directors' Remuneration:

Fixed pay**Base salary**

Core element of remuneration set at a sufficient level to attract and retain people of the necessary calibre to shape and execute the Company's strategy.

Operation	Maximum	Performance criteria
<p>Contractual fixed cash amount paid monthly.</p> <p>Particular care is given in fixing the appropriate salary level considering that incentive pay is generally set at a fraction or multiple of base salary.</p> <p>The Committee takes into account a number of factors when setting salaries, including (but not limited to):</p> <ul style="list-style-type: none"> • Size and scope of individual's responsibilities • Skills and experience of the individual • Performance of the Company and the individual • Appropriate market data • Pay and conditions elsewhere in Pharos <p>Base salaries are normally reviewed annually.</p> <p>Results of benchmarking exercises are monitored for indications of potential unwarranted upward ratcheting.</p>	<p>Any salary adjustments will normally be in line with those of the wider workforce.</p> <p>The Committee retains discretion to award higher increases in certain circumstances such as increased scope and responsibility of the role, or in the case of new Executive Directors who are positioned on a lower salary initially, as they gain experience over time. In these circumstances, a base salary will not exceed the maximum under the previous Policy (\$924,000) plus RPI from the date of approval of the prior Policy.</p>	N/A

BENEFITS

- Provide Executive Directors with market competitive benefits consistent with the role.

Operation	Maximum	Performance criteria
<p>Executive Directors receive benefits which may include (but are not limited to) medical care and insurance, permanent health insurance, life assurance cover, critical illness cover, travel benefits, expatriate benefits, car benefits and relocation expenses.</p> <p>Reasonable business-related expenses will be reimbursed (including any tax payable thereon).</p>	<p>Benefits are positioned at an appropriate market level for the nature and location of the role. Whilst the actual value of benefits may vary from year to year based on third party costs, it is intended that the maximum annual value will not exceed \$250,000 or £200,000, per Directors' base currency, plus RPI from the date of approval of the prior Policy.</p> <p>In addition to the above cap, the Company may contribute to relocation expenses up to 100% of salary.</p>	N/A

PENSION

- Provides retirement benefits consistent with the role.

Operation	Maximum	Performance criteria
<p>Pension benefits are delivered through contributions to Pharos' money purchase plan up to relevant plan limits and/or a cash supplement.</p>	<p>The rate applicable to the wider workforce from time to time (currently 15% of base salary per annum).</p>	N/A

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

VARIABLE PAY ANNUAL BONUS

- Incentivises and rewards for the delivery of the strategic plan on an annual basis.

Operation	Maximum	Performance criteria
<p>Payments are based on performance in the relevant financial year.</p> <p>At the beginning of the year, the Committee sets objectives which it considers are critical to the delivery of the business strategy.</p> <p>Performance against these key strategic objectives is assessed by the Committee at the end of the year.</p> <p>The Committee retains the discretion to amend the bonus payout (negatively or positively) to ensure it reflects the performance of either the individual or the Company.</p> <p>One-third of any bonus payout is subject to deferral into Pharos shares under the Deferred Share Bonus Plan. If an Executive Director has already met the share ownership requirement (as set out in the Shareholding guidelines below), the Committee may choose to defer a lesser amount or pay the entire bonus in cash.</p>	<p>150% of base salary per annum, including cash and deferred components at the discretion of the Committee.</p>	<p>The annual bonus is based on individual and corporate performance during the year.</p> <p>Corporate goals are set annually and may include monitored measures for particular projects; portfolio objectives; corporate strategic goals; safety, social and environmental measures; financial measures; and other measures as may be deemed appropriate and relevant to the period for delivery of the business strategy.</p> <p>If the Committee determines that a minimum level of performance has not been achieved, no bonus will be payable. Thereafter the bonus will begin paying out, up to the maximum of 150% of salary.</p> <p>The Committee determines the appropriate weighting of the metrics each year.</p>

LTIP

- Incentivises and rewards for the Company's strategic plan of building shareholder value.

Operation	Maximum	Performance criteria
<p>Typically, a conditional award of shares or a nil price option is made annually, normally in March/April, following the year end close period.</p> <p>Vesting of the awards is dependent on the achievement of performance targets, which are typically measured over a three-year performance period.</p> <p>Awards (net of tax) will also be subject to a two-year post-vesting holding period during which they cannot be sold (except in exceptional circumstances and with the Committee's prior approval). This holding period will continue post-employment in accordance with the post cessation shareholding guidelines.</p>	<p>200% of base salary per annum.</p>	<p>Awards vest based on performance against financial, operational and/or share price measures, as set by the Committee, which are aligned with the long-term strategic objectives of Pharos.</p> <p>No less than 50% of the award will be based on share price measures. The remainder will be based on financial, operational, or strategic measures.</p> <p>For 'threshold' levels of performance, 25% of the award vests. 100% of the award will vest for maximum performance. Pro-rating applies between these points and between ranking positions.</p> <p>The Committee may reduce LTIP vesting outcomes (including to zero), based on the result of testing the performance condition, if it considers the potential outcome to be inconsistent with the performance of the Company, business or individual during the performance period. Any use of such discretion would be detailed in the Directors' Remuneration Committee Report.</p>

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

SHAREHOLDING GUIDELINES

- Further increase alignment between Executive Directors and shareholders.

Operation	Maximum	Performance criteria
<p>The Board has a policy of requiring Executive Directors to build a minimum shareholding in Pharos shares equivalent to 200% of salary.</p> <p>A post-cessation shareholding guideline is also operated. Executive Directors will be expected to retain the shares then held up to 200% of salary for a two-year post-cessation period (unless the Committee exceptionally determines that it is appropriate to release this requirement). Pharos shares which vest in future from deferred bonus and LTIP awards will be retained in so far as necessary to meet the 200% post-cessation requirement. Post cessation, all LTIP holding periods will end on the earlier of 2 years from cessation and 2 years from vesting (and awards will in any case be retained in so far as necessary to meet the 200% post cessation requirement).</p> <p>Shares purchased in the market by Executive Directors from their own funds will not be subject to the post-cessation guideline.</p>	N/A	N/A

Notes to the Policy table**Discretion**

The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) that are not in line with the Policy set out above where the terms of the payment were agreed:

- Before the Policy came into effect; or
- At a time when the relevant individual was not an Executive Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming an Executive Director of the Company

For these purposes, (i) 'payments' includes satisfying awards of variable remuneration and (ii) an award over shares is "agreed" at the time the award is granted.

The Committee will operate the annual bonus, LTIP and share option plan in accordance with the relevant plan rules. In line with best practice, the Committee retains discretion on the operation and administration of these plans, including as follows:

- Dividend equivalents may be paid on awards up to the point of vesting or, if later, expiry of any award holding period
- Awards will be subject to recovery and withholding provisions and therefore may be reduced at the discretion of the Committee for instances of serious misconduct, an error in calculation, a misstatement of the Company's financial results or for serious reputational damage to the Company (as determined by the Committee). Provisions will apply for a period of three years from date of payment/ vesting
- The Committee may settle an award in cash
- In the event of a variation of share capital or any other exceptional event which, in the reasonable opinion of the Committee, requires an adjustment, the Committee may adjust the number of shares or the exercise price
- If an event occurs which results in the performance conditions for outstanding incentive plans being no longer appropriate, then the Committee may adjust the measures and/or targets, with the caveat that they will, in the opinion of the Committee, be no less challenging to achieve

Any use of the above discretions would, where relevant, be explained in the Annual Report on Remuneration and may, as appropriate, be the subject of consultation with the Company's major shareholders.

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

Takeover or other equivalent corporate event

On a takeover or other equivalent corporate event, outstanding deferred bonus awards will vest in full as soon as practicable after the date of the event, unless the Committee determines otherwise. For outstanding LTIP and share option awards, on a takeover or other equivalent corporate event, generally the performance period will end on the date of the event. The Committee will determine the extent to which performance conditions have been achieved at this point and whether to apply time pro-rating to awards to reflect the shortened performance period. In doing so, the Committee will determine the extent to which it may be appropriate to vary these and/or their vesting outcomes taking into account such factors as it may consider appropriate which may include performance of the Company, the Group, or the individual. Outstanding LTIP and share option awards may be subject to rollover, with the agreement of the acquiring company.

Minor changes

The Committee may make minor amendments to the Policy set out in this report (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for the amendment.

Legacy commitment

The Committee has the right to honour the commitments entered into with current Directors if permitted by the shareholder-approved Policy at the time of the commitment was made and/ or any commitment made prior to a Director's appointment to the Board. Details of any legacy arrangements will be set out in future Directors' Remuneration Reports as they arise.

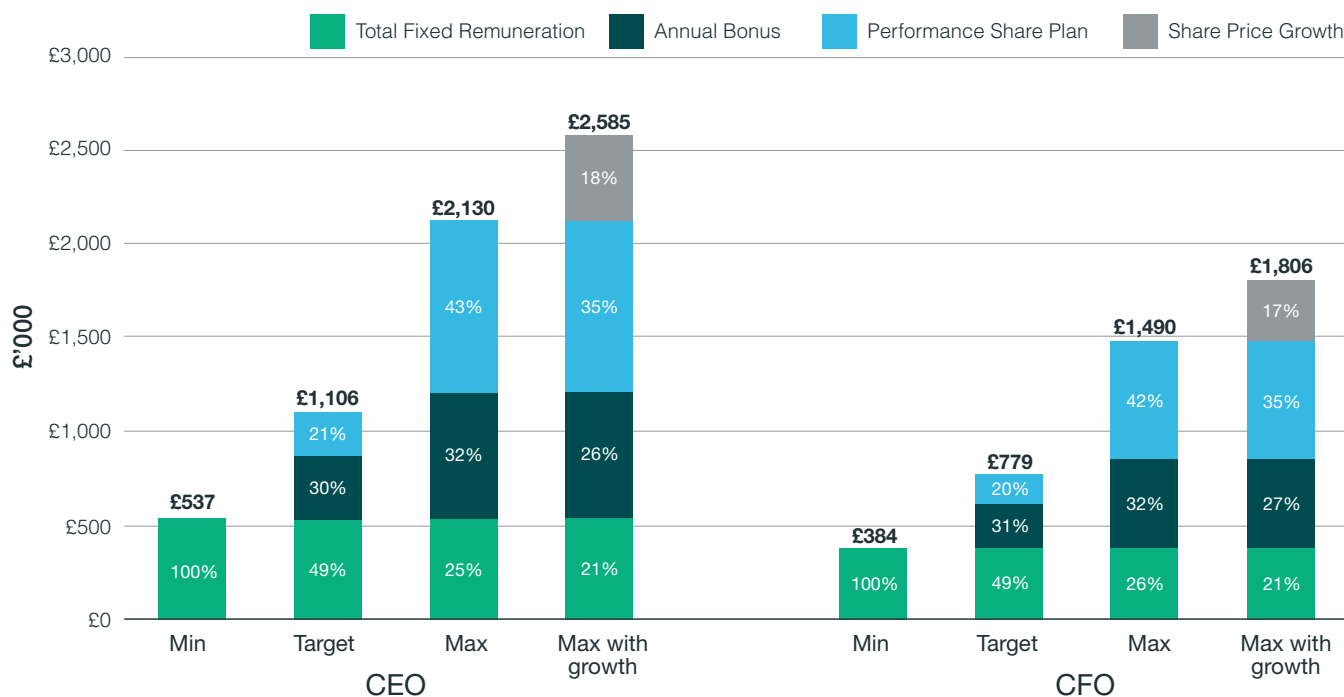
Performance measures and target setting

The Policy table for Executive Directors describes the policy for setting performance measures used for the annual bonus and LTIP, which are intended to ensure that executives are appropriately focused on the successful delivery of the strategic plan over both the short and medium term. When setting the relevant performance targets, the Committee will take into account a number of internal and external reference points that are linked to Pharos' strategic priorities, as well as the economic environment.

Illustration of Policy

The charts below show the illustration of Policy

Illustrations of application of remuneration policy



DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

Levels of performance	Assumptions	Performance criteria
Fixed pay	All scenarios	<ul style="list-style-type: none"> Total fixed pay comprises base salary, benefits and pension Base salary – effective as at 1 January 2026 Benefits – based on benefit cost for 2025 Pension – 15% of salary, the benefit currently set for all Executive Directors
Variable pay	Minimum performance	<ul style="list-style-type: none"> No payout under the annual bonus and no vesting under the LTIP
	Performance in line with expectations	<ul style="list-style-type: none"> 50% of the maximum payout under the annual bonus (i.e. 75% of salary) 25% vesting under the LTIP (i.e. 50% of salary)
	Maximum performance	<ul style="list-style-type: none"> 100% of maximum payout under the annual bonus (i.e. 150% of salary) 100% of maximum vesting under the LTIP (i.e. 200% of salary)
	Maximum performance with growth	<ul style="list-style-type: none"> As above but with 50% share price growth assumed on the LTIP vesting

Policy table for Non-Executive Directors

Component	<ul style="list-style-type: none"> Pharos' approach
Chairman fees	<ul style="list-style-type: none"> Comprises an all-inclusive fee for Board and Committee positions Determined by the Remuneration Committee and approved by the Board
Non-Executive Director	<ul style="list-style-type: none"> Comprises a basic fee in respect of their Board duties Further fees may be paid in respect of additional Board or Committee roles Recommended by the Chair and Chief Executive Officer and approved by the Board
Other	<ul style="list-style-type: none"> In the event of a temporary but material increase in the time commitment required, fees may be increased on a pro-rata basis to reflect the additional workload Reasonable business-related expenses will be reimbursed (including any tax payable thereon)

No Director plays a role in determining their own remuneration. The Committee consults with the CEO in determining the Chairman's fee. Fees for all Non-Executive Directors reflect the time commitment and responsibilities of the role and are set at a level sufficient to attract and retain individuals with the required skills, experience and knowledge to allow the Board to carry out its duties. The fees set out above are the sole element of Non-Executive Director remuneration. They are not eligible for participation in the Company's incentive or pension plans. Fees of non-executive Directors may be settled in cash and/or in shares.

The fees have been set within the aggregate limits set out in the Company's Articles of Association (currently £800,000) and approved by shareholders.

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

Recruitment Principles

On the appointment of a new Executive Director, we seek to apply the following principles when determining the remuneration arrangements:

- The package should be competitive to facilitate the recruitment of individuals of the calibre needed to shape and execute Pharos' strategy and build shareholder value
- The Committee reserves the right not to apply the caps contained within the Policy table for fixed pay, either on joining or for any subsequent review within the Policy period, although, in practice, the Committee does not envisage exceeding these caps
- The Committee will consider all relevant factors as appropriate. This may include, but is not limited to, the calibre and experience of the individual, market practice and the current Directors' Remuneration Policy. The Committee will be mindful that any arrangements must be structured in the interests of Pharos' shareholders without paying more than is necessary
- Typically, a new appointment will have (or be transitioned onto) the same framework that applies to other Executive Directors as set out in the Policy table above. Salaries would reflect the skills and experience of the individual, and may be set at a level to allow future salary progression to reflect development and performance in the role
- An Executive Director may initially be hired on a contract requiring up to 24 months' notice which then reduces pro-rata over the course of the first year of the contract, to requiring not more than 12 months' notice
- It would be expected that the structure and quantum of the variable pay elements would reflect those set out in the Policy table for Executive Directors
- Depending on the timing of appointment it may be necessary to set different performance measures and targets to those used for existing Executive Directors, although this would only be expected to operate for the remainder of the first financial year of appointment

In the remuneration report following appointment, the Committee will explain the rationale for any such relevant arrangements.

The Committee retains discretion to make appropriate remuneration decisions outside the standard policy to meet the individual circumstances of recruitment when:

- An interim appointment is made to fill an Executive Director role on a short-term basis
- Exceptional circumstances require that the Chair or a Non-Executive Director takes on an executive function on a short-term basis

Buy-outs

To facilitate recruitment, the Committee may make compensatory payments and/or awards for any remuneration arrangements subject to forfeit on leaving a previous employer. Such payments or awards could include cash as well as performance and non-performance related share awards and would be in such form as the Committee considers appropriate taking into account all relevant factors such as the form, expected value, timing, impact of any performance conditions and the anticipated vesting of the forfeited remuneration. There is not a specified limit on the value of such awards, but the estimated value awarded would be equivalent to the value forfeited.

Recruitment of Non-Executive Directors

On the appointment of a new Chair or Non-Executive Director, remuneration arrangements will be consistent with the Policy set out in this report.

Policy on payment for loss of office

Where an Executive Director leaves employment, the Committee's approach to determining any payment for loss of office will normally be based on the following principles:

- The Committee's objective is to find an outcome which is in the best interests of both Pharos and its shareholders while taking into account the specific circumstances of cessation of employment
- The Committee must satisfy any contractual obligations agreed with the Executive Director. This is dependent on the contractual obligations not being in contradiction with the Policy set out in this report
- The Committee may seek to compromise any claims made against the Company in relation to a termination and reserves the right to pay reasonable legal fees and/or for outplacement services if considered necessary
- The Committee may make an annual bonus payment for the year of cessation depending on the reason for leaving. Typically, the Committee will take into consideration the period served during the year and the individual's performance up to cessation. Any such payment is at the discretion of the Committee
- The treatment of outstanding share awards will be governed by the relevant plan rules as set out in the table shown on the next page.

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED

Plan	Automatic good leaver	Treatment for good leaver	Treatment for all other reasons
Deferred bonus	<ul style="list-style-type: none"> • Death • Ill-health, injury or disability • Redundancy • Retirement with agreement of the employer • Any other reason as determined at the discretion of the Committee 	<ul style="list-style-type: none"> • Awards will usually vest on the normal vesting date • The Committee retains the discretion to accelerate vesting so that awards vest as soon as practicable following cessation 	<ul style="list-style-type: none"> • Awards will normally lapse in full (unless otherwise determined by the Committee)
LTIP and share option plan	<ul style="list-style-type: none"> • Death • Ill-health, injury or disability • Redundancy • Retirement with agreement of the employer • Any other reason as determined at the discretion of the Committee 	<ul style="list-style-type: none"> • The Committee will determine the proportion of the award that will vest, normally taking into account the achievement of the relevant performance conditions at the vesting date and the time elapsed between the date of grant and cessation of employment • The vesting date for such award will normally be the original vesting date, although the Committee has the flexibility to determine that awards can vest upon cessation of employment • Where options are granted, vesting options will typically be exercisable within a period of six months, or 12 months in the event of death, commencing on the later of the date on which such options vest (being either the date of cessation or the original vesting date as determined by the Committee as per above) or the expiry of any post-vesting holding period (subject to any decision to permit early vesting) • The Committee has the discretion to vary the period in which vested options are exercisable 	<ul style="list-style-type: none"> • For grants under the share option plan, vested options will remain exercisable for six months • All other awards will normally lapse in full (unless otherwise determined by the Committee)

DIRECTORS' REMUNERATION COMMITTEE REPORT - CONTINUED



Service contracts

Executive Directors' contracts are for an indefinite period and are terminable by either party on giving one year's notice, which may be satisfied with a payment in lieu of notice. The contracts do not contain specific termination provisions.

The Committee has a duty to prevent the requirement to make payments that are not strictly merited and endorses the principle of mitigation of damages on early termination of a service contract. Any payment on early termination will be assessed on the basis of the particular circumstances, but in any event will not be in respect of any period beyond the notice period specified by the contract.

The Non-Executive Directors' appointments are terminable at the will of the parties but are envisaged to establish an initial term of three years after which they will be reviewed annually.

The Executive Directors' service contracts and the Non-Executive Directors' letters of appointment are available at the Company's registered office.

Consideration of pay and employment conditions elsewhere in Pharos and differences in Directors' Remuneration Policy compared with other employees

The Committee monitors the remuneration of senior management and makes recommendations as deemed appropriate. Pay and employment conditions elsewhere in the Company are taken into account to ensure the relationship between the pay of the Executive Directors and its employees is consistent throughout the Company. Similar benchmarking techniques are applied to non-Board employees using relevant market data and the Committee monitors staff remuneration packages during the review of Executive Directors' remuneration packages.

All eligible employees have the same access to the same pension contribution rate (15% of salary) and access to a similar level of benefits.

As for our Executive Directors, it is intended that a meaningful amount of employee pay is weighted towards variable remuneration. All employees participate in the annual bonus plan, with the emphasis between corporate and individual goals dependent on the role and its level of direct influence on Pharos' Group-wide results. All employees have an opportunity to share in the success of the Company through participation in the LTIP scheme.

The Committee does not formally consult with employees when formulating the Directors' Remuneration Policy, but during the course of the year, Non-Executive Directors have attended various workforce engagement sessions where, amongst other issues, executive pay has been discussed.

Consideration of shareholder views

The Committee takes an active interest in shareholder views and these help shape the structure of the Directors' remuneration arrangements at Pharos. In advance of any significant changes in the Policy or its operation, the Committee will liaise with major shareholders (and relevant proxy agencies) to seek out their views. Any feedback is shared with the Committee and will form part of the consideration when finalising our approach.

The Committee also monitors published shareholder guidelines and will incorporate further requirements and best practice features as appropriate.

GEOFFREY GREEN
Remuneration Committee Chair
24 March 2026

DIRECTORS' REPORT

Directors' Report

The Directors present their Annual Report along with the audited Financial Statements of the Group for the year ended 31 December 2025.

The following sections of this report are incorporated herein by reference and form part of this Directors' report.

	Page(s)
STRATEGIC REPORT	5 to 100
BOARD OF DIRECTORS	107 to 108
UK CORPORATE GOVERNANCE CODE REPORT	109 to 118
ESG COMMITTEE REPORT	119 to 120
RESERVES COMMITTEE REPORT	121 to 124
NOMINATIONS COMMITTEE REPORT	125 to 128
AUDIT AND RISK COMMITTEE REPORT	129 to 136
DIRECTORS' REMUNERATION REPORT	137 to 161
FINANCIAL STATEMENTS	169 to 208
ADDITIONAL INFORMATION	211 to 219

Developments during the 2025 reporting period

An indication of the likely future developments in the business of the Group is included in the Strategic Report on pages 5 to 100.

The reporting period saw a continued focus on shareholder returns, together with progress on the exciting opportunities within our asset base.

During 2025, the Group focused on enhancing shareholder returns while progressing its core assets. In Vietnam, activity accelerated with the start of the fully funded six-well offshore drilling programme in October. The Group also secured a two-year extension for Blocks 125 & 126 to November 2027 and continued to progress the structured farm-in process.

In Egypt, EGPC approved the consolidation of the two Egyptian Concession Agreements in October, incorporating improved fiscal terms with retrospective effect from the approval date. Interpretation of 3D seismic at North Beni Suef identified new prospects, while in El Fayum the Group drilled its second exploration commitment well and brought a development well into production in December. The processing and interpretation of 3D seismic data on NBS is complete, with a number of targets identified and two wells included in the 2026 work programme. Against continuing macroeconomic uncertainty, the Board maintained disciplined capital allocation and closely monitored receivables.

The Group upheld its strong safety performance of zero LTIs. Pharos ended the year debt-free with approximately \$40 million in cash. Group revenue was around \$115 million, predominantly from Vietnam, and year-end cash benefited from a \$20 million EGPC payment, reducing Egyptian receivables to \$7.4 million at year end 2025 (31 December 2024: \$29.5m). Cash capex totalled \$28 million, and the Company returned \$6.5 million to shareholders under its dividend policy.

Dividends

During 2025, the Company continued regular dividend payments in accordance with the policy announced in September 2022. Under that policy, Pharos intends to return to shareholders by way of dividend no less than 10% of operating cash flow each year in two tranches: (i) An interim dividend of around 33% of the previous year's final dividend, payable in January of the following year; and (ii) subject to shareholder approval, a final dividend payable in July of the following year. Pursuant to that policy the following dividends were announced in 2025:

- following approval by shareholders at the 2025 AGM, a final dividend in respect of the year ended 31 December 2024 of 0.847 pence per share, amounting to \$4.7m, was paid on 21 July 2025; and
- an interim dividend of 0.3993 pence per share, amounting to \$2.2m, in respect of the year ended 31 December 2025 was paid on 21 January 2026.

The total amount of each dividend stated above takes into account that the trustee of the Pharos Employee Benefit Trust (EBT) waived its right to receive the dividend in relation to the ordinary shares held in the EBT.

The Board have recommended a final dividend in respect of the year ended 31 December 2025 of 0.9317 pence per share subject to approval of the shareholders at the Company's 2026 AGM. Subject to this approval, the final dividend will be paid in full on 17 July 2026 in Pounds Sterling to ordinary shareholders on the register at the close of business on 12 June 2026, with an ex-dividend date of 11 June 2026. This would take the 2025 full year dividend to 1.331 pence per share, which is 10% higher than prior year.

Directors

The business of the Company is managed by the Directors who may exercise all powers of the Company subject to the articles of association of the Company ("Articles") and applicable law. The Directors who held office during the year, and up to the date of signing this Annual Report, and the dates of their current service contracts or letters of appointment, which are available for inspection, are listed in Table A of this report. All Directors held office throughout the year except as noted in the table. In addition, one Director of the Company ceased to hold office during 2025: John Martin, formerly Chair of the Board, stepped down as a Director with effect from 25 June 2025.

The Non-Executive Directors' appointments are terminable by either party on notice at any time. Executive Directors' contracts are terminable by either party on giving one year's notice.

The Board completed its annual performance review in line with the 2024 Code, with resulting actions now being implemented.

DIRECTORS' REPORT - CONTINUED

The disclosures required by the UK Listing Rules in connection with Board diversity and the ethnic background and gender identity of the Board and executive management are contained in the report of the Nominations Committee on pages 125 to 128. The report also sets out the Company's policy on, and commitment to, diversity and inclusion in relation to appointments and succession planning for the Board and senior management, together with the other information required by Provision 23 of the 2024 Code.

In accordance with the provisions of the 2024 Code, all Directors will retire at the 2026 AGM and, being eligible, offer themselves for reappointment. Relevant details of the Directors, which include their Committee memberships, are set out on pages 105 to 108.

Pharos provides liability insurance for its Directors and officers. The annual cost of the cover is not material to the Group. The Articles allow it to provide an indemnity for the benefit of its Directors, which is a qualifying indemnity provision for the purpose of section 233 of the Companies Act 2006 ("2006 Act"). The Company has made such provisions for the benefit of its Directors in relation to certain losses and liabilities that they may incur in the course of acting as Directors of the Company, its subsidiaries or associates, which remain in force at the date of this report.

No member of the Board had a material interest in any contract of significance with the Company or any of its subsidiaries at any time during the year, except for their interests in shares and in share awards and under their service agreements and letters of appointment disclosed in the Directors' Remuneration report commencing on page 137.

Table A: Directors holding office during 2025 and up to the date of signing of this report

Director	Date of appointment
João Saraiva e Silva - Chair**	26 June 2025
Katherine Roe – Chief Executive Officer	1 July 2024
Sue Rivett - Chief Financial Officer	1 July 2021
Geoffrey Green*	20 May 2020
Lisa Mitchell*	1 April 2020
Dr Bill Higgs*	16 January 2024
John Martin	Stepped down 25 June 2025

* Denotes those determined by the Board to be Independent Non-Executive Directors as described on page 126. Geoffrey Green is the designated Senior Independent Director.

** The Chair was determined to be independent on appointment when assessed against the circumstances set out in Provision 10 of the 2024 Code.

Contributions

The Group's policies prohibit political donations.

AGM

An explanation of the resolutions to be proposed at the 2026 AGM, and the recommendation of Directors in relation to these, is included in the circular to shareholders which is available on the Company's website (www.pharos.energy). Resolutions regarding the authority to issue shares and the disapplication of statutory pre-emption rights on issue are commented upon in this report under share capital.

A separate communication will be sent to shareholders and published on the Company's website regarding the AGM.

Share capital

Details of changes to share capital in the period are set out in Note 27 to the Financial Statements. The Company currently has one class of shares in issue, ordinary shares of £0.05 each, all of which are fully paid. Each ordinary share in issue carries equal rights including one vote per share on a poll at general meetings of the Company, subject to the terms of the Articles and law. Shares held in treasury carry no such rights for so long as they are held in treasury. Votes may be exercised by shareholders attending or otherwise duly represented at general meetings. Deadlines for the exercise of voting rights by proxy on a poll at a general meeting are detailed in the notice of meeting and proxy cards issued in connection with the relevant meeting. Voting rights relating to the ordinary shares held by the EBT are not exercised. The Articles may only be amended by a special resolution of the shareholders.

No shareholder, unless the Board decides otherwise, is entitled to attend or to vote either personally or by proxy at a general meeting or to exercise any other right conferred by being a shareholder if he or she or any person with an interest in ordinary shares has been sent a notice under section 793 of the 2006 Act (which confers upon public companies the power to require information with respect to interests in their voting shares) and he or she or any interested person failed to supply the Company with the information requested within 14 days after delivery of that notice.

The Board may also decide that no dividend is payable in respect of those default shares and that no transfer of any default shares shall be registered. These restrictions end seven days after receipt by the Company of a notice of an approved transfer of the shares or all the information required by the relevant section 793 notice, whichever is earlier.

The Directors may refuse to register any transfer of any share which is not a fully-paid share, although such discretion may not be exercised in a way which the Financial Conduct Authority regards as preventing dealings in shares of that class from taking place on an open or proper basis. The Directors may likewise refuse any transfer of a share in favour of more than four persons jointly.

The Company is not aware of any other restrictions on the transfer of ordinary shares in the Company other than certain restrictions that may from time to time be imposed by laws and regulations (for example, insider trading and market abuse laws); and pursuant to the Listing Rules whereby certain employees of the Company require approval of the Company to deal in the Company's shares.

DIRECTORS' REPORT - CONTINUED

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities or voting rights. Resolutions will be proposed at the 2026 AGM, as is customary, to authorise the Directors to exercise all powers to allot shares and approve a limited disapplication of pre-emption rights. This authority will be sought in line with the Statement of Principles published by the Pre-Emption Group in November 2022 (the "Pre-Emption Principles"), as it was at the previous AGM held in 2025. The authority sought for disapplication of pre-emption rights will be in two parts: (a) 10% of the issued ordinary share capital, which may be issued on an unrestricted basis; and (b) an additional 10%, which may be used in connection with an acquisition, or a specified capital investment, in either case announced with the issue or which has taken place in the preceding 12 months and is disclosed in the announcement. In addition, both legs of the disapplication resolution will seek up to a further 2% authority (4% in total) to disapply pre-emption rights in making 'follow-on' offers to retail investors and existing shareholders who are not allocated shares as part of the placing. Further information regarding these resolutions, which are based on the template resolutions published by the Pre-Emption Group, is set out in the circular to shareholders containing the notice of the AGM.

A resolution will also be proposed at the 2026 AGM, as is customary, to renew the Directors' existing authority to make market purchases of the Company's Ordinary Share capital, and to limit such authority to purchases of up to approximately 10% of the Company's issued Ordinary Share capital. Shares purchased under this authority may either be cancelled or held as treasury shares. Although the Company's most recent share buyback programme concluded in January 2025, the Directors believe that it is advantageous for the Company to continue to have the flexibility to make market purchases of its own shares.

Auditor

A resolution to reappoint Ernst & Young LLP as the Company's auditor will be proposed at the 2026 AGM.

Ernst & Young LLP have also provided non-audit services to the Group, and details of the non-audit services provided in the year to 31 December 2025 are set out in Note 10 to the Financial Statements. All non-audit services are approved by the Audit and Risk Committee. The Directors are currently satisfied, and will continue to ensure, that this range of services is delivered in compliance with the relevant ethical guidance of the accountancy profession and does not impair the judgement or independence of the auditor. Further details of the Group policy on the provision of non-audit services by the external auditor are set out in the Audit and Risk Committee Report on pages 129 to 136. In addition, the current revision of this policy is available on the Company's website at www.pharos.energy/responsibility/policy-statements/,

The Directors at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Each Director has taken all steps that they ought to have taken as a Director, having made such enquiries of fellow Directors and the auditor and taken such other steps as are required under their duties as a Director, to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the 2006 Act.

Greenhouse gas emissions reporting

Reporting on emission sources, as required under the Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, is included in the Corporate Responsibility report on pages 73 to 80.

Tax governance

The Company is committed to high standards of tax governance and strives to meet its tax obligations. Tax contributions benefit the communities in which we operate by providing a framework within which the Company can grow. Pharos' Tax Strategy Statement, which the Board approves annually, defines the key tax objectives of the Group and is available on the Company's website (www.pharos.energy/responsibility/policy-statements/). The Group has also adopted and communicated across the organisation a corporate policy specifically dedicated to measures against and awareness of tax evasion and the related offence of facilitation of tax evasion. Staff members receive annual training on tax evasion and related offences, money laundering offences and the new failure to prevent fraud offence introduced by the Economic Crime and Corporate Transparency Act 2023, all of which are now embedded within the Group's business ethics programme.

Risk management

The Directors carried out a robust review of the principal and emerging risks facing the Group that could threaten the Company's business model, future performance, solvency and liquidity. The Risk Management report on pages 45 to 56 details how we manage and mitigate these risks.

The Board has reviewed the effectiveness of the Group's risk management and internal control framework during the year, covering financial, operational and compliance controls. In this connection, the Group has undertaken significant preparatory work for the application of Provision 29 of the 2024 Code from the financial year commencing 1 January 2026. Further details of this preparatory work are set out in the UK Corporate Governance Code report on pages 109 to 118.

DIRECTORS' REPORT - CONTINUED

Substantial shareholdings

As at the date of this report, the Company had been notified, in accordance with Chapter 5 of the Disclosure and Transparency Rules, or is aware of, the voting rights as a shareholder of the Company shown in Table B of this report.

Table B: Substantial shareholdings in the Company

	No. of Ordinary Shares held as % of voting rights ¹	As % of	Nature of holding
Bradley Radoff ²	84,300,226	20.25	Direct
Aberforth Partners LLP	59,357,027	14.26	Direct
Ettore Contini	32,613,577	7.83	Direct and indirect
Blue Albacore Business Ltd	31,260,296	7.51	Direct
Barbara Contini	27,444,382	6.59	Direct
The Estate of the late Ed Story	16,271,613	3.91	Direct and indirect

1) As at 24 March 2026, the total voting rights attached to the issued share capital of the Company comprised 416,320,478 Ordinary shares each of £0.05 nominal value. The Company holds no shares in treasury.

2) As at 31 December 2025: Bradley Radoff held 83,052,656 Shares representing 19.95% of the voting rights in the Company at that time.

During the period between 31 December 2025 and the date of this report, the Company did not receive any notifications under Chapter 5 of the Disclosure and Transparency Rules indicating a different whole percentage holding than as at 31 December 2025 other than as shown in the footnotes to the table above. For further information on Directors' interests, please see page 146.

Requirements of the UK Listing Rules

Table C of this report provides references to where the information required by UKLR 6.6.1R of the UK Listing Rules is disclosed within this Annual Report. Where there is no specific reference in Table to a LR 6.6.1R information requirement, that requirement is not applicable to the Company for the reporting year.

Table C: Listing Rules requirements

UKLR 6.6.1R requirement

Details of any long-term incentive schemes as required by UKLR 9.3.3 R.	Directors' Remuneration Report pages 137 to 161
Details of any arrangements under which a director of the company has waived or agreed to waive any emoluments from the company or any subsidiary undertaking. Where a director has agreed to waive future emoluments, details of such waiver together with those relating to emoluments which were waived during the period under review.	No such waivers
Details required in the case of any allotment for cash of equity securities made during the period under review otherwise than to the holders of the company's equity shares in proportion to their holdings of such equity shares and which has not been specifically authorised by the company's shareholders.	No such share allotments
Details of any contract of significance subsisting during the period under review: (a) to which the listed company, or one of its subsidiary undertakings, is a party and in which a director of the listed company is or was materially interested; and (b) between the listed company, or one of its subsidiary undertakings, and a controlling shareholder.	Note 35 page 206
Details of any arrangement under which a shareholder has waived or agreed to waive any dividends, and where a shareholder has agreed to waive future dividends, details of such waiver together with those relating to dividends which are payable during the period under review.	Note 29 page 201

DIRECTORS' REPORT - CONTINUED

Whistleblowing procedure

The Board has reviewed, and is satisfied with, the Group's Whistleblowing Policy and associated procedures, ensuring that employees are protected from possible reprisals when raising concerns in good faith. In addition to internal reporting channels, we have a dedicated, anonymous and confidential ethics hotline with numbers displayed in our local offices available 24 hours a day all year round. Zero calls were made to the hotline in 2025.

Additionally, the Group's Code of Business Conduct and Ethics and associated policies, which are reviewed, updated, and re-approved by the Board annually, were followed rigorously in 2025, with no known or reported breaches. All employees are encouraged to place these policies at the forefront of our engagement with suppliers, vendors, partners, and public officials. It is also a requirement for all Group employees and the Board to complete and successfully pass their ABC and corporate crime E-Learning training every year to ensure that the expected standards of business conduct are communicated and recognised across the organisation.

Corporate Culture

The Directors continued to assess and monitor the Group's culture throughout 2025 and has taken steps to strengthen and embed the desired culture across the organisation. This has been reinforced through mandatory business ethics and compliance training, refreshed conduct policies, and active promotion of expected behaviours in all operational locations.

Business Relationships

Pharos maintains strong relationships with suppliers and customers through a robust pre-award engagement and due diligence process, ensuring accurate records and timely payment. Where possible, payment terms are 30 days from receipt of a valid invoice. A contracts register supports effective post-award management, including renewal and termination oversight. We work constructively with all suppliers, customers and partners to maintain productive, long-term relationships.

Going concern

It should be recognised that any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events which are inherently uncertain. Nevertheless, at the date of approval of these accounts and after making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future. For this reason, and taking into consideration the additional factors in the Strategic Report including the Going Concern section of the Chief Financial Officer's Statement on page 44, they continue to adopt the going concern basis in preparing the accounts.

Directors' responsibilities for the Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The Financial Statements have also been prepared in accordance with International Financial Reporting Standards as issued by the IASB and endorsed by the UKEB. The Directors are required to prepare Financial Statements for each financial year that give a true and fair view of the financial position of the Company and of the Group and the financial performance and cash flows of the Group for that period. In preparing those accounts the Directors are required to select suitable accounting policies and then apply them consistently; present information and accounting policies in a manner that provides relevant, reliable and comparable information; and state that the Company and the Group have complied with applicable accounting standards, subject to any material departures disclosed and explained in the accounts.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the accounts comply with relevant legislation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Information published on the internet is accessible in many countries with different legal requirements. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Directors' responsibility statement

The Directors confirm that, to the best of each person's knowledge:

- a) the Financial Statements set out on pages 176 to 208, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards as adopted by the UK and in accordance with International Financial Reporting Standards as issued by the IASB, give a true and fair view of the assets, liabilities, financial position and loss of the Company and the Group taken as a whole;
- b) this Directors' Report along with the Strategic Report, including each of the management reports forming part of these reports, includes a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks and uncertainties that they face and how these are being managed and mitigated as set out in the Risk Management Report on pages 45 to 56; and
- c) the Annual Report and the Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for the shareholders to assess the Group's position, performance, business model and strategy.

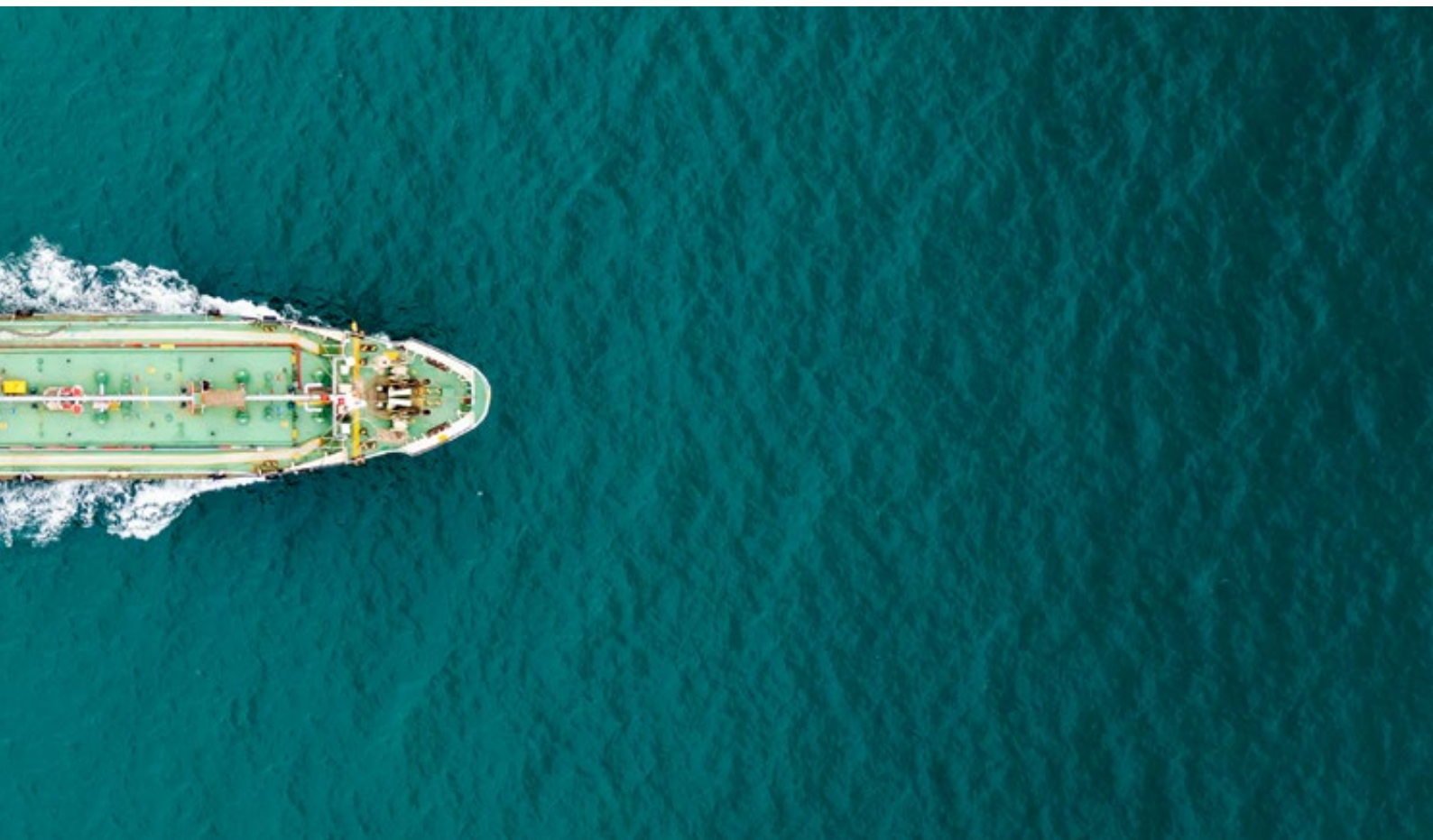
Approved by the Board and signed on its behalf.

SUE RIVETT
Chief Financial Officer
24 March 2026



FINANCIAL STATEMENTS

Results that reflect strength and strategy



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHAROS ENERGY PLC

Report on the audit of the financial statements

Opinion

In our opinion:

- Pharos Energy plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's loss for the year then ended;
 - the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
 - the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
 - the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.
- We have audited the financial statements of Pharos Energy plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise:

Group	Parent company
Balance sheet as at 31 December 2025	Balance sheet as at 31 December 2025
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	Cash flow statement for the year then ended
Statement of changes in equity for the year then ended	Related notes 1 to 37 to the financial statements, including: material accounting policy information
Cash flow statement for the year then ended	
Related notes 1 to 37 to the financial statements, including: material accounting policy information	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 are independent of the group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHAROS ENERGY PLC - CONTINUED

Conclusions relating to going concern

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

- confirming our understanding of management's going concern assessment process in conjunction with our walkthrough of the group's financial close process and engaging with management to confirm all relevant assumptions were considered;
- evaluating whether management's going concern period up to 31 March 2027 was appropriate by considering the existence of any significant events or conditions beyond this period;
- assessing whether the forecasts incorporated in the base case model are consistent with the budget approved by the Board;
- assessing the historical accuracy of budgets prepared by management by comparing the group's actual results against budgets;
- assessing the reasonableness of management's oil price assumptions by comparing them to external data and testing the going concern model for mathematical accuracy;
- assessing whether the assumptions in management's Reasonable Worst Case scenario were plausible and sufficiently severe by comparing these downside assumptions with historical data and by considering the ranges of broker and consultant oil price forecasts;

- evaluating management's reverse stress test to determine the oil price at which liquidity becomes negative, assessing the likelihood of its occurrence and verifying the impact on the reverse stress test of mitigating actions within management's control;
- assessing whether the disclosures in the financial statements relating to going concern are appropriate.

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 and parent company's ability to continue as a going concern for a period to 31 March 2027.

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

Overview of our audit approach

Audit scope	<ul style="list-style-type: none"> • We performed an audit of the complete financial information of 4 components and audit procedures on specific balances for a further 1 component and central procedures on cash and cash equivalents, intercompany balances, decommissioning provisions, equity, impairment of oil and gas assets, share based payments and oil and gas reserve estimates.
Key audit matters	<ul style="list-style-type: none"> • Impairment and impairment reversal of oil and gas producing assets
Materiality	<ul style="list-style-type: none"> • Overall group materiality of \$1.55m which represents 2.8% of EBITDAX.

An overview of the scope of the parent company and group audits

Tailoring the scope

We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the group financial statements, we considered our understanding of the Group and its business environment, the potential impact of climate change, the applicable financial framework, the group's system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

We determined that centralised audit procedures can be performed on multiple components in the following audit areas:

Key audit area on which procedures were performed centrally	Component subject to central procedures
Cash and cash equivalents	All components
Intercompany balances	All components
Decommissioning provisions	SOCO Vietnam Limited, OPECO Inc and OPECO Vietnam Limited
Equity	All components
Impairment of oil and gas assets and parent company investment in subsidiaries	All in scope components
Share based payments	All in scope components
Oil and gas reserve estimates	All in scope components

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHAROS ENERGY PLC - CONTINUED

We then identified 4 components as individually relevant to the group due to relevant events and conditions underlying the identified risks of material misstatement of the group financial statements being associated with the reporting components and 1 component of the group as individually relevant due to materiality of the component relative to the group.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the group significant accounts on which centralised procedures will be performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the group significant financial statement account balance.

We then considered whether the remaining group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the group financial statements. We determined that no other components were required to be included in the group scoping.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

Of the 5 components selected, we designed and performed audit procedures on the entire financial information of 4 components ("full scope components"). For 1 component, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component ("specific scope component").

Our scoping to address the risk of material misstatement for each key audit matter is set out in the Key audit matters section of our report.

Involvement with component teams

Audit work for the Vietnam component, which covers 2 full scope components, has been performed by an integrated primary audit team comprising of team members from EY UK and EY Vietnam and led by the Senior Statutory Auditor. All audit work for the Egypt component was undertaken by the group audit team. During the current year's audit cycle, a site visit was undertaken by the Senior Statutory Auditor and a senior member of the group audit team to Egypt in July 2025. This visit involved visiting site operations and meetings with local management, including members of both finance and operations teams.

Climate change

Stakeholders are increasingly interested in how climate change will impact Pharos Energy plc. The group has determined that the most significant future impacts from climate change on their operations will be from commodity price volatility, lack of portfolio diversification and carbon pricing. These are explained on pages 86 to 89 in the required Task Force On Climate Related Financial Disclosures and on pages 52 to 54 in the principal risks and uncertainties. They have also explained their climate commitments on pages 97 to 99. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the group's business and any consequential material impact on its financial statements.

The group has explained in Note 2 how they have reflected the impact of climate change in their financial statements including how this aligns with their commitment to achieve Net Zero on Scope 1 (direct) and Scope 2 (indirect) GHG emissions from all current and future assets by no later than 2050. These disclosures also explain where governmental and societal responses to climate change risks are still developing, and where the degree of certainty of these changes means that they cannot be taken into account when determining asset and liability valuations under the requirements of UK adopted international accounting standards. The group's producing fields are likely to be fully depreciated within 10 years, during which timeframe it is expected that global demand for oil will remain robust. Accordingly, there are no significant judgements or estimates relating to climate change in the notes to the financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 82 to 96 and the significant judgements and estimates disclosed in Note 2 and whether these have been appropriately reflected in oil and gas asset values where these are impacted by future cash flows and associated sensitivity disclosures (see Note 16) and in the timing and nature of liabilities recognised following the requirements of UK adopted international accounting standards. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists. This included making inquiries of the group's climate and finance teams and a review of peer disclosures and sector guidance on climate change and energy transition to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHAROS ENERGY PLC - CONTINUED

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our 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) that we identified. These matters included 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 were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
<p>Impairment and impairment reversal of oil and gas producing assets (2025: \$250.1 million; 2024: \$273.2 million)</p> <p>Refer to the Audit and Risk Committee Report (pages 129 to 136); Accounting policies (page 182); and Note 16 of the Consolidated Financial Statements (page 191)</p> <p>In the current year, judgement is required in determining whether indicators of impairment or impairment reversal exist at the reporting date. This includes assessing movements in long-term oil prices, discount rates, reserves and production profiles, changes in market capitalisation relative to net assets, and changes in the legal and operating environment. In the current year, management concluded that no indicators of impairment or impairment reversal were present; therefore no impairment tests were performed and no impairment charges or reversals were recognised.</p> <p>As the recoverability of the parent company's investment in subsidiaries is realised through the future cash flows of oil and gas producing assets, the impairment indicator assessment for these assets is directly linked to the impairment indicators assessment at the parent company level.</p> <p>We considered this area to be a key audit matter because the determination of whether impairment indicators exist involves significant judgement and includes analysis of various estimates to assess whether there is an impairment indicator.</p> <p>The risk has remained consistent with the prior year due to the absence of significant changes in the operating environment and the continued geopolitical uncertainties</p>	<p>We performed the following procedures to address the risk:</p> <ul style="list-style-type: none"> confirmed our understanding of Pharos' impairment indicator assessment process, as well as the controls implemented by management; evaluated management's assessment of whether impairment or impairment reversal indicators were present for each producing asset, considering the completeness of their analysis across external and internal sources of information; assessed the reasonableness of management's oil price assumptions by comparing them with EY commodity price analysis and peer data; reviewed movements in market interest rates and the underlying WACC components, including an independent recalculation of discount rates by EY valuations specialists, to determine whether changes in market conditions indicate a significant change in asset values; gained an understanding of management's reserves estimation process, evaluated the competence and objectivity of management's internal reserves expert and analysed movement in reserves for indicators of impairment or impairment reversal; performed budget versus actual analysis and made inquiries of operations teams in Vietnam and Egypt on delays in drilling work programme execution to evaluate whether any variances indicated a structural decline in asset performance; reviewed internal reporting such as management reporting packs, minutes and legal papers to identify any internal indicators of impairment, including obsolescence, idling of assets or changes in future use; assessed management's analysis of the Group's market capitalisation relative to net assets, including understanding structural factors such as low share liquidity and concentrated ownership, and evaluated whether these characteristics reasonably limited the reliability of market value as an impairment indicator; and benchmarked the group's net assets to market capitalisation ratio against relevant peers to assess whether the observed market discount was consistent with broader sector trends, supporting management's conclusion that the shortfall was not, in isolation, indicative of an impairment trigger.

Key observations communicated to the Audit and Risk Committee

We reported to the Audit and Risk Committee that, based on the procedures performed including our review of external and internal indicators, reserves movements, operational performance, oil price outlook, discount rate inputs and market factors, we did not identify any impairment indicators, consistent with management's conclusions. We also reported that the related disclosures in the financial statements were appropriate.

How we scoped our audit to respond to the risk

Our audit response was executed by the group audit team, covering all assets at risk of impairment or impairment reversal.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHAROS ENERGY PLC - CONTINUED

In the prior year, our auditor's report included a key audit matter in relation to the impairment of investment in subsidiaries in the parent company. In the current year, this has not been considered a key audit matter as no impairment or impairment reversal indicators were identified for the Group's producing assets and the incremental procedures required in assessing impairment or impairment reversal indicators for the parent company's investment in subsidiaries did not require significant audit team effort or executive involvement.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the group to be \$1.55 million (2024: \$2.15 million), which is 2.8% (2024: 2.5%) of EBITDAX. We believe that EBITDAX provides us with the most appropriate measure upon which to calculate materiality as it represents a key performance indicator used by Pharos's investors. The decrease in materiality in the current year is primarily due to lower EBITDAX.

We determined materiality for the Parent Company to be \$4.67 million (2024: \$4.50 million), which is 1.5% (2024: 1.5%) of net assets.

During the course of our audit, we reassessed initial materiality to align with the actual performance for the year.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the group's overall control environment, our judgement was that performance materiality was 75% (2024: 50%) of our planning materiality, namely \$1.16m (2024: \$1.08m). We have set performance materiality at this percentage due to our expectations of misstatements that may occur within the financial statements. Performance materiality was set at 50% in the previous year due to it being the first year of our audit.

Audit work was undertaken at component locations for the purpose of responding to the assessed risks of material misstatement of the group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was \$0.3m to \$1.0m (2024: \$0.4m to \$1.0m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of \$0.08m (2024: \$0.11m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 3 to 166, including the Strategic Report, Corporate Governance and Supplementary Information, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHAROS ENERGY PLC - CONTINUED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

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 or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 166;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on pages 57 and 58;
- Directors' statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on pages 57 and 58;
- Directors' statement on fair, balanced and understandable set out on page 166;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 164;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 45 to 56; and
- The section describing the work of the Audit and Risk Committee set out on page 130.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page [...], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 and parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHAROS ENERGY PLC - CONTINUED

Auditor's 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 auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that related to the reporting framework (UK adopted international accounting standards, Companies Act 2006, the UK Corporate Governance Code and Listing Rules of the UK Listing Authority) and the relevant tax compliance regulations in the jurisdictions in which the group operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, relating to health and safety, employee matters, environmental matters and bribery and corruption practices.
- We understood how Pharos Energy plc is complying with those frameworks by making inquiries of management, internal audit and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes, papers provided to the Audit and Risk Committee and correspondence received from regulatory bodies.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by considering the degree of incentive, opportunity and rationalisation that may exist within the group. We did this by meeting with management to gain an understanding of where there was susceptibility to fraud, how the company is complying with international tax laws and regulations, procedures in place to address the risk of bribery and corruption in high-risk countries. We also performed procedures around setting key performance indicators and assessed any adverse media reports with a potential financial reporting impact.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on journals meeting defined risk criteria based on our understanding of the business; inquiries with legal counsel, group management, internal audit and management of all full and specific scope components; review of legal expense accounts; and performance of adverse press searches.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit and Risk Committee, we were appointed by the company on 28 May 2024 to audit the financial statements for the year ending 31 December 2024 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is 2 years, covering the years ended 31 December 2024 and 31 December 2025.

- The audit opinion is consistent with the additional report to the Audit and Risk Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

ANDREW SMYTH (SENIOR STATUTORY AUDITOR)

for and on behalf of Ernst & Young LLP, Statutory Auditor London, United Kingdom

24 March 2026

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Income Statement

for the year to 31 December 2025

	Notes	2025 \$ million	2024 \$ million
Revenue	5, 6	114.6	136.0
Cost of sales	7	(97.7)	(89.8)
Impairment reversal – Financial asset	7	1.3	2.5
Gross profit		18.2	48.7
Administrative expenses		(8.8)	(9.1)
Other operating costs	6, 8	(0.3)	(0.8)
Pre-licence costs	6	(0.4)	(0.8)
Impairment charge – Intangible assets	6, 15	–	(2.0)
Impairment reversal – Property, plant and equipment	6, 16	–	28.3
Operating profit		8.7	64.3
Other/restructuring expense	8	–	(0.4)
(Loss)/gain on fair value movement of financial asset	6, 20	(0.5)	0.3
Investment revenue	5	0.5	0.4
Finance costs	9	(2.2)	(3.9)
Profit before tax	6	6.5	60.7
Income tax charge	6, 12	(13.1)	(37.1)
(Loss)/profit for the year	30	(6.6)	23.6
(Loss)/profit per share (cents)	14		
Basic		(1.6)	5.7
Diluted		(1.6)	5.4

Consolidated Statement of Comprehensive Income

for the year to 31 December 2025

	Notes	2025 \$ million	2024 \$ million
(Loss)/profit for the year	30	(6.6)	23.6
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods (net of tax):			
Fair value loss arising on hedging instruments during the year	25	(0.3)	(0.1)
Less: Loss arising on hedging Instruments reclassified to profit or loss		–	0.1
Total comprehensive (loss)/income for the year (net of tax)		(6.9)	23.6

The above consolidated income statement and consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Balance Sheets

as at 31 December 2025

	Notes	Group		Company	
		2025 \$ million	2024 Restated ¹ \$ million	2025 \$ million	2024 \$ million
Non-current assets					
Intangible assets	15	26.5	21.8	–	–
Property, plant and equipment	16	250.4	273.5	0.1	–
Right of use asset	16, 33	–	0.2	–	–
Investments	17	–	–	290.0	287.0
Loans to subsidiaries	17	–	–	13.2	18.4
Other assets	18	59.9	57.8	–	–
		336.8	353.3	303.3	305.4
Current assets					
Inventories	19	6.1	9.3	–	–
Trade and other receivables	20	19.4	47.9	0.4	0.5
Tax receivables		0.5	0.3	0.2	0.2
Cash and cash equivalents	21	40.2	16.5	10.9	0.8
		66.2	74.0	11.5	1.5
Total assets		403.0	427.3	314.8	306.9
Current liabilities					
Trade and other payables	22	(14.5)	(14.3)	(2.8)	(3.8)
Lease liabilities	33	–	(0.2)	–	–
Tax payable		(1.6)	(3.2)	–	–
		(16.1)	(17.7)	(2.8)	(3.8)
Non-current liabilities					
Other payables	22	–	(0.2)	–	–
Deferred tax liabilities	23	(46.5)	(62.6)	–	–
Long term provisions	26	(56.5)	(51.1)	–	–
		(103.0)	(113.9)	–	–
Total liabilities		(119.1)	(131.6)	(2.8)	(3.8)
Net assets		283.9	295.7	312.0	303.1
Equity					
Share capital	27	32.4	33.1	32.4	33.1
Share premium	27	58.0	58.0	58.0	58.0
Other reserves	28	299.4	258.1	243.3	202.0
Retained (deficit)/earnings	30	(105.9)	(53.5)	(21.7)	10.0
Total equity		283.9	295.7	312.0	303.1

The above consolidated and company balance sheets should be read in conjunction with the accompanying notes.

1) See Note 2(s)

The profit for the financial year in the accounts of the Company (Co number 3300821) was \$14.1m inclusive of dividends from subsidiary undertakings (2024: \$35.0m). As provided by section 408 of the Companies Act 2006, no income statement or statement of comprehensive income is presented in respect of the Company.

The financial statements were approved by the Board of Directors on 24 March 2026 and signed on its behalf by:

KATHERINE ROE Director

SUE RIVETT Director

CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Statements of Changes in Equity

for the year to 31 December 2025

		Group				
	Notes	Called up share capital (see Note 27) \$ million	Share premium (see Note 27) \$ million	Other reserves (see Note 28) \$ million	Retained earnings/(deficit) (see Note 30) \$ million	Total \$ million
As at 1 January 2024 (Restated¹)		33.7	58.0	255.4	(67.0)	280.1
Profit for the year	30	–	–	–	23.6	23.6
Share buy back	27, 28, 30	(0.6)	–	0.6	(2.9)	(2.9)
Shares purchased	28	–	–	(0.9)	–	(0.9)
Share-based payments	28	–	–	1.7	–	1.7
Distributions to shareholders	29, 30	–	–	–	(5.9)	(5.9)
Transfer relating to share-based payments	28, 30	–	–	1.3	(1.3)	–
As at 1 January 2025 (Restated¹)		33.1	58.0	258.1	(53.5)	295.7
Loss for the year	30	–	–	–	(6.6)	(6.6)
Other comprehensive income	27, 28, 30	–	–	(0.3)	–	(0.3)
Share buy back	27, 28, 30	(0.1)	–	0.1	(0.3)	(0.3)
Share-based payments	28	–	–	1.8	–	1.8
Treasury shares cancelled	27, 28, 30	(0.6)	–	39.7	(39.1)	–
Distributions to shareholders	29, 30	–	–	–	(6.5)	(6.5)
Transfer relating to share-based payments	28, 30	–	–	–	0.1	0.1
As at 31 December 2025		32.4	58.0	299.4	(105.9)	283.9

1) See Note 2(s)

		Company				
	Notes	Called up share capital (see Note 27) \$ million	Share premium (see Note 27) \$ million	Other reserves ¹ (see Note 28) \$ million	Retained earnings/(deficit) (see Note 30) \$ million	Total \$ million
As at 1 January 2024		33.7	58.0	200.6	(14.9)	277.4
Profit for the year	13, 30	–	–	–	35.0	35.0
Share buy back	27, 28, 30	(0.6)	–	0.6	(2.9)	(2.9)
Share-based payments	28	–	–	1.7	–	1.7
Distributions to shareholders	29, 30	–	–	–	(5.9)	(5.9)
Transfer relating to share-based payments	28, 30	–	–	(0.9)	(1.3)	(2.2)
As at 1 January 2025		33.1	58.0	202.0	10.0	303.1
Profit for the year	13, 30	–	–	–	14.1	14.1
Share buy back	27, 28, 30	(0.1)	–	0.1	(0.3)	(0.3)
Share-based payments	28	–	–	1.8	–	1.8
Treasury shares cancelled	27, 28, 30	(0.6)	–	39.7	(39.1)	–
Distributions to shareholders	29, 30	–	–	–	(6.5)	(6.5)
Transfer relating to share-based payments	28, 30	–	–	(0.3)	0.1	(0.2)
As at 31 December 2025		32.4	58.0	243.3	(21.7)	312.0

1) Includes a Merger reserve of \$137.1m (2024: \$137.1m) which is distributable in accordance with the Companies Act 2006. Total distributable reserves at 31 December 2025 are \$115.4m.

The above consolidated and company statements of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Cash Flow Statements

for the year to 31 December 2025

		Group		Company	
	Notes	2025 \$ million	2024 \$ million	2025 \$ million	2024 \$ million
Net cash from/(used in) operating activities	32	55.6	54.0	(7.6)	(11.2)
Investing activities					
Purchase of intangible assets		(7.6)	(5.4)	–	–
Purchase of property, plant and equipment		(16.1)	(18.4)	(0.1)	–
Payment to abandonment fund	18	(3.9)	(2.3)	–	–
Consideration in relation to farm out of Egyptian assets ¹		–	5.0	–	–
Contingent consideration received in relation to farm out of Egyptian assets	20	2.9	3.6	–	–
Assignment fee in relation to farm out of Egyptian assets	22	–	(0.4)	–	–
Loans from subsidiaries		–	–	6.0	4.7
Loans to subsidiaries		–	–	(1.3)	–
Dividends received from subsidiary undertakings		–	–	23.0	14.3
Investment in subsidiary undertakings		–	–	(10.9)	–
Return of capital from subsidiary undertakings		–	–	7.9	–
Net cash (used in)/from investing activities		(24.7)	(17.9)	24.6	19.0
Financing activities					
Share purchase		–	(0.9)	–	–
Repayment of borrowings	24	–	(41.4)	–	–
Proceeds from borrowings	24	–	2.2	–	–
Interest paid on borrowings	24	–	(2.4)	–	–
Lease payments	33	(0.2)	(0.3)	–	–
Share buy back	30	(0.3)	(2.9)	(0.3)	(2.9)
Dividends paid to shareholders	29	(6.5)	(5.9)	(6.5)	(5.9)
Net cash used in financing activities		(7.0)	(51.6)	(6.8)	(8.8)
Net increase/(decrease) in cash and cash equivalents		23.9	(15.5)	10.2	(1.0)
Cash and cash equivalents at beginning of year		16.5	32.6	0.8	1.7
Effect of foreign exchange rate changes		(0.2)	(0.6)	(0.1)	0.1
Cash and cash equivalents at end of year	21	40.2	16.5	10.9	0.8

1) During 2024 IPR, acting as operator and agent, was authorised to settle its operating liabilities of \$3.7m and investing liabilities of \$1.3m against the consideration due from the associated carry debtor (Note 20) amounting to \$5.0m. The Company has disclosed the underlying cash flows as operating, investing or financing according to their nature on the basis that, as a principal, the entity has the right to the cash inflows and/or the obligation to settle the liability and to ensure clarity of disclosure of the operating cash costs of the business. The total carry of \$35.9m was utilised in full by April 2024, hence there are no cash inflows in 2025.

The above consolidated and company cash flow statements should be read in conjunction with the accompanying notes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements

1. General information

Pharos Energy plc is a company limited by shares and incorporated in England and Wales under the Companies Act. The address of the registered office is given on the inside back cover. The nature of the Group's operations and its principal activities are set out in Note 6, in the Operational Review and Chief Financial Officer's Statement on pages 31 to 34 and 39 to 44, respectively. Pharos Energy plc is the ultimate parent company of the Group and except where otherwise indicated the following accounting policies apply to both the Group and the Company.

2. Material accounting policies information

a) Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

Going Concern

The Directors performed a going concern assessment for the period up to 31 March 2027, to validate the continued application of the going concern basis in the preparation of the financial statements of the Group and the Company. Based on the results of the going concern assessment, the Directors have concluded that this basis of preparation is appropriate and that there are no material uncertainties in this regard. The assessment process undertaken included applying appropriate estimates of future production and oil prices together with ensuring that the forecasts included all expenditure that was either committed or expected to be incurred in relation to estimated production volumes. For Vietnam assets, three infill wells and one appraisal well on TGT, plus one infill well and one appraisal well on CNV, have been factored into the forecast. TGT-18X, which commenced drilling in December 2025, is currently under test, oil is present and a 62% success rate has been applied. For Egypt assets, forecast projections include a one-rig drilling programme, where El Fayum has twenty-one producing wells and six injectors, and NBS has nine wells, over the next three years.

Pharos continuously monitors its business activities, financial position, cash flows and liquidity through detailed forecasts. Scenarios and sensitivities are also regularly presented to the Board, including changes in commodity prices and in production levels from the existing assets, plus other factors that could affect the Group's future performance and position. These events include:

- A reduction in the oil price putting pressure on the Group's capital available for investment
- A reduction in production
- An unfavourable event resulting in a combination of lost production and oil price reduction

A base case forecast has been considered for the going concern assessment that utilises oil prices of \$62.4/bbl in 2026 and \$66.0/bbl in 2027. The key assumptions and related sensitivities include a "Reasonable Worst Case" (RWC) scenario, where the Board has taken into account the risk of reduction in oil prices by 10% to \$56.0/bbl in March 2026 for the next twelve months, concurrent with 5% reductions in Vietnam and Egypt production compared to our base case from March 2026. Additionally, CNV appraisal well 5X is assumed to be a dry hole and Egypt is based on 1P production in the RWC scenario. Both the base case and RWC take into account the effect of hedging that has already been put in place at 31 December 2025 and subsequent hedges placed in Q1 2026, now covering c.19% of total group entitlement production for 2026. These are a combination of zero cost collars, premium collars and put options. We have therefore secured an average floor price and ceiling price of c.\$59.0/bbl and c.\$74.7/bbl, respectively, for the entire hedged volumes in 2026. Under the RWC scenario, we have identified appropriate mitigating actions, including a partial drawdown on the NBE credit facility in Q2 2026, reduction in head office administrative expenses and a decision not to pay dividends to shareholders from 2027.

A reverse stress test has been performed to test for a further decline in oil price, including mitigating actions, to determine at what levels oil price would need to reach such that liquidity headroom runs out. The likelihood of Brent price dropping to such levels is considered to be remote.

On the basis of the forecasts provided above, the Group is expected to have sufficient financial headroom for the period up to 31 March 2027. Based on this analysis, the Directors have a reasonable expectation that the Group has adequate resources to continue its operations in the foreseeable future. Therefore, the Financial Statements have been prepared using the going concern basis of accounting.

Climate change and the energy transition

In preparing the consolidated financial statements, the Directors have considered the impact of climate change and the transition to a low carbon economy, particularly in the context of the risks identified in the TCFD disclosure on pages 81 to 96. The Directors have also considered the impact of climate change in respect of going concern and viability of the Group over the next three years. In particular, the energy transition is likely to impact future oil and gas prices which, in turn, may affect the recoverable amount of the group's property, plant and equipment (PP&E).

The International Energy Agency (IEA) 2025 Energy Outlook report presents a price curve as an output of Net Zero Emissions (NZE). The scenario outlines a pathway to limiting global average temperature rise to 1.5°C, the Paris Agreement objective, by achieving net zero emissions by 2050. To achieve the NZE target, it is necessary to transition away from fossil fuels towards cleaner, renewable energy sources. The transition will likely lead to a decrease in demand for oil and a corresponding decrease in oil prices. Therefore, according to the IEA, the price curve for oil is expected to be in backwardation with a gradual decline through to 2050. By 2030, the IEA's Sustainable Development Scenario (SDS) assumes that developing and emerging economies with Net Zero pledges will have implemented an effective carbon price of \$40 per tonne of CO₂. The IEA's Stated Policies Scenario (STEPS) assumes that operations in Egypt and Vietnam will not be subject to a carbon price within 5 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

In addition to impairment, climate change pressures could curtail the expected useful lives of the group's oil and gas PP&E, thereby accelerating depreciation charges. However, the group's producing fields are likely to be fully depreciated within 10 years, during which timeframe it is expected that global demand for oil will remain robust. Accordingly, the impact of climate change on expected useful lives is not considered to be significant.

In addition to PP&E, climate change could: (1) adversely impact the future development or viability of exploration and evaluation (E&E) prospects. However, the impact of climate change will be taken into consideration when the field is transferred from exploration to development stage; (2) bring forward the date of decommissioning of the group's producing oil and gas assets in Vietnam, thereby increasing the net present value of the associated provision. However, decommissioning is currently forecast to occur within the next 7-8 years and, due to the relatively short timeframe, it is not considered that any reasonably possible acceleration in the timing of decommissioning will have a material impact on the provision, assuming the underlying cost estimates remain unchanged.

The Directors are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgements and estimates made in preparation of the Group's financial statements. Governmental and societal responses to climate change risks are still developing, and are interdependent upon each other, and consequently financial statements cannot capture all possible future outcomes as these are not yet known.

The Financial Statements have been prepared under the historical cost basis, except for the valuation of hydrocarbon inventories (Note 19) and the revaluation of certain financial instruments (Note 20). The Financial Statements are presented in US dollars as it is the functional currency of each of the Company's subsidiary undertakings and is generally accepted practice in the oil and gas sector. All amounts are presented to the nearest \$0.1m, unless otherwise stated.

The material accounting policies adopted are set out below.

b) New and amended standards and interpretations adopted by the Group

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Amendments that apply for the first time in 2025, but do not have an impact on the Group's financial statements are:

Lack of exchangeability – Amendments to IAS 21

The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

The Group has assessed the amendments to IAS 21 on Lack of Exchangeability and concluded that they are not applicable, as the currencies in which the Group operates (USD, EGP, VND and GBP) are considered exchangeable.

c) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2025 year end and have not been early adopted by the Group.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, replacing IAS 1 Presentation of Financial Statements. IFRS 18 introduces new presentation requirements for the statement of profit or loss, including specified totals and subtotals, and requires entities to classify income and expenses into five categories: operating, investing, financing, income taxes, and discontinued operations. It also adds disclosure requirements for management-defined performance measures and sets new rules for aggregation and disaggregation in financial statements and notes.

Additionally, amendments to IAS 7 Statement of Cash Flows change the indirect method's starting point to operating profit or loss and remove options for classifying dividends and interest. Consequential amendments were also made to other standards.

IFRS 18 and 'Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7' are being assessed for the impact and other standards are not expected to have a material impact on the primary financial statements and notes to the financial statements.

d) Basis of consolidation

The Group Financial Statements consolidate the accounts of Pharos Energy plc and entities controlled by the Company (its subsidiary undertakings) drawn up to the balance sheet date. Control is achieved where the investor is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Where necessary, adjustments are made at the Group level to align the accounting policies of the subsidiaries to the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

e) Investments

Non-current investments in subsidiaries of the Company are shown at cost less provision for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

f) Interests in joint arrangements

A joint arrangement is an arrangement where two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Joint arrangements where the Group has the rights to assets and obligations for liabilities of the arrangement are classified as joint operations and are accounted for by recognising the Group's share of assets, liabilities, income and expenses.

Joint arrangements where the Group has the rights to the net assets of the arrangement are classified as joint ventures and are accounted for using the equity method of accounting.

g) Revenue

Revenue represents the fair value of the Group's share of oil and gas sold during the year on a liftings basis and is recognised when the Group satisfies a performance obligation by transferring oil and gas to a customer. In accordance with the Group's sales agreements for oil and gas, the title to oil and gas typically transfers to a customer at the same time as the customer takes physical possession of the oil or gas. Typically, at this point in time, the performance obligations of the Group are fully satisfied.

Investment revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

h) Other/restructuring items

Other/restructuring items represent income and expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Group and, therefore, are not expected to recur frequently or regularly.

i) Intangible and tangible non-current assets**Oil and gas exploration, evaluation and development expenditure**

The Group adopts the successful efforts method of accounting for exploration and evaluation costs. Pre-licence costs are expensed in the period in which they are incurred. All licence acquisition, exploration and evaluation costs and direct administration costs are initially capitalised as intangible non-current assets in cost centres by well (most typically), field or exploration area, as appropriate. Interest payable is capitalised insofar as it relates to specific development activities.

These costs are then written off as exploration costs in the income statement unless commercial reserves have been established or the determination process has not been completed and there are no indicators of impairment.

All field development costs are capitalised as property, plant and equipment. Property, plant and equipment related to production activities is amortised in accordance with the Group's depreciation, depletion and amortisation accounting policy.

Depreciation, depletion and amortisation

Depletion is provided on oil and gas assets in production using the unit of production method, based on proven and probable reserves, applied to the sum of the total capitalised exploration, evaluation and development costs, together with estimated future development costs at current prices. Oil and gas assets, which have a similar economic life for each field, are aggregated for depreciation purposes.

Impairment of value

Where there has been a change in economic conditions or in the expected use of a tangible non-current asset that indicates a possible impairment of an asset, management tests the recoverability of the net book value of the asset by comparison with the estimated discounted future net cash flows based on management's expectations of future oil prices and future costs. Any identified impairment is charged/credited to the income statement in the period in which it is identified.

Intangible non-current assets are considered for impairment by reference to the indicators specified in paragraphs 18 to 20 of IFRS 6. The impairment indicators in IFRS 6 for each exploration asset are:

The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and

Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Other tangible non-current assets

Other tangible non-current assets are stated at historical cost less accumulated depreciation. Depreciation is provided on a straight-line basis at rates calculated to write off the cost of those assets, less residual value, over their expected useful lives of three to seven years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Decommissioning

The decommissioning provision is calculated as the net present value of the Group's share of the expenditure which is expected to be incurred at the end of the producing life of each field in the removal and decommissioning of the production, storage and transportation facilities currently in place. The cost of recognising the decommissioning provision is included as part of the cost of the relevant property, plant and equipment and is thus charged to the income statement on a unit of production basis in accordance with the Group's policy for depletion and depreciation of tangible non-current assets. Period charges for changes in the net present value of the decommissioning provision arising from discounting are included in finance costs.

j) Changes in estimates

The effects of changes in estimates on the unit of production calculations are accounted for prospectively, from the date of adoption of the revised estimates, over the estimated remaining proven and probable reserves.

k) Inventories

Inventories, except for inventories of hydrocarbons, are valued at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis and comprises direct purchase costs. Net realisable value is determined by reference to prices existing at the balance sheet date.

Physical inventories of hydrocarbons are valued at net realisable value. Underlifts and overlifts are valued at market value and are included in accrued income and prepayments, and accruals and deferred income, respectively. Changes in hydrocarbon inventories, underlifts and overlifts are adjusted through cost of sales.

l) Leases

On inception of a contract, the Group assesses whether the contract is, or contains, a lease. The contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To determine whether the contract conveys the right to control the use of an identified asset, the Group assesses whether the contract involves the use of an identified asset, the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use, and the Group has the right to direct the use of the asset.

For short-term leases (lease term less than 12 months) and leases for which the underlying asset is of low value assets, the Group has opted to recognise a lease expense on a straight-line basis.

The right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is presented as a separate line in the consolidated balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

m) Share-based payments

Equity-settled awards under share-based incentive plans are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

For cash-settled share-based payments, a liability is recognised measured initially at fair value. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is measured, with any changes in fair value recognised in profit or loss for the year.

n) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss 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. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that sufficient taxable profits will be available to recover the asset. Deferred tax is not recognised where an asset or liability is acquired in a transaction which is not a business combination for an amount which differs from its tax value.

Deferred tax is calculated at the tax rates that are expected to be applied in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

o) Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

There are no material financial assets and liabilities for which differences between carrying amounts and fair values are required to be disclosed. The classification of financial instruments as required by IFRS 7 is disclosed in Notes 20, 21, 22, 24 and 33.

Financial asset at fair value through profit or loss

Where a financial instrument is classified as a financial asset at fair value through profit or loss it is initially recognised at fair value. At each balance sheet date the fair value is reviewed and any gain or loss arising is recognised in the income statement. Changes in the net present value of the financial asset arising from discounting are included in other income and expense. As at 31 December 2025 and 2024, financial assets classified at fair value through profit or loss relate to revision of contingent consideration due from IPR following farm down of the Egypt concessions on 21 March 2022 (see Note 20).

Other financial assets

The amount booked as abandonment fund is the share of the fair value of the fund net assets. Cash is contributed into the abandonment funds for both our Vietnam producing fields TGT and CNV. These abandonment funds are maintained in a bank account by PetroVietnam and, as Pharos retains the legal rights and obligations to all monies contributed to the abandonment funds in accordance with the Petroleum Contracts, pending commencement of abandonment operations, they are treated as other non-current assets.

Loans to subsidiaries

Loans to subsidiaries are recognised at amortised cost, less expected credit losses provision, when required.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade receivables and loans to subsidiaries. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The expected credit losses on these financial assets are estimated using the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Derivative and hedging instruments

Derivatives are initially recognised at fair value on the date that a derivative contract is entered into, and they are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Pharos entered into different commodity hedges to protect the Brent component of forecast oil sales and to provide downside protection to cash flows in the event of commodity prices falling. Pharos has designated the hedge instruments as cash flow hedges. For cash flow hedges, the portion of the gains and losses on the hedging instrument that is determined to be an effective hedge is taken to other comprehensive income and the ineffective portion is recognised in the income statement. The gains and losses taken to other comprehensive income are subsequently transferred to the income statement during the period in which the hedged transaction affects the income statement.

Borrowings

Interest-bearing bank loans are recorded at the proceeds received, net of direct issue costs. Finance charges, including any direct issue costs, are accounted for on an accrual basis in the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and transaction costs) through the expected life of the financial liability to the amortised cost of a financial liability.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Equity instruments repurchased are deducted from equity at cost.

p) Provisions

A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote or the amount of the liability cannot be measured with sufficient reliability.

Contingent liabilities may develop in a way not initially expected. Therefore, they are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Decommissioning provisions:

Provisions for the costs to decommission oil & gas properties are recognised when the Group has an obligation required by the terms and conditions of the agreements and when a reliable estimate can be made.

The provision for the costs of decommissioning oil & gas properties at the end of their economic lives is estimated using existing technology, at future prices, depending on the expected timing of the activity, and discounted using the nominal discount rate. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

q) Foreign currencies

The individual financial statements of each Group company are stated in the currency of the primary economic environment in which it operates (its functional currency). Transactions in currencies other than the entity's functional currency (foreign currency) are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are recorded at the rates of exchange prevailing at that date, or if appropriate, at the forward contract rate. Any resulting gains and losses are included in net profit or loss for the period.

For the purpose of presenting consolidated financial statements the results of entities denominated in currencies other than US dollars are translated at the daily rate of exchange and their balance sheets at the rates ruling at the balance sheet date. Any resulting gains or losses are taken to other comprehensive income.

r) Pension costs

The contributions payable in the year in respect of pension costs for defined contribution schemes and other post-retirement benefits are charged to the income statement. Differences between contributions payable in the year and contributions actually paid are shown either as accruals or prepayments in the balance sheet.

s) Restatement of deferred tax liability

Comparative information in respect of the deferred tax liability has been restated in relation to an adjustment made to correct excess cost recovery considered in the deferred tax calculations in respect of years prior to 2024. The deferred tax liability as at 31 December 2024 was overstated by \$4.9m. As a result of the correction, the deferred tax liability decreased from \$67.5m to \$62.6m as at 31 December 2024. As the error related to years prior to 2024, the opening retained deficit has been restated, resulting in a decrease from \$(71.9)m to \$(67.0)m as at 1 January 2024 and from \$(58.4)m to \$(53.5)m as at 31 December 2024.

3. Financial risk management

The Board reviews and agrees policies for managing financial risks that may affect the Group. In certain cases the Board delegates responsibility for such reviews and policy setting to the Audit and Risk Committee. The principal financial risks affecting the Group are discussed in the Risk Management Report on pages 45 to 56 and in Note 36.

4. Critical judgements and accounting estimates**a) Critical judgements in applying the Group's accounting policies**

In the process of applying the Group's accounting policies described in Note 2, management has made judgements that may have a significant effect on the amounts recognised in the financial statements. These are discussed below:

Oil and gas assets

Note 2(i) describes the judgements necessary to implement the Group's policy with respect to the carrying value of intangible exploration and evaluation assets.

Management considers these assets for impairment at least annually with reference to indicators in IFRS 6. Note 15 discloses the carrying value of intangible exploration and evaluation assets along with details of impairment charges that arose during the year. Further, Note 2(i) describes the Group's policy regarding reclassification of intangible assets to tangible assets. Management considers the appropriateness of asset classification at least annually.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, other than those mentioned above, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Oil and gas reserves and DD&A

Note 2(j) sets out the Group's accounting policy on DD&A. Proven and probable reserves are estimated using standard recognised evaluation techniques and are disclosed on pages 121 to 124. The estimate is reviewed at least twice a year and revisions during 2025 have been prepared by the Company. As a result of the ongoing drilling campaign in Vietnam, and the Group is also awaiting parliamentary approval of the consolidated concession agreements in Egypt, with improved fiscal terms, the Reserves Committee agreed that the next Competent Person's Report (CPR) by third party reservoir engineers will take place ahead of preparing the Interim Results for the six months ended 30 June 2026. Future development costs are estimated taking into account the level of development required to produce the reserves by reference to operators, where applicable, and internal engineers. Reserves estimates are inherently uncertain, especially in the early stages of a field's life, and are routinely revised over the producing lives of oil and gas fields as new information becomes available, judgements are taken over the life of the licence, and as economic conditions evolve. Such revisions may impact the Group's future financial position and results, in particular, in relation to DD&A and impairment testing of oil and gas property, plant and equipment.

Impairment of producing oil and gas assets

If impairment indicators are identified in relation to a producing oil and gas field, management is required to carry out an assessment in accordance with IAS 36 'Impairment of Assets' by comparing the net carrying value of the assets and liabilities which represent the field cash generating unit (CGU) with the estimated recoverable amount of the field. Management generally determines the recoverable amount of the field by estimating its value in use, using a discounted cash flow method. Calculating the net present value of the discounted cash flows involves key assumptions which include commodity prices, 2P reserves estimates and discount rates. Other assumptions include production profiles, future operating and capital expenditures and the relevant fiscal terms. As at 31 December 2025, following an assessment of both internal and external indicators of impairment, no impairment indicators were identified in respect of the Group's producing oil and gas assets and, accordingly, no impairment tests were required. The assessment was based on a post-tax nominal discount rate of 9.0% for Vietnam assets and 12.5% for Egypt assets, and a Brent oil price assumption of \$62.0/bbl in 2026, \$66.0/bbl in 2027, \$70.0/bbl in 2028, \$72.0/bbl in 2029 and \$73.0/bbl in 2030 plus inflation of 2.0% thereafter. Further information relating to the specific assumptions and uncertainties relevant to management's impairment assessments are discussed in Note 16.

5. Total revenue

An analysis of the Group's revenue is as follows:

	2025 \$ million	2024 \$ million
Oil and gas sales (see Note 6)	114.6	136.1
Realised losses on commodity hedges (see Note 6 and Note 25)	–	(0.1)
	114.6	136.0
Investment revenue	0.5	0.4
	115.1	136.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

6. Segment information

The Group has one principal business activity being oil and gas exploration and production. The Group's operations are located in South East Asia and Egypt (the Group's operating segments). There are no inter-segment sales. South East Asia and Egypt form the basis on which the Group reports its segment information.

	2025			
	SE Asia \$ million	Egypt \$ million	Unallocated ¹ \$ million	Group \$ million
Oil and gas sales (see Note 5)	99.8	14.8	–	114.6
Realised loss on commodity hedges (see Note 5 and Note 25)	–	–	–	–
Total revenue	99.8	14.8	–	114.6
Cost of sales	(81.0)	(16.7)	–	(97.7)
Impairment reversal – Financial asset (see Note 20)	–	1.3	–	1.3
Administrative expenses	–	–	(8.8)	(8.8)
Depreciation, depletion and amortisation - Oil and gas (see Note 7 and Note 16)	(41.4)	(5.0)	–	(46.4)
Depreciation, depletion and amortisation - Other (see Note 16)	–	(0.2)	–	(0.2)
Other operating costs (see Note 8)	–	–	(0.3)	(0.3)
Pre-licence costs	–	–	(0.4)	(0.4)
Loss on fair value movement of financial asset ² (see Note 20)	–	(0.5)	–	(0.5)
Profit/(loss) before tax	16.5	(1.3)	(8.7)	6.5
Tax charge on operations (see Note 12)	(12.7)	(0.4)	–	(13.1)

	2024			
	SE Asia \$ million	Egypt \$ million	Unallocated ¹ \$ million	Group \$ million
Oil and gas sales (see Note 5)	115.4	20.7	–	136.1
Realised loss on commodity hedges (see Note 5 and Note 25)	–	–	(0.1)	(0.1)
Total revenue	115.4	20.7	(0.1)	136.0
Cost of sales	(75.6)	(14.2)	–	(89.8)
Impairment reversal – Financial asset (see Note 20)	–	2.5	–	2.5
Administrative expenses	–	–	(9.1)	(9.1)
Depreciation, depletion and amortisation - Oil and gas (see Note 7 and Note 16)	(42.1)	(5.0)	–	(47.1)
Depreciation, depletion and amortisation - Other (see Note 16)	–	(0.2)	–	(0.2)
Other operating costs (see Note 8)	–	–	(0.8)	(0.8)
Pre-licence costs	–	–	(0.8)	(0.8)
Impairment charge – Intangible assets (see Note 15)	–	(2.0)	–	(2.0)
Impairment reversal - PP&E (see Note 16)	23.4	4.9	–	28.3
Gain on fair value movement of financial asset ² (see Note 20)	–	0.3	–	0.3
Profit/(loss) before tax	60.9	11.3	(11.5)	60.7
Tax charge on operations (see Note 12)	(26.8)	(1.9)	–	(28.7)
Tax charge on impairment reversals (see Note 12)	(8.4)	–	–	(8.4)

1) Unallocated amounts included in profit/(loss) before tax comprise corporate costs not attributable to an operating segment, investment revenue, other gains and losses and finance costs.

2) Relates to the revision of contingent consideration due from the farm-out of the Egyptian concessions with IPR, partially offset by the movement in contingent liability (assignment fee) owed to EGPC.

The accounting policies of the reportable segments are the same as the Group's accounting policies as described in Note 2.

Included in revenues arising from South East Asia and Egypt are revenues of \$99.8m and \$14.8m which arose from the Group's two customers, who contributed more than 10% to the Group's oil and gas revenue (2024: \$115.4m and \$20.7m in South East Asia and Egypt from the Group's two customers).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Geographical information

The Group's oil and gas revenue and non-current assets (excluding other assets) by geographical location are separately detailed below where they exceed 10% of total revenue or non-current assets, respectively:

Revenue

All of the Group's oil and gas revenue is derived from foreign countries. The Group's oil and gas revenue by geographical location is determined by reference to the final destination of oil or gas sold.

	2025 \$ million	2024 \$ million
Vietnam	99.8	115.4
Egypt	14.8	20.7
	114.6	136.1

Non-current assets¹

	2025 \$ million	2024 \$ million
Vietnam	217.6	233.5
Egypt	59.1	62.0
United Kingdom	0.2	–
	276.9	295.5

1) Excludes other assets.

7. Cost of sales

	2025 \$ million	2024 \$ million
Depreciation, depletion and amortisation (see Note 16)	46.4	47.1
Production operating costs	40.8	39.5
Production based taxes	7.3	9.2
Change in inventories	3.2	(6.0)
	97.7	89.8
Impairment reversal – financial asset (see Note 20)	(1.3)	(2.5)
	96.4	87.3

8. Other operating costs and Other/restructuring expense

	2025 \$ million	2024 \$ million
Other operating costs	–	0.6
Share based payments	–	0.6
Other	0.3	0.2
	0.3	0.8

In 2024, share based payments of \$0.6m relate to the posthumous vesting of share scheme awards to the former CEO of the Company, settled in cash and paid to his estate with the agreement of the executor. This cash settlement was provided for in the relevant share scheme rules and formally approved by the Remuneration Committee.

	2025 \$ million	2024 \$ million
Other/restructuring expense		
Redundancy costs	–	0.4
	–	0.4

In 2024, Other/restructuring expenses included \$0.4m of redundancy costs relating to the Egypt office in Cairo.

9. Finance costs

	2025 \$ million	2024 \$ million
Unwinding of discount on provisions (see Note 26)	2.3	2.2
Interest expense and similar fees (see Note 24)	–	1.1
Net foreign exchange (gains)/losses	(0.1)	0.6
	2.2	3.9

In 2025, \$2.3m relates to the unwinding of discount on the provisions for decommissioning (2024: \$2.2m). The provisions are based on the net present value of the Group's share of the expenditure which will be incurred at the end of the producing life of TGT and CNV (currently estimated to be 7-8 years) in the removal and decommissioning of the facilities currently in place (see Note 26).

Interest expense and similar fees for 2024 relates to interest paid on the Group's reserve based lending facility and an uncommitted revolving credit facility with the National Bank of Egypt (UK) Limited (NBE UK). The RBL loan facility was voluntarily repaid early and in full on 17 September 2024 and the NBE UK facility was repaid in full in August 2024.

10. Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	2025 \$000s	2024 \$000s
Fees payable to the Company's auditor and their associates for the audit of the Company's annual accounts	746	781
Total audit fees	746	781
Audit related assurance services – half year review	119	141
Other assurance services	35	–
Total non-audit fees	154	141

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

The non-audit fees during 2025 constituted the half year review and other assurance services associated primarily with the agreed upon procedures relating to the Vietnam region (2024: half year review).

All non-audit fees were fully approved by the Audit and Risk Committee, having concluded such services were compatible with auditor independence and were consistent with relevant ethical guidance in place.

Details of the Company's policy on the use of auditors for non-audit services are set out in the Audit and Risk Committee Report on pages 129 to 136

Fees payable to Ernst & Young LLP for non-audit services to the Company are not required to be disclosed separately because the consolidated financial statements disclose such fees on a consolidated basis.

11. Staff costs

The average monthly number of employees of the Group including Executive Directors was 33 (2024: 35), of which 29 (2024: 31) were administrative personnel and 4 (2024: 4) were operations personnel. Their aggregate remuneration comprised:

	Group	
	2025 \$ million	2024 \$ million
Wages and salaries	5.4	6.1
Share-based payment expense (see Note 31)	1.4	1.2
Social security costs	0.8	0.8
Other pension costs under money purchase schemes	0.5	0.5
Other benefits	0.3	0.3
	8.4	8.9

In accordance with the Group's accounting policy \$4.4m (2024: \$3.7m) of the Group's head office staff costs above have been capitalised, of which \$3.4m (2024: \$2.8m) relates to our Vietnam assets and \$1.0m (2024: \$0.9m) relates to our Egypt assets.

In 2025, total staff costs were \$8.4m (2024: \$8.9m) and includes the costs of head office and Pharos' subsidiary employees. Excluding the impact of IFRS 2 share-based payment expense and bonuses paid to staff, the underlying costs have fallen 6% year on year to \$5.0m (2024: \$5.3m).

In 2024, redundancy costs of \$0.4m for the Egypt office in Cairo were disclosed in other/restructuring expense in the Income Statement (see Note 8). A further \$0.1m of redundancy costs were incurred for one employee as a result of the closure of the Group's US office and disclosed in Other operating expenses in the Income Statement (see Note 8).

12. Income tax charge

	2025 \$ million	2024 \$ million
Current income tax		
Current income tax charge	29.4	36.0
Adjustments to tax charge in respect of prior years	(0.2)	1.8
	29.2	37.8
Deferred tax		
Deferred tax credit on operations (see Note 23)	(16.1)	(9.1)
Deferred tax charge on net impairment reversal (see Note 16 and 23)	–	8.4
	(16.1)	(0.7)
Income tax charge reported in the consolidated income statement	13.1	37.1

The Group's corporation tax is calculated at 50% (2024: 50%) of the estimated assessable profit for the year in Vietnam. In Egypt, under the terms of the concession, any local taxes arising are settled by EGPC on behalf of the Group. During 2025 and 2024, both current and deferred taxation have arisen in overseas jurisdictions only.

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2025 \$ million	2024 \$ million
Profit before tax	6.5	60.7
Tax at 50% (2024: 50%)	3.3	30.4
Effects of:		
Non-taxable income	–	(5.8)
Non-deductible expenses	6.5	8.1
Egypt taxation at different rate to Vietnam effective tax rate	(0.1)	(2.0)
Tax losses not recognised	3.6	4.9
Utilisation of tax losses	–	(0.3)
Adjustments to tax charge in respect of prior years	(0.2)	1.8
Tax charge for the year	13.1	37.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

The prevailing tax rate in Vietnam, where the Group produces oil and gas, is 50%. The tax charge in future periods may also be affected by the factors in the reconciliation above.

In 2024, non-taxable income relates to the tax impact of Vietnam impairment reversals of \$(3.3)m in relation to the non-cost recovery pool and Egypt impairment reversal of \$(2.5)m. Non-deductible expenses primarily relate to Vietnam DD&A charges for costs previously capitalised, which are non-deductible for Vietnamese tax purposes of \$4.5m (2024: \$6.2m). 2025 also includes \$1.2m of non-deductible expenses for Egypt operations. A further \$0.8m (2024: \$0.9m) relates to non-deductible corporate costs including share scheme incentives. In 2024, non-deductible expenses also included the tax impact of Egypt intangible impairment charges of \$1.0m.

The Egypt concessions are subject to corporate income tax at the standard rate of 40.55%, however responsibility for payment of corporate income taxes falls upon EGPC on behalf of Pharos El Fayum (PEF). The Group records a tax charge, with a corresponding increase in revenue, for the tax paid by EGPC on its behalf. As PEF became profitable in 2024, reversing the historic tax loss position since first production, this led to a \$0.4m (2024: \$1.9m) tax charge being recorded.

The effect from tax losses not recognised in 2025 and 2024 relates to costs, primarily of the Company, deductible for tax in the UK but not expected to be utilised in the foreseeable future.

13. Profit attributable to Pharos Energy plc

The profit for the financial year in the accounts of the Company was \$14.1m inclusive of dividends from subsidiary undertakings (2024: \$35.0m). As provided by section 408 of the Companies Act 2006, no income statement or statement of comprehensive income is presented in respect of the Company.

14. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Group	
	2025 \$ million	2024 \$ million
(Loss)/gain for the purposes of basic earnings per share	(6.6)	23.6
Effect of dilutive potential ordinary shares – Cash settled share awards and options	–	(0.9)
(Loss)/gain for the purposes of diluted earnings per share	(6.6)	22.7
	Number of shares (million)	
	2025	2024
Weighted average number of ordinary shares	413.1	417.0
Effect of dilutive potential ordinary shares – Share awards and options	–	2.7
Weighted average number of ordinary shares for the purpose of diluted profit/(loss) per share	413.1	419.7

In accordance with IAS 33 “Earnings per Share”, the effects of 13.0m antidilutive potential shares have not been included when calculating diluted earnings per share for the year ended 31 December 2025, as the Group was loss making.

15. Intangible assets

	Group	
	2025 \$ million	2024 \$ million
Exploration and evaluation expenditure		
As at 1 January	21.8	18.2
Additions	7.6	5.6
Transfer to property, plant and equipment	(2.9)	–
Impairment – Intangibles	–	(2.0)
As at 31 December	26.5	21.8

Intangible assets at 2025 year-end comprise the Group’s exploration and evaluation projects which are pending determination. Included in the additions is Blocks 125 & 126 in Vietnam \$6.9m (2024: \$2.8m), including \$3.7m of drill casings and long-lead items ahead of drilling the first commitment well, and Egypt \$0.7m (2024: \$2.8m).

During 2023, approval was received from the Vietnamese Government in June for the two-year extension to Phase One of the Exploration Period under Blocks 125 & 126 PSC to 8 November 2025. In June 2025, approval was received from the Vietnamese Government for a further two-year extension of the Exploration Period (from 9 November 2025 to 8 November 2027). In July 2023, the Company published an independent report prepared by ERCE on Blocks 125 & 126 in Vietnam which makes estimates of prospective oil resources with an aggregated gross unrisks Mean of 13,328 MMstb, covering those Prospects and Leads already identified. The report supports the Company’s internal assessments and paves the way for further work to develop new Leads and mature Leads to Prospects. Detailed drilling engineering studies for the proposed well on Prospect A commenced in third quarter of 2024, with long lead items ordered to progress the opportunity on Blocks 125. The Company is continuing its discussions with potential farm-in partners and rig contractors to complete all necessary work to drill the first exploration well on this basin-opening play. Whilst ongoing costs for exploration are therefore forecasted and funds are available for future exploration, there is insufficient certainty of full recovery to justify the reversal of the previous impairment charges in 2020. The accumulated impairment charges against Vietnam exploration and evaluation expenditure at 31 December 2025 therefore remains at \$17.9m (2024: \$17.9m).

In Egypt, as part of the planned work programme for 2024, an exploration well was drilled on El Fayum in August 2024. Testing of the well was carried out at the beginning of February 2025. IPR, the operator of the El Fayum Concession, applied to EGPC for commercial discovery declaration and early production permission in February 2025. The development lease was approved and first production commenced at the end of June 2025. As a result, exploration costs of \$2.9m were reclassified to property, plant and equipment in 1H 2025 and the net book value of Egypt exploration and evaluation expenditure at 31 December 2025 stood at \$nil (2024: \$2.2m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

16. Property, plant and equipment and right of use assets

	Group		
	Oil and gas properties \$ million	Other \$ million	Total \$ million
Cost			
As at 1 January 2024	1,114.1	1.3	1,115.4
Additions	17.8	–	17.8
Revision to decommissioning (see Note 26)	(4.9)	–	(4.9)
As at 1 January 2025	1,127.0	1.3	1,128.3
Additions	17.1	0.2	17.3
Transfer from intangible assets	2.9	–	2.9
Disposals	–	(0.2)	(0.2)
Revision to decommissioning (see Note 26)	3.1	–	3.1
As at 31 December 2025	1,150.1	1.3	1,151.4
Depreciation, depletion and impairment			
As at 1 January 2024	834.8	0.8	835.6
Charge for the year	47.1	0.2	47.3
Impairment reversal	(28.3)	–	(28.3)
As at 1 January 2025	853.6	1.0	854.6
Charge for the year	46.4	0.2	46.6
Disposals	–	(0.2)	(0.2)
As at 31 December 2025	900.0	1.0	901.0
Carrying amount			
As at 31 December 2025	250.1	0.3	250.4
As at 31 December 2024	273.4	0.3	273.7
Property, plant and equipment	250.1	0.3	250.4
Right of use asset (see Note 33)	–	–	–
As at 31 December 2025	250.1	0.3	250.4
Property, plant and equipment	273.2	0.3	273.5
Right of use assets (see Note 33)	0.2	–	0.2
As at 31 December 2024	273.4	0.3	273.7

We have evaluated each of our oil and gas producing properties for impairment or impairment reversal triggers. For each producing property where triggers are identified, the recoverable amount held would be determined using the value in use method and is calculated using a discounted cash flow valuation of the 2P production profile.

The average Brent price forecast as at Dec 2025 fell by 9% for 2026 to 2030 and 7% in the longer-term compared to the forecast at the end of 2024 and does not indicate a significant change in the underlying value of oil and gas assets. Furthermore, there were no significant changes to macroeconomic factors such as risk-free rate, equity market risk premium and country risk premiums, plus the overall market outlook remains stable. Forecast production volumes for Vietnam remain comparable to year end 2024 forecast, and the Group is currently in the process of a drilling campaign in Vietnam, with two infill wells that completed before year end and were brought into production. For Egypt assets, there were some delays in the execution of the El Fayum development plan, but not significant enough to adversely impact the asset valuation. As a result, after examining both internal and external indicators of impairment, the Group determined that no impairments or impairment reversal indicators were identified on any of the Group's oil and gas producing properties and no impairment tests were performed as at 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Summary of Impairments - Oil and Gas properties	TGT \$m	CNV \$m	El Fayum \$m	NBS \$m	Total \$m
2025					
Pre-tax impairment reversal	-	-	-	-	-
Deferred tax charge	-	-	-	-	-
Post-tax impairment reversal	-	-	-	-	-

Reconciliation of carrying amount:

As at 1 January 2025	153.6	60.2	58.5	1.1	273.4
Additions	10.8	4.8	1.4	0.1	17.1
Transfer from intangible assets	-	-	2.9	-	2.9
Revision to decommissioning ¹	2.0	1.1	-	-	3.1
DD&A	(32.9)	(8.5)	(4.8)	(0.2)	(46.4)
As at 31 December 2025	133.5	57.6	58.0	1.0	250.1

2024

Pre-tax impairment reversal	19.8	3.6	4.9	-	28.3
Deferred tax charge	(7.1)	(1.3)	-	-	(8.4)
Post-tax impairment reversal	12.7	2.3	4.9	-	19.9

Reconciliation of carrying amount:

As at 1 January 2024	158.6	65.0	54.7	1.0	279.3
Additions	12.8	1.0	3.5	0.5	17.8
Revision to decommissioning ¹	(4.9)	-	-	-	(4.9)
DD&A	(32.7)	(9.4)	(4.6)	(0.4)	(47.1)
Impairment reversal	19.8	3.6	4.9	-	28.3
As at 31 December 2024	153.6	60.2	58.5	1.1	273.4

1) Revision to decommissioning for TGT is due to a change in discount rate and field abandonment plan, including one new appraisal well that commenced drilling in December 2025. CNV reflects a change in discount rate and field abandonment plan, including one new infill well that commenced drilling in December 2025 (2024: change in discount rate and field abandonment plan, including two new infill wells completed in October 2024 for TGT; change in discount rate, offset by a revision to the field abandonment plan for CNV).

2024 impairment considerations**Vietnam**

The key assumptions to which the recoverable amount is most sensitive are oil price, discount rate and 2P reserves. In 2024, for both TGT and CNV, there was an upwards technical revision of 2P reserves following the granting of 5-year extensions to the Petroleum contracts and a decrease in discount rate, which led to impairment reversals for both fields. As at 31 December 2024, the recoverable value of the assets was estimated based on a post-tax nominal discount rate of 10.7% and a Brent oil price of \$74.2/bbl in 2025, \$72.9/bbl in 2026, \$74.0/bbl in 2027, \$75.8/bbl in 2028 plus inflation of 2.0% thereafter

Testing of sensitivity cases indicated that a \$5/bbl reduction in long-term oil price used when determining the value in use method would result in post-tax impairment charges (compared to new NBV, post-impairment reversal) of \$13.7m on TGT and \$3.1m on CNV. A 1% increase in discount rate would result in post-tax impairments of \$2.5m on TGT and \$0.9m on CNV (compared to new NBV, post-impairment reversal).

Sensitivities were also run utilising the IEA (International Energy Agency) scenarios described as being consistent with achieving the COP26 agreement goal to reach net zero by 2050 (the "Net Zero price scenario"). The nominal Brent prices used in this scenario were as follows; \$74.2/bbl in 2025, \$72.9/bbl in 2026, \$74.0/bbl in 2027, \$65.8/bbl in 2028, \$57.2/bbl in 2029, \$48.2/bbl in 2030, \$48.2/bbl in 2031, \$48.2/bbl in 2032 and \$48.1/bbl in 2033. Using these prices and a 10.7% discount rate would result in additional post-tax impairment charges (compared to new NBV, post-impairment reversal) of \$20.5m on TGT and \$5.2m on CNV.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Egypt

The key assumptions to which the recoverable amount is most sensitive are oil price, discount rate, capital spend and 2P reserves. In 2024, there was a decrease in the discount factor which has led to an impairment reversal for El Fayum, partially offset by a downwards technical revision of El Fayum 2P reserves due to change in the development plan. As at 31 December 2024, the recoverable value of El Fayum was estimated based on a post-tax nominal discount rate of 14.9% and a Brent oil price of \$74.2/bbl in 2025, \$72.9/bbl in 2026, \$74.0/bbl in 2027, \$75.8/bbl in 2028 plus inflation of 2.0% thereafter. For NBS, no material impairment arose as a result of the above impairment considerations.

Testing of sensitivity cases indicated that a \$5/bbl reduction in long term oil price used when determining the value in use method would result in an impairment charge (compared to new NBV, post-impairment reversal) of \$6.6m for El Fayum. A 1% increase in discount rate would result in impairment charges of \$2.2m on El Fayum (compared to new NBV, post-impairment reversal). We also ran a sensitivity using 14.9% discount rate and the Net Zero price scenario would result in an additional impairment of \$30.2m on El Fayum (compared to new NBV, post-impairment reversal).

Other considerations

It is not considered possible to provide meaningful sensitivities in relation to 2P reserves for any of the Group's oil and gas producing properties, as the impact of any changes in 2P reserves on recoverable amount would depend on a variety of factors, including the timing of changes in production profile and the consequential effect on the expenditure required to both develop and extract the reserves.

Other fixed assets comprise office fixtures and fittings and computer equipment.

17. Investments and Loans to subsidiaries

The Company and the Group had investments in the following subsidiary undertakings as at 31 December 2025.

	Country of incorporation	Country of operation	Principal activity	Percentage holding	Footnotes	Registered address
OPECO Vietnam Limited	Cook Islands	Vietnam	Oil and gas development and production	100	2,4	e
SOCO Vietnam Limited	Cayman Islands	Vietnam	Oil and gas development and production	100	2,3	d
Pharos Exploration Limited	Jersey	–	Investment holding	100	1	a
Pharos SEA Limited	Jersey	–	Investment holding	100	1	a
SOCO Exploration (Vietnam) Limited	Cayman Islands	Vietnam	Oil and gas exploration	100	2,5	d
OPECO, Inc	USA	–	Investment holding	100	2,4	c
Pharos El Fayum	Cayman Islands	Egypt	Oil and gas exploration, development and production	100	1,6	d
Pharos Energy Israel Limited	UK	Israel	Extraction of crude petroleum	100	1	b

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Footnotes:**Group investments**

- 1) Investments held directly by Pharos Energy Plc.
- 2) Investments held indirectly by Pharos Energy Plc.

Joint operations

- 3) SOCO Vietnam Ltd holds a 28.5% working interest in Block 16-1, TGT Field (reducing to a 23.67% working interest with effect from 8 December 2026). The Field operational base is development/production and is operated by Hoang Long Joint Operating Company which is registered in Vietnam. SOCO Vietnam Ltd holds a 25% working interest in Block 9-2, CNV Field (reducing to a 20% working interest with effect from 16 December 2027). The Field operational base is development/production and is operated by Hoan Vu Joint Operating Company which is registered in Vietnam.
- 4) OPECO Vietnam Limited holds a 2% working interest in Block 16-1, TGT Field (reducing to a 1.66% working interest with effect from 8 December 2026). The Field operational base is development/production and is operated by Hoang Long Joint Operating Company which is registered in Vietnam.
- 5) SOCO Exploration (Vietnam) Limited holds a 70% working interest in Blocks 125 & 126 and is the Operator. The operating office is registered in Vietnam. The main activity is exploration.
- 6) Pharos El Fayum holds a 45% working interest in the El Fayum Concession and a 45% working interest in the North Beni Suef Concession. Both Concessions are in their development/production phase. The remaining 55% working interest in each Concession is held by IPR Lake Qarun Petroleum Co ("IPR Lake Qarun"), a wholly owned subsidiary of IPR Energy AG. IPR Lake Qarun is nominally the operator of both Concessions, but development and production operations on the Concession are undertaken through the joint operating companies Petrosilah (in the case of El Fayum) and Petro Beni Suef (in the case of North Beni Suef). In practice, Petro Beni Suef subcontracts most or all of its operating activity to Petrosilah. Each joint operating company is an Egyptian joint stock company owned jointly by IPR Lake Qarun, Pharos El Fayum and the Egyptian state oil and gas company Egyptian General Petroleum Corporation (EGPC). On 5 October 2025, Pharos El Fayum and IPR Lake Qarun, as the "Contractor" parties under the El Fayum and North Beni Suef Concessions, received approval from the board of EGPC for the consolidation of the two Concessions under a new Concession Agreement, also including certain additional exploration areas. The consolidation is subject to the agreement and execution of the new Concession Agreement to replace the two existing Concession Agreements and Egyptian parliamentary ratification, expected to occur during 2026.

Registered addresses

- a) c/o Gen II (Jersey) Limited (formerly Crestbridge Limited), 47 The Esplanade, St. Helier, Jersey, JE1 0BD
- b) Eastcastle House, 27/28 Eastcastle Street, London W1W 8DH, United Kingdom
- c) c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA
- d) c/o Trident Trust Company (Cayman) Limited, One Capital Place, P.O. Box 847, Grand Cayman, KY1-1103, Cayman Islands
- e) c/o Portcullis (Cook Islands) Ltd, Portcullis Chambers, Tutakimoa Road, Avarua, Rarotonga, Cook Islands

Divestments:

The following subsidiary undertaking was dissolved during the year:

SOCO Management Services, Inc, a company incorporated in Delaware, United States of America, and a wholly owned subsidiary of the Group, was dissolved on 30 May 2025.

The Company's investments in subsidiary undertakings are held in the form of share capital and capital contributions in the form of intercompany funding.

	Investments	
	2025 \$ million	2024 \$ million
Subsidiary undertakings		
As at 1 January	287.0	261.5
Additions ¹	10.9	0.9
Repayments ²	(7.9)	–
Impairment reversal	–	24.6
As at 31 December	290.0	287.0

1) In 2025, additions relate to intercompany funding of Pharos Exploration Limited.

2) In 2025, repayments relate to return of capital from Pharos SEA Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

At each year end, if there is an impairment trigger, the carrying value of the investments in subsidiaries is compared against the recoverable amount of net assets in the subsidiaries, which mainly includes the operating assets as referred to in Note 16. After examining both internal and external indicators of impairment, the Group determined that no impairment or impairment reversal indicators were identified and no impairment tests were considered necessary as at 31 December 2025 (2024: net impairment reversal of \$24.6m in investments in subsidiaries in relation to the underlying net asset values of Vietnam and Egypt operations).

	Trigger for 2024 Impairment	2025 (Impairment)/ reversal \$ million	2025 Carrying value \$ million	2024 (Impairment)/ reversal \$ million	2024 Carrying value \$ million
Pharos Exploration Limited	1	–	32.7	(0.2)	21.8
Pharos SEA Limited	2	–	172.0	15.3	179.9
Pharos El Fayum	2	–	85.3	9.5	85.3
Total		–	290.0	24.6	287.0

1) Reduction in net asset recoverable value of direct and indirect subsidiaries.

2) Increase in net asset recoverable value as a result of impairment reversal of producing assets in direct and indirect subsidiaries.

The Directors believe that the carrying value of the investments is supported by their recoverable amount.

Sensitivities

Testing of sensitivity cases at 31 December 2024 indicated that a \$5/bbl reduction in long-term oil price used when determining the value in use method would result in an investment impairment charge of \$23.4m (compared to new carrying value, post-impairment reversal). For discount rate sensitivity, at 2024 year end a 1% increase in discount rate would result in an investment impairment charge of \$5.6m (compared to new carrying value, post-impairment reversal).

Loans to subsidiaries

The Company's loans to subsidiary undertakings of \$13.2m (2024: \$18.4m) include contributions of \$0.6m (2024: \$1.8m) to the Pharos Employee Benefit Trust (see Note 28), which is a separate entity and not an extension of Pharos Energy plc. Loans to subsidiary undertakings are unsecured, non-interest bearing and payable on demand. There is no expectation that loans will be repaid in the next twelve months and such loans have consequently been disclosed in non-current assets. The carrying value of the loans is compared to liquid assets held by the subsidiary and an assessment is made on the ability of the entity to settle the liability. For 2025, a loss allowance reversal of \$0.5m was recognised in relation to loans to subsidiary undertakings during the year (2024: \$1.2m reversal).

Audit exemptions for subsidiary company

The Group has elected to take advantage of the exemption from audit available under section 479A of the Companies Act 2006 in respect of its wholly owned subsidiary, Pharos Energy Israel Limited (incorporated in England and Wales with company number 12645819), for the year ended 31 December 2025. The exemption is available for qualifying subsidiaries that fulfil a set of conditions. As a result, statutory financial statements will not be audited for Pharos Energy Israel Limited. In accordance with section 479C of the Companies Act 2006, the Company will guarantee the liabilities and commitments of Pharos Energy Israel Limited. As at 31 December 2025, there are no liabilities and commitments outstanding (2024: Nil).

18. Other non-current assets

	2025 \$ million	2024 \$ million
Abandonment security fund	59.9	56.0
Contingent consideration on Egypt farm-out (see Note 20)	–	1.8
	59.9	57.8

Other non-current assets mainly comprise the Group's share of cash contributions made into two abandonment security funds which were established to ensure that sufficient funds exist to meet future abandonment obligations on TGT and CNV fields. The funds are maintained in a bank account by PetroVietnam and the JOC partners retain the legal rights and obligations to all monies contributed to the abandonment funds, pending commencement of abandonment operations. The Group does not expect to receive cash or another financial asset from PetroVietnam. During 2025, the Group has contributed \$3.9m (2024: \$2.3m). As at 31 December 2025, the Group's total contribution to the funds was \$59.9m (2024: \$56.0m).

In 2024, a further \$1.8m related to contingent consideration due from the farm-out with IPR in Egypt. The contingent consideration is dependent on the average Brent Price for 2025 (with floor and cap at \$62/bbl and c.\$90/bbl respectively). The contingent consideration is calculated yearly and is capped at a maximum total payment of \$20.0m (see Note 20).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

19. Inventories

	Group	
	2025 \$ million	2024 \$ million
Crude oil and condensate	6.1	9.3
	6.1	9.3

Crude oil and condensate are valued at net realisable value with changes in hydrocarbon inventories adjusted through cost of sales (see Note 7).

20. Trade and other receivables

	Group		Company	
	2025 \$ million	2024 \$ million	2025 \$ million	2024 \$ million
Amounts falling due within one year				
Trade receivables	14.6	40.5	–	–
Other receivables	4.4	4.5	–	–
Prepayments and accrued income	0.4	2.8	0.4	0.5
Derivative financial instruments (see Note 25)	–	0.1	–	–
	19.4	47.9	0.4	0.5

There is no material difference between the carrying amount of trade and other receivables and their fair value.

Included in trade receivables arising from South East Asia and Egypt at 31 December 2025 are trade receivables of \$7.3m and \$7.3m (after expected credit losses provision of \$0.1m for Egypt) respectively, which arose from the Group's two largest customers (2024: \$12.4m and \$28.1m, after expected credit losses provision of \$1.4m for Egypt, respectively, which arose from the Group's two largest customers). The 2025 movement of \$25.9m (2024: \$10.3m) is primarily driven by \$20.8m decrease in Egypt trade receivable following \$20m payment from EGPC on the last day of the year, which reduced the outstanding receivable balance to \$7.4m (prior to risk factor provision of \$0.1m); its lowest level since December 2021.

In Vietnam, there are no amounts overdue or allowances for doubtful debts in respect of trade or other receivables (2024: nil). In Egypt, there are no receivables due over one year at 31 December 2025 (2024: \$8.4m). No interest is charged on outstanding trade receivables.

Trade and other receivables are financial assets and are measured at amortised cost. The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. As mentioned above, 100% (2024: 100%) of our trade receivables are concentrated with two largest customers, one of them being a subsidiary of a government regulated entity and the other being a major global oil & gas company. As of 31 December 2025, an ECL provision of \$0.1m (2024: \$1.4m) has been recorded against trade receivables in Egypt. For 2025, the movement in the ECL provision of \$1.3m is recorded as "Impairment reversal – Financial asset" (2024: \$2.5m) on the face of the Income Statement as part of Cost of Sales (see Note 7).

As at 31 December 2025, other receivables includes \$1.7m in relation to current contingent consideration due from the farm-out with IPR (2024: \$5.1m, \$3.3m in current trade and other receivables and \$1.8m in other non-current assets). During 2025, contingent consideration of \$2.9m in respect of the average Brent price during 2024 was received from IPR and a further \$0.3m will be received in 2026. An additional \$1.1m of other receivables (2024: \$0.8m) relates to amounts recoverable from JOC operations in Vietnam.

The fair value movement of \$0.5m, relating to revision of the contingent consideration, was debited to the income statement during 2025 (2024: \$0.3m credit).

21. Cash and cash equivalents

As at 31 December 2025, cash and cash equivalents was \$40.2m (2024: \$16.5m). Of this balance, \$4.8m (2024: \$0.1m) were in Money Market Funds that are valued at quoted prices of the funds in the active markets for the financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

22. Trade and other payables

	Group		Company	
	2025 \$ million	2024 \$ million	2025 \$ million	2024 \$ million
Amounts falling due within one year:				
Other payables	9.4	8.0	0.9	1.7
Accruals and deferred income	3.3	4.2	1.1	1.2
Other taxation and social security	1.8	2.1	0.8	0.9
	14.5	14.3	2.8	3.8
Amounts falling due after one year:				
Other payables	–	0.2	–	–
	–	0.2	–	–

There is no material difference between the carrying value of trade payables and their fair value. The above trade and other payables are financial liabilities, held at amortised cost and are not discounted as the impact would not be material.

The Group does not utilise any supplier financing (reverse factoring) arrangements. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Further information relating to financial risks and how the Group mitigates these risks are discussed in the Risk Management Committee Report on pages 45 to 56.

As at 31 December 2025, other payables includes \$0.4m (2024: \$0.5m) in relation to the assignment fee payable to EGPC for the sale of 55% of the Group's operated interest in each of our Egyptian Concessions, El Fayum and North Beni Suef, to IPR. \$0.4m is booked in current other payables (2024: \$0.3m booked as current other payable and \$0.2m as non-current other payable) and the balance will be offset against trade receivables from EGPC upon receipt of contingent consideration from IPR in 2026. A further \$9.0m (2024: \$6.1m) of other payables relate to JOC and JV payables for Vietnam and Egypt operations respectively.

Accruals and deferred income include \$0.6m (2024: \$0.6m) in respect of a royalty provision for Egypt and reflects the amount payable in the next year. The royalty provision relates to a historical arrangement granting a 3% royalty on Pharos's share of profit oil and excess cost recovery from El Fayum in Egypt.

23. Deferred tax

The following are the major deferred tax liabilities recognised by the Group and movements thereon during the current and prior reporting period:

	Accelerated tax depreciation \$ million	Other temporary differences \$ million	Group \$ million
As at 1 January 2024 restated ¹	61.5	1.8	63.3
Credit/(charge) to income (see Note 12)	(3.7)	3.0	(0.7)
As at 1 January 2025 restated ¹	57.8	4.8	62.6
Credit to income (see Note 12)	(14.5)	(1.6)	(16.1)
As at 31 December 2025	43.3	3.2	46.5

1) See Note 2(s)

In 2024, the credit to income includes a deferred tax charge of \$8.4m that arises from the impairment reversal of the TGT and CNV producing assets as discussed in Note 16.

There are no unrecognised deferred taxation balances at either balance sheet date except in relation to gross losses that are not expected to be utilised in the amount of \$245.1m (2024: \$237.8m), inclusive of \$23.0m (2024: \$23.0m) of disallowed tax interest amounts. The gross losses are in UK group entities and have no expiry date.

A UK entity in the Group has entered into commodity swaps designated as cash flow hedges. In accordance with IAS 12, a deferred tax asset has not been recognised in relation to the hedging losses of \$0.1m recorded in 2024 as it is unlikely that the UK tax group will generate sufficient taxable profit in the future, against which the deductible temporary differences can be utilised. There were no realised hedging gains or losses during 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

There are no temporary differences relating to unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

24. Borrowings

Changes in liabilities arising from financing activities:

				Group
	2025 \$ million	2025 \$ million	2025 \$ million	2024 \$ million
	Credit facility	RBL	Total Borrowings	Total Borrowings
Borrowings:				
Carrying value as of 1 January	–	–	–	40.5
Proceeds from Uncommitted Revolving credit facility	–	–	–	2.2
Repayments of borrowings	–	–	–	(41.4)
Interest expense and similar fees (see Note 9)	–	–	–	1.1
Interest paid during the year	–	–	–	(2.4)
Carrying value as of 31 December	–	–	–	–

See Note 33 for movements in lease liabilities which, together with borrowings, represent the Group's financing related liabilities.

Reserve Based Lending facility (RBL)

In September 2018, the Group entered into a five-year Reserve Based Lending (RBL) facility secured against the Group's producing assets in Vietnam, due to mature in September 2023. In July 2021, the RBL was refinanced, providing access to a committed US\$100m facility, with a further US\$50m available on an uncommitted accordion basis.

The RBL loan facility was repaid in full on 17 September 2024 and it was agreed to voluntarily reduce the borrowing base to \$0.1m. The RBL loan facility was voluntarily cancelled in full on 30 June 2025.

Uncommitted Revolving Credit facility - National Bank of Egypt (UK) Limited (NBE UK)

In June 2025, the Group renegotiated the uncommitted revolving credit facility with NBE UK for discounting (with recourse) of up to \$10m until 9 June 2026 (2024: \$10m).

Loans are available for up to one year from the date of utilisation. The loan bears a per annum interest rate of Term SOFR plus 3.50% for initial advances and 4.00% for any extensions beyond 180 days from the date of the utilisation.

The carrying amount of the trade receivables include receivables in Egypt which are subject to an Uncommitted Revolving Credit Facility for Discounting (with Recourse) arrangement. This facility was put in place to mitigate the risk of late payment. Under this arrangement, Pharos is able to access cash from the facility using the El Fayum oil sales invoices as evidence to support its ability to repay the facility. The oil sales invoices remain due to Pharos and it retains the credit risk. The Group therefore continues to recognise the receivables in their entirety in its balance sheet.

Performance under the facility agreement was subject to a parent company guarantee from Pharos Energy plc.

The loan facility, having been repaid in full in August 2024, was not utilised during 2025.

25. Hedge transactions

During 2025, Pharos entered into zero cost collar hedges to protect the Brent component of forecast oil sales and to provide downside protection to cash flows in the event of commodity prices falling.

At 31 December 2025, the commodity hedges run until March 2026 and are settled monthly. For full year 2025, 29% of the Group's total production was hedged, securing average floor and ceiling prices for the hedged volumes at \$62.6/bbl and \$87.1/bbl, respectively, leaving 71% of 2025 Group production unhedged as at 31 December 2025 (2024: 31% of the Group's total production was hedged, securing average floor and ceiling prices for the hedged volumes at \$63.4/bbl and \$89.2/bbl). Following the termination of the RBL agreement effective July 2025, the Group has decided to continue hedging to mitigate the risk of a sharp decline in Brent price. As a result, the company placed further hedges in January 2026 through which the company has hedged c.19% of total forecast group entitlement production for 2026. These are a combination of zero cost collars, premium collars and put options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

A summary of hedges outstanding as at 31 December 2025 is presented below, which is a put option.

	1Q26
Production hedge per quarter - 000/bbls	60
Min. Average value of hedge - \$/bbl	58.00

Pharos has designated the zero cost collars as cash flow hedges. This means that the effective portion of unrealised gains or losses on open positions will be reflected in other comprehensive income. Every month, the realised gain or loss will be reflected in the revenue line of the income statement. For the year end 31 December 2025, there were no realised gains or losses (2024: loss of \$0.1m). The outstanding unrealised loss on open positions as at 31 December 2025 amounts to \$0.2m (2024: unrealised gain of \$0.1m).

The carrying amount of the zero cost collars is based on the fair value determined by a financial institution. As all material inputs are observable, they are categorised within Level 2 in the fair value hierarchy. It is presented in "Trade and other receivables" or "Trade and other payables" in the consolidated statement of financial position. The payable position as of December 2025 was \$0.1m (2024: \$0.1m receivable).

26. Long-term provisions

	Group		Company	
	2025 \$ million	2024 \$ million	2025 \$ million	2024 \$ million
Decommissioning provision	56.5	51.1	-	-
	56.5	51.1	-	-

	Group	
	2025 \$ million	2024 \$ million
Movement in decommissioning		
As at 1 January	51.1	53.8
New provisions and changes in estimates	3.1	(4.9)
Unwinding of discount (see Note 9)	2.3	2.2
As at 31 December	56.5	51.1

The provision for decommissioning is based on the net present value of the Group's share of the expenditure which will be incurred at the end of the producing life of the TGT and CNV fields in Vietnam (currently estimated to be 7-8 years) in the removal and decommissioning of the facilities currently in place. The provision is calculated using an inflation rate of 2.0% (2024: 2.0%) and a discount rate of 3.9% (2024: 4.6%). The \$3.1m increase in the provision in 2025 was driven by the decrease in discount rate from 4.6% to 3.9% and the impact of new wells for both fields, partially offset by a revision to the abandonment plan for TGT. The \$4.9m decrease in the provision in 2024 was driven by the increase in discount rate from 3.9% to 4.6% for both fields and revised abandonment plans for both TGT and CNV.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

27. Share capital and Share premium**Share capital**

Ordinary Shares of £0.05 each

	Group and Company			
	2025 Shares	2024 Shares	2025 \$ million	2024 \$ million
Issued and fully paid	416,320,478	424,178,662	32.4	33.1

Share capital:

	Group and Company	
	2025 \$ million	2024 \$ million
As at 1 January	33.1	33.7
Share buy back	(0.1)	(0.6)
Treasury shares cancelled (see Note 28)	(0.6)	–
Issued and fully paid	32.4	33.1

Share premium

	Group and Company	
	2025 \$ million	2024 \$ million
As at 1 January and 31 December	58.0	58.0

As at 31 December 2025, authorised share capital comprised 600 million (2024: 600 million) ordinary shares of £0.05 each with a total nominal value of £30m (2024: £30m).

In December 2023, the Company announced the continuation of a further \$3m share buyback programme, the Second Programme Extension, of which \$2.7m had been incurred by the end of December 2024 and 8.9 million shares were bought at a daily average share price of 23.6p. The programme completed in full during January 2025 and this resulted in \$0.3m cash outflow, where 0.9 million shares were bought at a daily average share price of 26.5p.

28. Other reserves

	Group					
	Capital redemption reserve \$ million	Merger reserve \$ million	Own shares \$ million	Hedging reserve \$ million	Share-based payments \$ million	Total \$ million
As at 1 January 2024	101.5	194.0	(42.6)	0.1	2.4	255.4
Share buy back	0.6	–	–	–	–	0.6
Shares purchased	–	–	(0.9)	–	–	(0.9)
Share-based payments	–	–	–	–	1.7	1.7
Transfer relating to share-based payments	–	–	2.2	–	(0.9)	1.3
As at 1 January 2025	102.1	194.0	(41.3)	0.1	3.2	258.1
Other comprehensive income	–	–	–	(0.3)	–	(0.3)
Share buy back	0.1	–	–	–	–	0.1
Treasury shares cancelled	0.6	–	39.1	–	–	39.7
Share-based payments	–	–	–	–	1.8	1.8
Transfer relating to share-based payments	–	–	1.6	–	(1.6)	–
As at 31 December 2025	102.8	194.0	(0.6)	(0.2)	3.4	299.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

	Company				
	Capital redemption reserve \$ million	Merger reserve ¹ \$ million	Own shares \$ million	Share-based payments \$ million	Total \$ million
As at 1 January 2024	101.5	137.1	(40.3)	2.3	200.6
Share buy back	0.6	–	–	–	0.6
Share-based payments	–	–	–	1.7	1.7
Transfer relating to share-based payments	–	–	–	(0.9)	(0.9)
As at 1 January 2025	102.1	137.1	(40.3)	3.1	202.0
Share buy back	0.1	–	–	–	0.1
Treasury shares cancelled	0.6	–	39.1	–	39.7
Share-based payments	–	–	–	1.8	1.8
Transfer relating to share-based payments	–	–	1.2	(1.5)	(0.3)
As at 31 December 2025	102.8	137.1	–	3.4	243.3

1) Merger reserve includes \$137.1m (2024: \$137.1m) which is distributable in accordance with the Companies Act 2006. Total distributable reserves at 31 December 2025 are \$115.4m (2024: \$147.1m).

The Group's other reserves comprise reserves arising in respect of merger relief, upon the purchase of the Company's own shares held in treasury and held by the Pharos Employee Benefit Trust ('the Trust'), as well as hedging and share-based payments.

The number of treasury shares held by Pharos Energy Plc and the number of shares held by the Trust at 31 December 2025 was nil (2024: 9,122,268) and 2,203,106 (2024: 3,784,406) respectively. The market price of the shares at 31 December 2025 was £0.2110 (2024: £0.2430). The Trust, a discretionary trust, holds shares for the purpose of satisfying employee share schemes, details of which are set out in Note 31 and in the Directors' Remuneration Committee Report on pages 137 to 161.

On 23 July 2025, pursuant to a resolution of the Board of Directors, the entire treasury shareholding of 9,122,268 ordinary shares of £0.05 each were cancelled in accordance with the provisions of section 729 of the Companies Act 2006. Following the cancellation, the Company holds no Ordinary Shares in treasury.

The Group has an obligation to make regular contributions to the Trust to enable it to meet its financing costs. Rights to dividends on the shares held by the Trust have been waived by the trustees. The trustees purchase shares in the open market which are recognised by the Group as own shares within the Statement of Changes in Equity and by the Company as an intercompany receivable. When award conditions are met, the shares held by the Trust are transferred to Plan participants.

29. Distribution to shareholders

Amounts recognised as distributions to equity holders in the year:	2025 \$ million	2025 Pence per ordinary share	2024 \$ million	2024 Pence per ordinary share
Prior year interim dividend, paid in the year	1.8	0.363	1.7	0.330
Prior year final dividend, paid in the year	4.7	0.847	4.2	0.770
Total dividend, paid in year	6.5	1.210	5.9	1.100
Interim dividend for the year ended 31 December 2025	2.2	0.3993		
Proposed final dividend for the year ended 31 December 2025	5.2	0.9317		

The proposed final dividend for the year ended 31 December 2025 of 0.9317 pence per share takes the 2025 full-year dividend to 1.331 pence per share, in excess of the minimum 10% of Operating Cash Flow (OCF) per the Company's dividend policy and 10% higher than prior year.

The interim dividend for the year ended 31 December 2024 of 0.363 pence per share (\$1.8m) was paid on 22 January 2025. The final dividend for the year ended 31 December 2024 of 0.847 pence per share (\$4.7m) was approved by the shareholders at the Company's AGM in May 2025 and subsequently paid on 18 July 2025.

The interim dividend for the year ended 31 December 2025 of 0.3993 pence per share (\$2.2m) was paid on 21 January 2026 to shareholders on the register as at 19 December 2025. The proposed final dividend of 0.9317 pence per share (\$5.2m) in respect of the year ended 31 December 2025 is payable on 17 July 2026 to all shareholders on the register at the close of business on 12 June 2026, subject to approval at the Company's AGM in May 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

30. Retained (deficit) / earnings

	Group		
	Retained (loss)/profit \$ million	Unrealised currency translation differences \$ million	Total \$ million
As at 1 January 2024 (Restated ¹)	(72.1)	5.1	(67.0)
Profit for the year	23.6	–	23.6
Share buy back	(2.9)	–	(2.9)
Distributions to shareholders	(5.9)	–	(5.9)
Transfer relating to share-based payments	(1.3)	–	(1.3)
As at 1 January 2025 (Restated¹)	(58.6)	5.1	(53.5)
Loss for the year	(6.6)	–	(6.6)
Share buy back	(0.3)	–	(0.3)
Treasury shares cancelled	(39.1)	–	(39.1)
Distributions to shareholders	(6.5)	–	(6.5)
Transfer relating to share-based payments	0.1	–	0.1
As at 31 December 2025	(111.0)	5.1	(105.9)

	Company		
	Retained (loss)/profit \$ million	Unrealised currency translation differences \$ million	Total \$ million
As at 1 January 2024	207.2	(222.1)	(14.9)
Profit for the year	35.0	–	35.0
Share buy back	(2.9)	–	(2.9)
Distributions to shareholders	(5.9)	–	(5.9)
Transfer relating to share-based payments	(1.3)	–	(1.3)
As at 1 January 2025	232.1	(222.1)	10.0
Profit for the year	14.1	–	14.1
Share buy back	(0.3)	–	(0.3)
Treasury shares cancelled	(39.1)	–	(39.1)
Distributions to shareholders	(6.5)	–	(6.5)
Transfer relating to share-based payments	0.1	–	0.1
As at 31 December 2025	200.4	(222.1)	(21.7)

1) See Note 2(s)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

31. Incentive plans

Details of the Group's employee incentive schemes are set out below. Additional information regarding the schemes is included in the Directors' Remuneration Report on pages 137 to 161. The Group recognised total expenses of \$1.4m (2024: \$1.2m) in respect of the schemes during the year.

Long Term Incentive Plan

The Company operates a LTIP for employees of the Group. Awards vest over a period of three years, subject to criteria based on their individual performance. For Executive and senior management the LTIP measures and targets are based on relative TSR (35% weighting), absolute TSR (20% weighting), cash flow from operations (15% weighting), ROCE (15% weighting) and an ESG condition (15% weighting). Awards are normally forfeited if the employee leaves the Group before the award vests. Awards normally expire at the end of ten years following the date of grant, subject to the requirement to exercise certain awards prior to 15 March of the year following vesting.

The Board has a policy requiring Executive Directors to build a minimum shareholding of 200% of their annual salary. Additionally, LTIP awards to the Executive Directors have a two-year holding period following vesting. This is intended to emphasise a commitment to the alignment of Executive Directors with shareholders and a focus on long term stewardship. Please refer to Directors' Remuneration Report for further details.

Awards would normally be part cash and part equity-settled through a transfer at nil consideration of the Company's ordinary shares. 2,169,171 awards were exercised during 2025 (2024: 3,525,696 shares exercised). The Company has no legal or constructive obligation to repurchase or settle awards in cash. Details of awards outstanding during the year are as follows:

	2025 No. of share awards	2024 No. of share awards
As at 1 January	22,114,651	20,153,833
Adjustments ¹	1,369,874	998,049
Granted	7,454,860	7,042,038
Exercised	(2,169,171)	(3,525,696)
Forfeited during the year	(3,298,420)	(2,553,573)
As at 31 December	25,471,794	22,114,651
Exercisable as at 31 December	4,266,529	2,893,353

1) In accordance with Share Scheme rules, adjustments were made for the payment of dividends.

The weighted average market price at the date of exercise during 2025 was £0.21 (2024: £0.22). The weighted average exercise price £nil. Awards outstanding at the end of the year have a weighted average remaining contractual life of 1.09 years (2024: 1.13 years). The weighted average market price and estimated fair value of the 2025 grants (at grant date) were £0.23 and £0.18, respectively.

The fair value of the LTIPs granted during 2025 has been provided by a Remuneration Consultant, which estimates the Company's performance against the targets using a Stochastic and Black Scholes model. The future vesting proportion in 2025 was 87% (2024: 90%).

The main assumptions for the calculation are as follows:

	2025	2024
Volatility	2.35%	3.04%
Risk free rate of interest	4.39%	4.53%
Correlation with comparator group	n/a	n/a

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Other Share Schemes

The Company operates a discretionary share option scheme for employees of the Group. Awards vest over a three-year period, and are normally forfeited if the employee leaves the Group before the option vests. Vested options are exercisable at a price equal to the average quoted market price of the Company's shares on the date of grant and are expected to be equity-settled. The Company has no legal or constructive obligation to repurchase or settle options in cash. Unexercised options expire at the end of a ten-year period.

Other than to Directors, the Company can also grant options with a zero exercise price or with an exercise price which is set below the market price of the Company's shares on the date of grant. Such options, which are included in the table below, are granted by reference to the rules of the discretionary share option scheme and are expected to be cash-settled.

The Company can additionally grant awards to Executive Directors under the Deferred Share Bonus Plan with a zero exercise price or with an exercise price which is set below the market price of the Company's shares on the date of grant. Awards vest over a two-year period, and are normally forfeited if the employee leaves the Group before the option vests. Such awards, which are also included in the table below, are expected to be equity-settled.

	No. of share awards	No. of share awards
As at 1 January	4,327,835	4,860,374
Adjustments ¹	211,552	233,075
Granted	1,388,555	1,501,418
Forfeited during the year	(105,064)	(27,413)
Exercised	(1,932,930)	(2,239,619)
As at 31 December	3,889,948	4,327,835
Exercisable as at 31 December	852,915	1,012,762

1) In accordance with Share Scheme rules, adjustments were made for the payment of dividends.

The weighted average market price at the date of exercise during 2025 was £0.21 (2024: £0.23). The weighted average exercise price £nil. Awards outstanding at the end of the year have a weighted average remaining contractual life of 6.3 years (2024: 7.6 years).

The fair value of the awards granted during 2025 and 2024 have been estimated using Black Scholes model, based on the market price at date of grant and a nil exercise price.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

32. Reconciliation of operating profit/(loss) to operating cash flows

	Group		Company	
	2025 \$ million	2024 \$ million	2025 \$ million	2024 \$ million
Operating profit/(loss)	8.7	64.3	(9.3)	20.6
Share-based payments	1.6	0.9	1.6	0.9
Depletion, depreciation and amortisation	46.6	47.3	–	–
Impairment (reversal)/charge	–	(26.3)	0.4	(31.2)
Taxes paid-in-kind	(0.4)	(1.9)	–	–
Operating cash flows before movements in working capital	56.5	84.3	(7.3)	(9.7)
Decrease/(increase) in inventories	3.2	(6.0)	–	–
Decrease/(increase) in receivables ¹	26.2	11.3	–	(1.7)
Decrease in payables	(0.4)	(0.3)	(0.6)	(0.1)
Cash generated by (used in) operations	85.5	89.3	(7.9)	(11.5)
Interest received	0.5	0.4	0.3	0.3
Interest paid	(0.1)	–	–	–
Other/restructuring expense outflow	–	(0.4)	–	–
Income taxes paid	(30.3)	(35.3)	–	–
Net cash from (used in) operating activities	55.6	54.0	(7.6)	(11.2)

1) Includes \$1.3m decrease (2024: \$2.5m) in expected credit losses in respect of Egypt trade receivables.

During the year, a total of \$2.0m of trade receivables due from EGPC in Egypt were settled by way of non-cash offset, of which \$0.9m relates to preliminary bond for SWER concession, \$0.3m relates to training and development lease bonuses/commitment paid to EGPC, \$0.3m participation in a bid round process and \$0.5m solidification of shortfall on El Fayum licence commitment.

During 2024, a total of \$0.5m of trade receivables due from EGPC in Egypt were settled by way of non-cash offset, of which \$0.4m relates to the assignment bonus settled upon receipt of contingent consideration in relation to IPR Farm out and \$0.1m to the training bonuses settled with EGPC.

33. Lease arrangements

For short-term leases (lease term less than 12 months) and leases for which the underlying asset is of low value, the Group has opted to recognise a lease expense on a straight-line basis as permitted under IFRS 16.

	2025 \$ million	2024 \$ million
Lease liability recognised as at 1 January	0.2	0.5
Principal repayments	(0.2)	(0.3)
Lease liability recognised as at 31 December	–	0.2
Of which are:		
Current lease liabilities	–	0.2
Right of use assets recognised as at 1 January	0.2	0.5
New leases	–	–
Depreciation	(0.2)	(0.3)
Right of use asset recognised as at 31 December	–	0.2
Of which are:		
Oil & Gas properties	–	0.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

During 2022, Pharos signed a new agreement for rental of gas generators in Egypt, the agreement is effective from August 2022 to October 2025 and is accounted for as a lease under IFRS 16. Pharos' 45% share of the asset and liability which is applicable post completion of the Farm out (21 March 2022) has been recognised accordingly. The lease was measured at the present value of the lease payments, discounted using the incremental borrowing rate at the start of the lease, 6.3%.

The following table presents the amounts reported in the income statement for short-term leases:

Operating lease expenses by segment	2025 \$ million	2024 \$ million
SE Asia	8.4	9.9
Egypt	0.5	0.3
	8.9	10.2

At 31 December 2025, the Group is committed to its share of \$9.2m (2024: \$9.6m) for short-term leases of less than 12 months and which accordingly are not included in the above. Certain short-term leases contain discretionary options to extend the lease period. These future periods are only included in the assessment of the lease term after consideration of the economic incentives and if it is reasonably certain that the option will be exercised.

34. Capital commitments

At 31 December 2025, the Group had exploration licence commitments not accrued of approximately \$22.1m (2024: \$24.8m).

35. Related party transactions

During 2025 and 2024, there were no costs incurred by the Company in respect of services rendered between Group companies.

Remuneration of key management personnel

The remuneration of the Directors of the Company, who are considered to be its key management personnel, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures. Further information about the remuneration of individual Directors is provided in the audited part of the Directors' Remuneration Committee Report on pages 137 to 147.

	2025 \$ million	2024 \$ million
Short-term employee benefits	3.5	4.0
Post-employment benefits	0.1	0.2
Share-based payments	1.0	1.0
	4.6	5.2

36. Financial instruments

Financial Risk Management: Objectives and Policies

The main risks arising from the Group's financial instruments are commodity price risk, liquidity risk, credit risk, foreign currency risk, interest rate risk and capital risk management. The Board of Pharos regularly reviews and agrees policies for managing financial risks that may affect the Group. In certain cases, the Board delegates responsibility for such reviews and policy setting to the Audit Risk Committee. The 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, money market liquidity funds, intra group loans, trade receivables and other receivables and financial liabilities held at amortised cost. The Group's strategy has been to finance its operations through a mixture of retained profits and bank borrowings. Other alternatives such as equity issues are reviewed by the Board, when appropriate.

Commodity Price Risk

Commodity price risk arises principally from the Group's Vietnam and Egypt production, which could adversely affect revenue and debt availability due to changes in commodity prices. To reduce risk from Vietnam production, in 2023 the Company and its partners signed a three year sales contract for all TGT oil cargoes with BSR to cover the period 1 January 2024 to 7 December 2026. The premium on Brent for the Term Sales Period will continue to be agreed every six months, which provides the Group with significant downside price protection for production from our largest Vietnam field, and protects margins through eliminating export duty and additional transportation costs to overseas customers.

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.

During 2025, Pharos entered into different zero cost collar hedges to protect the Brent component of forecast oil sales and to provide downside protection to cash flows in the event of commodity prices falling. The current commodity hedges run until March 2026 and are settled monthly. Details of current hedging arrangements and the categorisation of the instruments in the fair value hierarchy can be found in Note 25.

Transacted derivatives are designated as cash flow hedge relationships to minimise accounting income statement volatility. The Group is required to assess the likely effectiveness of any proposed cash flow hedging relationship and demonstrate that the hedging relationship is expected to be highly effective prior to entering into a hedging instrument and at subsequent reporting dates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Liquidity Risk

Pharos closely monitors and manages its liquidity risk using both short- and long-term cash flow projections, supplemented by debt and equity financing plans and active portfolio management. Cash forecasts are regularly produced and sensitivities run for different scenarios including, but not limited to, changes in asset production profiles and cost schedules.

Details of the Group's borrowings and debt facilities can be found in Note 24. The Group remains debt free following the full and voluntary repayment of the RBL loan in September 2024 and the facility matured in July 2025.

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. This includes funding total shareholder returns in the form of dividends and share buy backs, which totalled \$6.8m in the year (2024: \$8.8m). A further interim dividend of \$2.2m (2024: \$1.8m) was paid in January 2026. The Group ensures that cash forecasts and sensitivity analyses are robust to meet these funding requirements. Further information can be found in Note 27 and Note 29.

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 and joint operation partners are subject to a risk assessment using publicly available information and credit reference agencies, with follow-up due diligence and monitoring if required.

Investment credit risk for investments with banks and other financial institutions is managed by the Group Treasury function in accordance with the Board-approved policies of the Group. These policies limit counterparty exposure, maturity, collateral and take account of published ratings, market measures and other market information.

The Company'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. The Board continually re-assesses the Group's policy and updates as required.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the balance sheet date. The Group's trade receivables in Note 20, although 100% (2024: 100%) concentrated with two customers across both Vietnam and Egypt producing assets, are predominantly with a major oil & gas company and the subsidiary of a government regulated entity. The credit default risk is therefore deemed to be low and there is no history of default, despite the payment delays from EGPC as a result of macroeconomic factors in Egypt.

Foreign Currency Risk

Pharos 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 does not hedge any foreign exchange exposure.

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. Oil and gas sales in Vietnam are raised and settled through a combination of Vietnamese Dong (VND) and US Dollars (USD), along with associated tax and royalty payments. The Group holds a number of VND and USD bank accounts that provide a natural hedge against foreign exchange movements.

In the Egypt business, macroeconomic volatility over the past few years has seen a significant devaluation of the Egyptian Pound, which continued following a decision by the Egyptian government to fully float EGP currency in March 2024. It remains preferable to hold USD denominated receivables, however the Group opts to accept the payment of part receivables balance in EGP in order to cover operational expenditure and other expenses in local currencies. On 31 December 2025, \$20 million was recovered from EGPC which reduced the outstanding receivable balance to \$7.3m, after expected credit loss provision of \$0.1m (2024: \$28.1m receivables after credit loss provision of \$1.4m).

The Group's UK head office contributes the majority of administrative costs which are denominated in GBP. The level of monetary working capital balances denominated in GBP is relatively low and therefore the Group's exposure to foreign currency changes for all currencies is not considered to be material.

Interest Rate Risk

The replacement of benchmark interest rates such as LIBOR and other IBORs has been a priority for global regulators in recent years. The Group has closely monitored the market and the output from the various industry working groups managing the transition to new benchmark interest rates.

The Group's principal borrowings were repaid in full during 2024, as described in Note 24, and the Group has remained debt free throughout 2025. As a result, the Group has no significant interest rate risk and is not currently exposed to future interest rate volatility. The Group's interest received on cash and cash equivalents is immaterial.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balances. To this extent, following a period of improved commodity prices, the Group committed to shareholder returns during 2025 in the form of both share buybacks and dividends to shareholders. The Group's overall strategy remains unchanged from 2024.

The capital structure of the Group consists of net cash (cash and borrowings disclosed in Note 20 and 24, respectively) and equity (comprising issued share capital, reserves and retained earnings as disclosed in Notes 27 to 28). Management reviews the capital structure on a semi-annual basis, and most of the capital expenditure incurred is discretionary. The Group is not subject to any externally imposed capital requirements and is in a net cash, debt free financial position as at 31 December 2025.

Please see Non-IFRS Measures (Unaudited) for net cash and gearing ratios as at 31 December 2025 and 31 December 2024.

37. Subsequent events

Further regional instability in the Middle East, with global economic and political implications, was introduced by the joint US and Israel military action that began on 26 February 2026 with surprise airstrikes on multiple sites and cities across Iran. These strikes and subsequent military action by the US and Israel, and the retaliatory actions taken by Iran in response, have resulted in surges in oil and gas prices, widespread disruption in aviation, travel and tourism and heightened volatility in financial markets. The conflict has also disrupted international trade, particularly through closure of the Strait of Hormuz and other key shipping routes and strikes on gas and oil facilities. The Group recognises that the conflict, if it continues for an extended period, could result in longer term regional and global inflationary pressure and an increased risk of recession.

The Group continues to carefully monitor the wider geopolitical impact and perception in Egypt of the conflicts in the Middle East, in connection with its assets and operations in the region.



ADDITIONAL INFORMATION

Additional Information



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NON-IFRS MEASURES (UNAUDITED)

Non-IFRS Measures (Unaudited)

Non-IFRS measures

The Group uses certain measures of performance that are not specifically defined under IFRS or other generally accepted accounting principles. These non-IFRS measures include cash operating costs per barrel, DD&A per barrel, EBITDAX, free cash flow, operating cash per share and return on capital employed.

Cash operating costs per barrel

Cash operating costs are defined as cost of sales less DD&A, production based taxes, movement in inventories and certain other immaterial cost of sales.

Cash operating costs for the period are then divided by barrels of oil equivalent produced. This is a useful indicator of cash operating costs incurred to produce oil and gas from the Group's producing assets.

	2025 \$ million	2024 \$ million
Cost of sales	96.4	87.3
(Less)/add:		
Depreciation, depletion and amortisation	(46.4)	(47.1)
Production based taxes	(7.3)	(9.2)
Change in inventories	(3.2)	6.0
Trade receivables expected credit loss	1.3	2.5
Other cost of sales	(2.6)	(1.7)
Cash operating costs	38.2	37.8
Production (BOEPD)	5,398	5,801
Cash operating cost per BOE (\$)	19.39	17.80

Cash operating cost per barrel by segment (2025)

	Vietnam \$ million	Egypt \$ million	Total \$ million
Cost of sales	81.0	15.4	96.4
Depreciation, depletion and amortisation	(41.4)	(5.0)	(46.4)
Production based taxes	(7.2)	(0.1)	(7.3)
Change in inventories	(3.1)	(0.1)	(3.2)
Trade receivables expected credit loss	–	1.3	1.3
Other cost of sales	(1.6)	(1.0)	(2.6)
Cash operating costs	27.7	10.5	38.2
Production (BOEPD)	4,095	1,303	5,398
Cash operating cost per BOE (\$)	18.53	22.08	19.39

Cash operating cost per barrel by segment (2024)

	Vietnam \$ million	Egypt \$ million	Total \$ million
Cost of sales	75.6	11.7	87.3
Depreciation, depletion and amortisation	(42.1)	(5.0)	(47.1)
Production based taxes	(9.1)	(0.1)	(9.2)
Change in inventories	6.0	–	6.0
Trade receivables expected credit loss	–	2.5	2.5
Other cost of sales	(1.3)	(0.4)	(1.7)
Cash operating costs	29.1	8.7	37.8
Production (BOEPD)	4,361	1,440	5,801
Cash operating cost per BOE (\$)	18.23	16.51	17.80

DD&A per barrel

DD&A per barrel is calculated as the net book value of oil and gas assets in production, together with estimated future development costs, over the remaining 2P reserves. This is a useful indicator of ongoing rates of depreciation and amortisation of the Group's producing assets.

	2025 \$ million	2024 \$ million
Depreciation, depletion and amortisation	46.4	47.1
Production (BOEPD)	5,398	5,801
DD&A per BOE (\$)	23.55	22.18

DD&A per barrel by segment (2025)

	Vietnam \$ million	Egypt \$ million	Total \$ million
Depreciation, depletion and amortisation	41.4	5.0	46.4
Production (BOEPD)	4,095	1,303	5,398
DD&A per BOE (\$)	27.70	10.51	23.55

NON-IFRS MEASURES (UNAUDITED) - CONTINUED

EBITDAX

EBITDAX is earnings from continuing activities before interest, tax, DD&A, impairment (reversal)/ charge of PP&E and intangibles, exploration expenditure, pre-licence costs and Other/restructuring expense items in the current year.

	2025 \$ million	2024 \$ million
Operating profit	8.7	64.3
Depreciation, depletion and amortisation	46.6	47.3
Pre-licence costs	0.4	0.8
Impairment reversal	–	(26.3)
EBITDAX	55.7	86.1

Free cash flow

Free cash flow is calculated by subtracting capital cash expenditure from net cash from operating activities.

	2025 \$ million	2024 \$ million
Net cash from operating activities	55.6	54.0
Capital cash expenditure	(27.6)	(26.1)
Free cash flow	28.0	27.9

Operating cash per share

Operating cash per share is calculated by dividing net cash from (used in) operating activities by number of shares in the year.

	2025 \$ million	2024 \$ million
Net cash from operating activities	55.6	54.0
Weighted number of shares in the year	413,061,183	417,019,506
Operating cash per share	0.13	0.13

Return on capital employed (ROCE)

ROCE is calculated by dividing operating profit by total assets less current liabilities. ROCE measures a company's profitability and the efficiency with which its capital is employed.

	2025 \$ million	2024 \$ million
Operating profit	8.7	64.3
Total assets less current liabilities	386.1	409.6
ROCE	2.3%	15.7%

FIVE YEAR SUMMARY (UNAUDITED)

Five Year Summary (Unaudited)

	Year to 31 Dec 2025 \$ million	Year to 31 Dec 2024 \$ million	Year to 31 Dec 2023 \$ million	Year to 31 Dec 2022 \$ million	Year to 31 Dec 2021 \$ million
Consolidated Income Statement					
Oil and gas revenues	114.6	136.1	168.1	221.6	163.8
Commodity hedge losses	–	(0.1)	(0.2)	(22.5)	(29.7)
Gross profit	18.2	48.7	56.7	82.3	19.5
Operating profit/(loss)	8.7	64.3	(18.1)	100.2	48.3
(Loss)/profit for the year	(6.6)	23.6	(48.8)	24.4	(4.7)

	2025 \$ million	2024 Restated ¹ \$ million	2023 Restated ¹ \$ million	2022 \$ million	2021 \$ million
Consolidated Balance Sheet					
Non-current assets	336.8	353.3	356.6	457.4	460.3
Net current assets	50.1	56.3	52.3	56.4	51.6
Non-current liabilities	(103.0)	(113.9)	(128.8)	(183.2)	(207.5)
Net assets	283.9	295.7	280.1	330.6	304.4
Share capital and Share premium	90.4	91.1	91.7	92.3	92.9
Other reserves	299.4	258.1	255.4	253.6	250.5
Retained deficit	(105.9)	(53.5)	(67.0)	(15.3)	(39.0)
Total equity	283.9	295.7	280.1	330.6	304.4

1) See Note 2(s)

	Year to 31 Dec 2025 \$ million	Year to 31 Dec 2024 \$ million	Year to 31 Dec 2023 \$ million	Year to 31 Dec 2022 \$ million	Year to 31 Dec 2021 \$ million
Consolidated cash flow statement					
Net cash from operating activities	55.6	54.0	44.9	53.4	10.8
Capital expenditure	27.6	26.1	26.7	31.9	41.8
Distributions	6.5	5.9	5.6	–	–

RESERVES STATISTICS (UNAUDITED)

Reserves Statistics (Unaudited)

Net working interest, MMBOE

	Vietnam	Egypt	Group
Oil and Gas 2P Commercial Reserves^{1,2}			
As at 1 January 2025	8.9	12.4	21.3
Production	(1.5)	(0.5)	(2.0)
Revision	(0.2)	(0.7)	(0.9)
2P Commercial Reserves as at 31 December 2025	7.2	11.2	18.4
Oil and Gas 2C Contingent Resources^{1,2}			
As at 1 January 2025	7.8	8.3	16.1
Revision	–	0.7	0.7
2C Contingent Resources as at 31 December 2025	7.8	9.0	16.8
Total of 2P Reserves and 2C Contingent Resources as at 31 December 2025	15.0	20.2	35.2

1) Reserves and Contingent Resources are categorised in line with 2018 SPE/WPC/AAPG/SPEE/SWLA Petroleum Resource Management System.

2) Assumes oil equivalent conversion factor of 6,000 standard cubic feet per barrel of oil equivalent.

Risks associated with reserves evaluation and estimation uncertainty are discussed in Note 4(b) to the Financial Statements.

REPORT ON PAYMENTS TO GOVERNMENTS (UNAUDITED)

Report on Payments to Governments (Unaudited)

Disclosure

In accordance with the Financial Conduct Authority's Disclosure and Transparency Rule 4.3A in respect of payments made by the Company to governments for the year ended 31 December 2025 and in compliance with The Reports on Payments to Governments Regulations 2014 (SI 2014/3209), Pharos presents its disclosure for the year ending 31 December 2025.

Basis for preparation

Legislation

This report is prepared in accordance with the Reports on Payments to Governments Regulations 2014 as enacted in the UK in December 2014 and as amended in December 2015.

The Reports on Payments to Government Regulations (UK Regulations) were enacted on 1 December 2014 and require UK companies in extractive industries to publicly disclose payments they have made to Governments where they undertake extractive operations. The aim of the regulations is to enhance the transparency of the payments made by companies in the extractive sector to host governments in the form of taxes, bonuses, royalties, fees and support for infrastructure improvements. The UK Regulations came into effect on 1 January 2015.

The payments disclosed for 2025 are in line with the EU Directive and UK Regulations and we have provided additional voluntary disclosures on payroll taxes, export duty, withholding tax and other taxes.

In line with the UK Regulations, a payment of a series of related payments which do not exceed \$106,941 (£86,000) has not been disclosed. Where the aggregate payments made in the period for a project or country are less than \$106,941, payments are not disclosed for the project or country.

All of the payments disclosed in accordance with the EU Directive have been made to National Governments, either directly or through a Ministry or Department, or to a national oil company, who have a working interest in a particular licence.

Payment

The information is reported under the following payment types:

Production entitlements in barrels

These are the host government's total share of production in the reporting period derived from projects operated by Pharos. This includes the government's non-cash royalties as a sovereign entity or through its participation as an equity or interest holder in projects within its home country. The figures produced are on a paid lifting basis valued at realised sale prices.

Income Taxes

This represents cash tax calculated on the basis of profits including income or capital gains. Income taxes are usually reflected in corporate income tax returns. The cash payment of income taxes occurs in the year in which the tax has arisen or up to one year later. Income taxes also include any cash tax rebates received from

the government or revenue authority during the year. Income taxes do not include fines and penalties. Consumption taxes including value added taxes, personal income taxes, sales taxes and property taxes are excluded.

Royalties

These represent royalties during the year to governments for the right to extract oil or gas. The terms of these royalties are set within the individual Production Sharing Contracts & Agreements and can vary from project to project within a country. The cash payment of royalties occurs in the year in which the tax has arisen.

Dividends

These are dividend payments, other than dividends paid to a government as an ordinary shareholder of an entity, in lieu of production entitlements or royalties. For the year ending 31 December 2025, there were no reportable dividend payments to governments.

Bonuses

This represents any bonus paid to governments during the year on achievement of commercial milestones such as signing of a petroleum agreement or contract, achieving commercial discovery, or after first production.

Licence Fees

This represents licence fees, rental fees, entry fees and other consideration for licences and/or concessions paid for access to an area during the year (with the exception of signature bonuses which are captured within bonus payments).

Infrastructure improvement payments

This represents payments made in respect of infrastructure improvements for projects that are not directly related to oil and gas activities during the year. This can be a contractually obligated payment in a Production Sharing Contract or a discretionary payment for building/improving local infrastructure such as roads, bridges, ports, schools and hospitals.

Payroll Taxes

This represents payroll and employer taxes including PAYE and national insurance paid by Pharos as a direct employer.

Export Duty

This represents payments made to governments during the year in relation to the exportation of petroleum products.

Withholding Tax

This represents the amount of tax deducted at source from third party service providers during the year and paid to respective governments.

Other Taxes

This represents business rates paid during the year on non-domestic properties.

TRANSPARENCY DISCLOSURE 2025 (UNAUDITED)

Transparency Disclosure 2025 (Unaudited)

Licence/ Corporate/ Area	Production entitlements bbbs (000)	Production entitlements \$ 000's	Income Taxes \$ 000's	Royalties \$ 000's	Dividends \$ 000's	Bonus Payments \$ 000's	Licence fees \$ 000's	Infrastructure improvement payments \$ 000's	Total EU Transparency Directive \$ 000's	UK Regulations		Voluntary Disclosure		
										Payroll Taxes \$ 000's	Export Duty \$ 000's	With- holding Tax \$ 000's	Other Taxes \$ 000's	Total \$ 000's
Vietnam*														
Block 16-1	847	58,613	24,104	6,647	-	-	78	-	89,442	-	-	-	-	-
Block 9-2	334	19,166	6,735	1,100	-	-	75	-	27,076	-	-	-	-	-
Total Vietnam	1,181	77,779	30,839	7,747	-	-	153	-	116,518	-	-	-	-	-
Egypt														
El Fayum	211	13,574	-	-	-	135	-	-	13,709	112	-	4	12	128
North Beni Suef	11	647	-	-	-	90	-	-	737	-	-	-	-	-
Total Egypt	222	14,221	-	-	-	225	-	-	14,446	112	-	4	12	128
United Kingdom (UK)														
Corporate	-	-	-	-	-	-	-	-	-	2,505	-	-	-	2,505
Total UK	-	-	-	-	-	-	-	-	-	2,505	-	-	-	2,505
Pharos Total	1,403	92,000	30,839	7,747	-	225	153	-	130,964	2,617	-	4	12	2,633

Country/ Government	Production entitlements bbbs (000)	Production entitlements \$ 000's	Income Taxes \$ 000's	Royalties \$ 000's	Dividends \$ 000's	Bonus Payments \$ 000's	Licence fees \$ 000's	Infrastructure improvement payments \$ 000's	Total	UK Regulations		Voluntary Disclosure		
										Payroll Taxes \$ 000's	Export Duty \$ 000's	With- holding Tax \$ 000's	Other Taxes \$ 000's	Total \$ 000's
Vietnam*														
Ho Chi Minh City Tax Dept	-	-	30,839	7,747	-	-	-	-	38,586	-	-	-	-	-
Customs Office	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PetroVietnam E&P Corp (PVEP)	1,181	77,779	-	-	-	-	153	-	77,932	-	-	-	-	-
Total Vietnam	1,181	77,779	30,839	7,747	-	-	153	-	116,518	-	-	-	-	-
Egypt														
Egyptian General Petroleum Corporation (EGPC)	222	14,221	-	-	-	225	-	-	14,446	-	-	-	-	-
Tax department	-	-	-	-	-	-	-	-	-	112	-	4	12	128
Total Egypt	222	14,221	-	-	-	225	-	-	14,446	112	-	4	12	128
United Kingdom (UK)														
HMRC	-	-	-	-	-	-	-	-	-	2,505	-	-	-	2,505
Total UK	-	-	-	-	-	-	-	-	-	2,505	-	-	-	2,505
Pharos Total	1,403	92,000	30,839	7,747	-	225	153	-	130,964	2,617	-	4	12	2,633

* Joint Operating Company Project's tax payments reported on Pharos Net Working Interest Basis.

GLOSSARY OF TERMS

Definitions

A**AGM**

Annual General Meeting

B**bbl**

Barrel

boe or BOE

Barrels of oil equivalent

boepd or BOEPD

Barrels of oil equivalent per day

bopd

Barrels of oil per day

BOSIET

Basic Offshore Safety Induction and Emergency Training

BSR

Binh Son Refining and Petrochemical JSC, the operator of the Dung Quat refinery, Quang Ngai Province, Vietnam

C**cash**

Cash, cash equivalent and liquid investments

capex

Capital expenditure

CDP

Carbon Disclosure Project

CEO

Chief Executive Officer

CFO

Chief Financial Officer

CPR

Competent person's report or equivalent (e.g. mineral expert's report)

CNV

Ca Ngu Vang field located in Block 9-2, Vietnam

Company or Pharos

Pharos Energy plc

Contingent Resources or contingent resources

Those quantities of petroleum to be potentially recoverable from known accumulations by application of development projects but which are not currently considered to be commercially recoverable due to one or more contingencies

Contractor

The party or parties identified as being, or forming part of, the "CONTRACTOR" as defined in the El Fayum Concession or, as the case may be, the North Beni Suef Concession

D**DD&A**

Depreciation, depletion and amortisation

D, E & I

Diversity, Equity, and Inclusion

E**EBITDAX**

Earnings before interest, tax, DD&A, impairment of PP&E and intangibles, exploration expenditure and other/restructuring items in the current year

EBT

Employee Benefit Trust

EGP

Egyptian Pounds, the lawful currency of the Arab Republic of Egypt

EGPC

Egyptian General Petroleum Corporation, an Egyptian state oil and gas company and the industry regulator

El Fayum or the El Fayum Concession

The concession agreement for petroleum exploration and exploitation entered into on 15 July 2004 between the Arab Republic of Egypt, EGPC and Pharos El Fayum in respect of the El Fayum area, Western Desert, as amended from time to time

ERCE

ERC Equipoise Limited, an independent energy consulting group

ESG

Environmental, social and governance

F**Financial Statements**

The preliminary financial statements of the Company and the Group for the year ended 31 December 2025

FOET

Further Offshore Emergency Training

FPSO

Floating, production, storage and offloading Vessel

G**G&A**

General and administrative expenses

GHG

Greenhouse gas

Group

Pharos and its direct and indirect subsidiary undertakings

H**1H**

The first half of a calendar year

2H

The second half of a calendar year

HLJOC

Hoang Long Joint Operating Company, the operator of the TGT field on Block 16-1, Vietnam

HSES

Health, Safety, Environmental and Social

HVJOC

Hoan Vu Joint Operating Company, the operator of the CNV field on Block 9-2, Vietnam

I**IFRS**

International Financial Reporting Standards

IMF

The International Monetary Fund

IOGP

International Association of Oil & Gas Producers

IPR or IPR Energy Group

The IPR Energy group of companies, including IPR Lake Qarun and IPR Energy AG, or such of them as the context may require

IPR Lake Qarun

IPR Lake Qarun Petroleum Co, an exempted company with limited liability organised and existing under the laws of the Cayman Islands (registration number 379306), a wholly owned subsidiary of IPR Energy AG

J**JOC**

Joint operating company

JV

Joint venture

K**km**

Kilometre

km²

Square kilometre

L**LTI**

Lost Time Injury

LTIP

Long Term Incentive Plan

GLOSSARY OF TERMS - CONTINUED

M**m**

Million (where used to describe a monetary amount)

mmboe

Million barrels of oil equivalent

MMstb

Millions of stock tank barrels

N**NAV**

Net asset value

NBE or NBE UK

the National Bank of Egypt (UK) Limited, a subsidiary of National Bank of Egypt, the largest Egyptian commercial bank and owned by the state of Egypt

NBS, North Beni Suef or the North Beni Suef Concession

The concession agreement for petroleum exploration and exploitation entered into on 24 December 2019 between the Arab Republic of Egypt, EGPC and Pharos El Fayum in respect of the North Beni Suef area, Nile Valley

Net Zero Roadmap

The Group's detailed net zero roadmap to achieve net zero GHG emissions by 2050, published in December 2023

O**OCF**

Operating cash flow

opex

Operational expenditure

P**PEF**

Pharos El Fayum, a wholly owned subsidiary of the Company holding the Group's participating interest in El Fayum and North Beni Suef

Petrosilah

An Egyptian joint stock company held 50/50 between EGPC and the Contractor parties under the El Fayum Concession (being IPR Lake Qarun and PEF)

Petrovietnam

Vietnam National Industry – Energy Group, the Vietnamese state-owned integrated oil and gas company

PP&E

Property, plant and equipment

prospect

An identified trap that may contain hydrocarbons. A potential hydrocarbon accumulation may be described as a lead or prospect depending on the degree of certainty in that accumulation. A prospect generally is mature enough to be considered for drilling

PSC

Production sharing contract or production sharing agreement

PV

Solar photovoltaic

R**Reserves or reserves**

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial and remaining based on the development projects applied

RBL

Reserve-based lending facility

RFDP

Revised field development plan

RPI

Retail Price Index

T**TGT**

Te Giac Trang field located in Block 16-1, Vietnam

T-HUET

Tropical Helicopter Underwater Escape Training

TLJOC

Thang Long Joint Operating Company, the operator of Block 15-2/01, Vietnam, with which the HLJOC shares access to the FPSO used for TGT production

TSR

Total Shareholder Return

U**UK**

United Kingdom

USD, US dollars, US\$ or \$

United States dollars, the lawful currency of the United States of America

£ or GBP

UK Pound Sterling

1C

Low estimate scenario of Contingent Resources

1P

Equivalent to proved Reserves; denotes low estimate scenario of Reserves

2C or 2C Contingent Resources

Best estimate scenario of Contingent Resources

2P, 2P Reserves or 2P Commercial Reserves

Equivalent to the sum of proved plus probable Reserves; denotes best estimate scenario of Reserves

3C

High estimate scenario of Contingent Resources

3P

Equivalent to the sum of proved, probable and possible Reserves; denotes high estimate scenario of Reserves

COMPANY INFORMATION

Company Information

Registered office:

Pharos Energy

27/28 Eastcastle Street, London
W1W 8DH, United Kingdom
Registered in England
T +44 (0)20 7747 2000
Company No. 3300821
www.pharos.energy

Company Secretary

Tony Hunter

Financial Calendar

Group results for the year to 31 December are announced in March. The Annual General Meeting is held during the second quarter. Interim Results to 30 June are announced in September.

Auditors:

Ernst & Young LLP

1 More London Place, London
SE1 2AF, United Kingdom

Bankers:

J.P. Morgan Chase Bank

25 Bank Street, London, E14 5JP
United Kingdom

HSBC UK Bank plc

1 Centenary Square, Birmingham
B1 1HQ, United Kingdom

BNP Paribas – Singapore Branch

10 Collyer Quay
#33-01 Ocean Financial Center
049315
Singapore

Corporate Brokers:

Peel Hunt

100 Liverpool Street, London
EC2M 2AT, United Kingdom

Shore Capital

Cassini House, 57 St James's Street,
London SW1A 1LD, United Kingdom

Registrar:

Equiniti Limited

Aspect House
Spencer Road Lancing, BN99 6DA
United Kingdom

* Some images used in this report are stock photos and are for illustrative purposes only.



PHAROS

E N E R G Y

Pharos Energy (Head Office)

Eastcastle House
27/28 Eastcastle Street
London
W1W 8DH
United Kingdom

Registered in England
Company No. 3300821

T +44 (0)20 7747 2000

 www.pharos.energy